



Item: AF: A-6

AUDIT AND FINANCE COMMITTEE

Thursday, June 5, 2014

SUBJECT: REQUEST FOR APPROVAL OF THE 2014-15 WORK PLAN FOR THE OFFICE OF INSPECTOR GENERAL

PROPOSED COMMITTEE ACTION

Review and recommend approval of the 2014-15 Office of Inspector General (OIG) Work Plan.

BACKGROUND INFORMATION

The Office of Inspector General develops its annual work plan based on a risk assessment of basic programs, functions, and activities of the University. Input is sought from senior management, the BOT Audit and Finance Committee, and the internal audit staff through a risk assessment survey. A proposed work plan is prepared by applying auditor judgment, with an emphasis on avoiding duplication of audit services, among other considerations. The final work plan was approved by the president and is being presented to the Committee for review and approval.

IMPLEMENTATION PLAN/DATE

July 1, 2014.

FISCAL IMPLICATIONS

Not applicable.

Supporting Documentation: 2014-15 OIG Work Plan

Presented by: Mr. Morley Barnett, Inspector General


Phone: 561-297-3682

FAU

**FLORIDA ATLANTIC
UNIVERSITY**

MEMORANDUM

TO: Dr. John Kelly
President

FROM: Morley Barnett 
Inspector General

DATE: May 22, 2014

SUBJECT: 2014/15 Work Plan

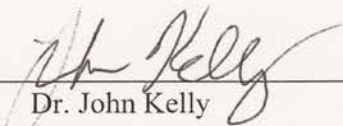
Attached for your review and approval is our One-Year Work Plan for Florida Atlantic University covering fiscal year 2014/15.

Our plan reflects a commitment by the Office of Inspector General to provide the University with services in the areas of traditional audits, management advice, accountability activities, and the performance of non-criminal investigations. The plan was prepared with input from senior management, members of the BOT Audit and Finance Committee, and our audit staff. As in previous years, we requested completion of a risk assessment survey by various stakeholders. Survey results did not yield a consensus as to which areas bear the most risks, and therefore, using our professional judgment, we are proposing those activities and functions we believe are best suited for various levels of audit coverage during the upcoming fiscal year.

We believe the proposed plan is balanced and offers flexibility to make logical changes, should they be required, and is designed to avoid unnecessary repetition of recent audits or duplication of services by others who are responsible for providing audit and accountability oversight for the University and its affiliated organizations.

If you have any questions or need additional information, please contact me.

Approved: _____


Dr. John Kelly
President

5/22/14
Date



Office of Inspector General

Risk Plan Assessment - FY 2014/15

BACKGROUND

In accordance with professional standards of the Institute of Internal Auditors, the Office of Inspector General (OIG) has completed its annual risk assessment of the University's programs, activities, and functions. Results of the risk assessment process provide the primary information source for developing our annual work plan for the University. Care is taken in developing the work plan to: 1) effectively use the OIG professional staff; 2) avoid duplicating audit coverage of other audit providers and regulatory agencies; and, 3) maintain a reasonable balance between the types of services offered the University community - audits, consulting services, and non-criminal investigations.

Critical to the assessment process are surveys completed by senior management and Board of Trustees Audit and Finance Committee (AFC) members. These surveys help to provide risk evaluations for the programs, functions, and activities of 17 major business cycles of the University. Surveyed individuals are requested to rate the perceived risk of each program, function, and activity on a sliding scale from 1 through 5, with 5 considered the most risk-prone categories.

Factors considered in determining upcoming internal audits

As with other past annual risk assessments, we encouraged all participants in the risk assessment process to consider various risk factors that are common to higher education, and to FAU in particular, when deciding possible areas to be audited during the 2014/15 fiscal year. Some of the more significant factors include:

- Whether the program, function, or activity had been subjected to an internal or external audit within the last five years;
- Turnover of key personnel;
- Whether there were numerous findings and recommendations in prior audits;
- Results of follow-up on prior recommendations;
- Recent changes in computerized applications or systems; and,
- Recent significant changes in laws, rules, regulations or policies.



