

**AUDIT AND COMPLIANCE COMMITTEE**

Tuesday, November 17, 2020

**SUBJECT: REQUEST FOR APPROVAL OF THE 2020-21 WORK PLAN FOR THE OFFICE OF INSPECTOR GENERAL**

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**PROPOSED COMMITTEE ACTION**

Review and recommend approval of the 2020-21 Office of Inspector General (OIG) Work Plan.

**BACKGROUND INFORMATION**

In accordance with our Internal Audit Charter and standards promulgated by the Institute of Internal Auditors, 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 the Chair, BOT Audit & Compliance Committee, and the internal audit staff through a risk assessment. A proposed work plan is prepared by applying auditor judgment, with an emphasis on avoiding duplication of audit services, and providing a number of diverse, but related activities - audit, consulting, and investigative services - intended to promote accountability, integrity, and efficiency.

With respect to the proposed work plan, our staff remains independent and objective relative to the scheduled projects, and our current staffing level is considered adequate to complete the plan.

**IMPLEMENTATION PLAN/DATE**

Upon approval from the Board of Trustees

**FISCAL IMPLICATIONS**

Not applicable

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**Supporting Documentation:** 2020-21 OIG Proposed Work Plan  
**Presented by:** Ms. Stacy Volnick, Vice President Administrative Affairs **Phone:** 561-297-6455



## Proposed Internal Audit Work Plan for Fiscal Year 2020/2021

### **ON-GOING REVIEWS**

The following areas are examined at least annually by the Office of the Inspector General:

- FAU Foundation- Select transactions – *This annual audit is performed at the request of the FAU Foundation Board Audit Committee*

### **INTERNAL AUDITS**

- Performance-based Funding Data Integrity
- NCAA Compliance – Recruiting
- CARES Act

### **OTHER OFFICE ACTIVITIES**

- Periodic follow-up on recommendations from internal audits and reports issued by the Florida Auditor General;
- Anonymous complaints – anonymous complaints are submitted through an on-line portal
- Requests to respond to complaints received by the Board of Governors or the Florida Chief Inspector General, and Whistleblower investigations;
- Coordination of University external audits, as requested; and,
- Consultation with University administrators, as needed



Office of the Inspector General  
Proposed 2020-21 Work Plan Narrative

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 by other audit providers and regulatory agencies; 3) identify those potential audit areas that hold the greatest institutional risk and, 3) maintain a reasonable balance between the types of services offered the University community - audits, consulting services, and non-criminal investigations.

The assessment was accomplished by IG staff identifying those areas of greatest institutional risk and confirming those areas had not been subject to recent internal audits. Those suggestions were shared with the Chair, Board of Trustees Audit and Compliance Committee to form the recommended plan.

FACTORS CONSIDERED IN DETERMINING PROPOSED AUDITS

The IG staff was encouraged to consider various risk factors when suggesting possible areas to be audited during the 2020-21 fiscal year. In doing so, they were asked to identify areas that have the greatest institutional risk – reputational and fiscal. It is important to note the the reasons for the audit and potential risk factors identified are *NOT* associated with any preliminary field work or noted deficiencies but instead potential risk factors associated with this institutional function. Some of the more significant factors include:

- Whether the program, function, or activity had been subjected to an internal or external audit in recent years
- Turnover of key personnel
- Whether there were numerous findings or recommendations in prior audits
- Results of follow up recommendations
- Volume and complexity of transactions
- Major changes in business applications or information technology systems
- Recent significant changes in laws, rules, regulations or University policies and procedures.

Recommended Internal Audit Services for FY 2020-21

<b>Proposed Internal Audit</b>	<b>Purpose of Audit – <i>Potential Financial/Reputational Risks Identified</i></b>
Performance Based Funding Metrics – data integrity	<ul style="list-style-type: none"> <li>• Recurring annual audit required by the Florida Board of Governors related to data used for performance-based metrics</li> </ul>
NCAA Compliance – recruiting - <i>Complete the entire audit, including audit report draft to be issued in early 2021</i>	<ul style="list-style-type: none"> <li>• Violations of NCAA Recruiting Regulations can result in NCAA penalties and sanctions levied against the University, Athletics’ Department, and individual student athletes.</li> </ul>
CARES Act	<ul style="list-style-type: none"> <li>• Determine University compliance with the recent CARES Act (Funds used within the Dept. of Education and CARES Act guidelines)</li> <li>• Reporting compliance</li> </ul>