

AUDIT AND FINANCE COMMITTEE

Tuesday, October 21, 2014

**SUBJECT: OFFICE OF THE INSPECTOR GENERAL'S REPORT OF ANNUAL ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2014.**

PROPOSED COMMITTEE ACTION

Information Only

BACKGROUND INFORMATION

In accordance with the Office of Inspector General's Internal Audit Charter, an annual report is issued to communicate the office's activities of the previous fiscal year. The report summarizes internal audits, follow-up on prior audit recommendations, investigations, and consulting activities, as well as goals and challenges for the upcoming fiscal year.

IMPLEMENTATION PLAN/DATE

Not Applicable

FISCAL IMPLICATIONS

Not Applicable

Supporting Documentation: OIG Report of Annual Activities for FY Ended June 30, 2014

Presented by: Mr. Morley Barnett, Inspector General

Phone: 561-297-3682

Florida Atlantic University
Office of Inspector General



Annual Report of Activities
Fiscal Year Ended June 30, 2014

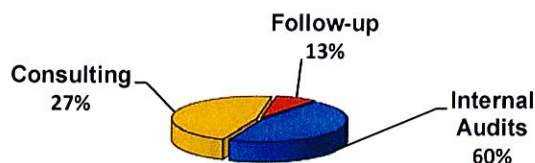
Our Mission and Standards

The mission of the Office of Inspector General (OIG) is to add value to the University through evaluation of its control environment, risk management, and governance processes. OIG provides a number of diverse but related activities - audit, consulting, and investigative services - intended to promote accountability, integrity, and efficiency within the University. The Office operates under international standards promulgated by the Institute of Internal Auditors and follows an annual work plan, developed with input from senior management and members of the Board of Trustees' Audit and Finance Committee.

2013-2014 Highlights

During fiscal year 2013-14, our office spent a total of 5,385 hours in support of direct services related to our mission.

Relative Effort for 2013-2014



AUDITS

During the fiscal year, we completed six internal audits. Total time spent on these projects was 3,221 hours. Results of our completed audits are summarized on page 3 of this annual report.

AUDIT FOLLOW-UP

In total, 697 hours were spent on efforts to determine the implementation status of prior audit recommendations made by the Florida Auditor General's Office and the Office of Inspector General. Of 23 items subject to follow-up, 19 were fully implemented and the remaining four were partially implemented.

CONSULTING SERVICES

OIG provides various levels of management with scheduled and ad hoc advice on operations and the system of internal controls on an on-going basis. During 2013/14, our consulting projects included periodic reviews of p-Card transactions, review of select activities of the FAU Foundation, departmental payroll certification reviews, and periodic surprise cash counts of the University's petty cash/operating change funds. In addition to these typical annual consulting services, we completed an evaluation of the University's faculty credentialing process. Based on our limited testing and other procedures applied, we found that the credentialing process applied to both new and existing faculty, who taught courses during the 2013 fall semester, were consistent with guidelines established by the Provost's Office.

INVESTIGATIONS

Our office is responsible for conducting non-criminal investigations that may impact the University's functions, programs, or activities. The OIG website has an anonymous complaint form which, among other media, encourages the reporting of potential irregularities or known fraudulent activities. During the 2013/14 fiscal year, no complaints or internal audit issues lead us to conduct any significant investigations.

Summary of Audits

Employee Outside Activities and Dual & Additional Comp Synopsis of Scope and Objectives:

Objectives were to determine adequacy of systems, policies, and procedures in place to ensure that employees were aware of requirements for reporting outside activities, and work arrangements involving additional compensation paid by the university or other state agencies were properly administered.

Summary of Recommendation:

Improve oversight of documentation required for additional compensation.

Research - Sub-recipient Contract & Award Monitoring Synopsis of Scope and Objectives:

Evaluate adherence to policies and procedures established to monitor Federally-funded subcontracts paid to non-Federal entities.

Summary of Recommendation:

One recommendation made to obtain required documentation for two of 10 subcontracts reviewed; documents were obtained prior to issuance of audit report.

Faculty Activity Reporting Synopsis of Scope and Objectives:

Assess adequacy of policies, procedures, and completeness of supporting documentation related to the annual reporting of instructional and non-instructional faculty activities to the Florida Board of Governors.

Summary of Recommendation:

Improve completeness, including approval of faculty assignments, and other supporting documents required to be reported on the FAIR system.

Karen Slattery ERCCD Synopsis of Scope and Objectives:

Audit various financial and operational aspects of the Educational Research Center for Child Development to determine compliance with established University policies and procedures and sound business practices.

Summary of Recommendations:

Two recommendations made to improve internal controls over financial operations, including best practices for accountability of money collections.

Travel Synopsis of Scope and Objectives:

Audit objectives were to determine adequacy of controls over the travel function and travel operations were conducted in compliance with laws, rules, regulations, university policies and procedures and sound business practices.