Office of Inspector General

Risk Plan Assessment - FY 2014/15

Recommended internal audit services for fiscal year 2014/15

Over the past several years, we concentrated our efforts on core university operations such as Accounts Payable, Payroll, Cashiering, Undergraduate Admissions, Student fees, Revenue-generating contracts, Research compliance (Time and Effort Reporting and Sub-recipient Monitoring), Construction, Parking and Transportation Services, Housing and Residential Life, Student Government, Employee Outside Activities, and Faculty Activities Reporting. The planned audits for fiscal 2014/15 reflect our commitment to further cover University functions and activities which may have not been audited in the past or for an extended period.

Based on an analysis of internal audits that have been performed within the last five years, and consideration of areas that have not previously been audited, we plan to conduct internal audits of the following:

- 1) Human Resources – New Hires;
- 2) NCAA Compliance – Sports Camps and Clinics;
- 3) Fiscal Management of Telephone Charges
- 4) College of Business – Executive Programs;
- 5) Graduate Admissions; and,
- 6) University Meal Plan.

Also, in keeping with our commitment to provide management advisory reviews, we plan to provide consulting services related to the student grading process and select operations of a limited number of institutes and centers.



Office of Inspector General
2014/15 Work Plan

SPECIAL ON-GOING REVIEWS

The following areas are examined at least annually:

- gDirect Support Organizations (DSO) transactions
- gPurchasing Card (pCard) Program
- gSurprise Counts of Change/Petty Cash Funds
- gPayroll Certifications

INTERNAL AUDITS

- gHuman Resources - New Hires
- gCollege of Business - Executive Programs
- gNCAA Compliance - Sports Camps and Clinics
- gFiscal Management of Telephone Charges
- gGraduate Admissions
- gUniversity Meal Plan

MANAGEMENT ADVISORY SERVICES

- gCenters and Institutes (review of several entities yet to be determined)
- gStudent Grades

OTHER OFFICE ACTIVITIES

- Periodic follow-up on Auditor General, internal audit and external audit report recommendations
- GetLean Hotline, other anonymous complaints and/or Whistle Blower investigations
- Special projects and investigations, as requested
- Coordination of all University external audits
- Consultation with University administrators, as needed

PERFORMANCE-BASED FUNDING METRICS

Review of data linked to metrics established by the Florida Board of Governors will be considered based on requests by state officials, University management and/or the FAU Board of Trustees.

FAU
FLORIDA ATLANTIC
UNIVERSITY

OFFICE OF INSPECTOR GENERAL
WORK PLAN
TIME ANALYSIS For FISCAL YEAR 2014/15

	HOURS
Total Available Time (Inspector General + 3 Staff @ 2080 hrs.)	8,320
Less:	
Vacation	650
Sick Leave	600
Personal Holidays	32
Holidays (incl extended Dec holidays)	448
Staff Development/Training	300
	(2,030)
Total Available Productive Time	6,290
Internal Audits	2,900
Special On-Going Reviews	1,150
Management Advisory Services/Consulting	650
Investigations	150
Follow-Up on Recommendations	450
Service Delivery Support	150
Office Administration	650
	(6,100)
Unallocated - Available for Unscheduled Work and Special Projects	190
 Special On-Going Reviews	
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DSO transactions - FAU Foundation, FAU Research Corp., and HBOI Foundation	350
Purchasing Card Reviews (including daily monitoring of transactions)	400
Surprise Counts of Change/Petty Cash Funds	100
Payroll Certifications	300
	1,150
 Internal Audits	
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Human Resources - New Hires	550
College of Business - Executive Programs	500
NCAA Compliance - Sports Camps and Clinics	500
Fiscal Management of Telephone Charges	450
Graduate Admissions	450
University Meal Plan	450
	2,900
 Management Advisory Services/Consulting	
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Centers and Institutes	350
Student Grades	200
Miscellaneous ad-hoc consulting	100
	650