Summary of Recommendations:

Four recommendations related to travel documentation, updating policies and procedures, and monitoring of unfiled travel reimbursements.

Student Accounts Receivable Synopsis of Scope and Objectives:

Primary focus of the audit was on adequacy of controls over collection follow-up efforts, referrals to collection agencies, and write-off of delinquent accounts.

Summary of Recommendations:

Three recommendations were made regarding contracts with collection agencies, collection follow-up activities, and payment of collection agency invoices.

FAU REPORT OF OUTSIDE EMPLOYMENT or PROFESSIONAL ACTIVITY for FAU EMPLOYEES

Select: Original Submission Updated or Continuing Submission

This report of proposed outside employment activity is completed in order to comply with the rules of the University and the provisions of applicable Collective Bargaining Agreements. Please note that this report must be submitted and necessary approval obtained on an annual basis for any activity commencing beyond June 30 of the year referenced.

If the outside employment activity involves an entity or agency doing business with or proposing to do business with the University or the time this form is completed, the employee should also attach a **REPORT OF SPECIFIED INTERESTS** form.

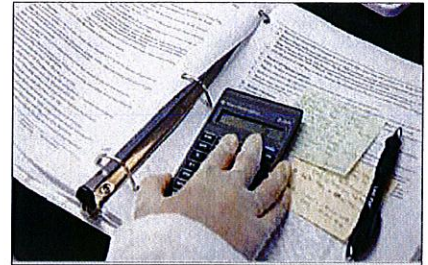
EMPLOYEE INFORMATION

Employee Name: _____ Employee Status: (please select)
 AMP SP Administrative F
Title: _____ Instructional Faculty: 9 Month 12 Month
Department/Unit: _____

PROPOSED EMPLOYMENT/ACTIVITY

Area of Employment Activity (please check all that apply):
 Continuing Business Interest (including managerial interest or position) Other Professional Activity
 Other Compensation Activity

Name of Employer/Activity: _____ Anticipated Start: _____
Location/City, State, Country: _____ Reg # of Hours per Week: _____



FAU FLORIDA ATLANTIC UNIVERSITY
INSTITUTIONAL EFFECTIVENESS AND ANALYSIS

Home | FAU Faculty Academic & Information Reporting

Faculty Academic & Information Reporting - FAIR

FAIR System Login

Guides & Instructions
Quick Help
Help with Activity Reports
Faculty - How to Sign Your Annual Assignment Report

Interactive Reporting
Interactive Surveys
Course Data Set
Quick Facts
Fact Books
Peer Institutions
Requests for Information
Department & Program Review
Assessment



FAIR Debt Collection Practices Act

STUDENT FINANCIAL SERVICES

Delinquent Account Collection

According to Florida Statute 101.15, each university is directed to meet every effort to collect all delinquent accounts, including the release of a collection agency, notifying the student of the amount due, and the date of delinquency. Therefore, any delinquent account, with a balance more than 90 days past due, is being referred to a collection agency. Once a delinquent account is referred to a collection agency, the student is responsible for paying the collection costs to the University as well as the original amount due.

Other Activities

In addition to its planned direct services, OIG spent approximately 17% of total available hours on administrative and service delivery support activities. Examples of the most significant other activities included the preparation of the annual risk analysis, related work plan, and our annual report, coordinating activities with external auditors, addressing personnel matters, and general internal administration of the office. The OIG staff also spent 186 hours, or 3% of total available time, fulfilling continuing professional education requirements prescribed by professional standards.

Goals and Challenges for 2014/15

- ◇ Timely completion of the 2014/15 work plan, including a BOG-required audit of existing controls and processes related to integrity of data submitted in support of its performance funding model.
- ◇ Add value to the University's operations by identifying and addressing risks with management and the Board of Trustees, and encouraging all employees to guard against fraud, waste, and abuse.

Contact Information



Office of Inspector General
Administration Building
777 Glades Road
Boca Raton, Florida 33431
www.fau.edu/admin/oig

A word from the IG ...

Our staff is grateful to the various members of the FAU community who participated in our efforts to effectively carry out our mission. We appreciate the assistance of all employees who contributed to the successful completion of the internal audits, follow-up on prior audit recommendations, and consulting projects during the fiscal year.

Morley Barnett, CPA, CFE
Inspector General
mbarnett@fau.edu
(561) 297-6493



-OFFICE OF INSPECTOR GENERAL PROFESSIONAL STAFF-

Mike Hewett, CIA, CBA, CFSA, CGAP
Director of Audits and Investigations
mhewett@fau.edu / (561) 297-6467



Allaire Vroman
Internal Auditor/Investigator
avroman@fau.edu / (561) 297-6466



Ben Robbins, CPA
Internal Auditor/Investigator
brobbin@fau.edu / (561) 297-6468

