



Item: AC: I-1

AUDIT AND COMPLIANCE COMMITTEE
Tuesday, November 17, 2020

**SUBJECT: OFFICE OF INSPECTOR GENERAL'S REPORT OF ANNUAL ACTIVITIES FOR
FISCAL YEAR ENDED JUNE 30, 2020**

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 primary activities of the previous fiscal year. The report summarizes internal audits, follow-up on prior audit recommendations, non-criminal 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, 2020

Presented by: Ms. Stacy Volnick, VP of Administrative Affairs
And Chief Administrative Officer

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Florida Atlantic University
Office of Inspector General



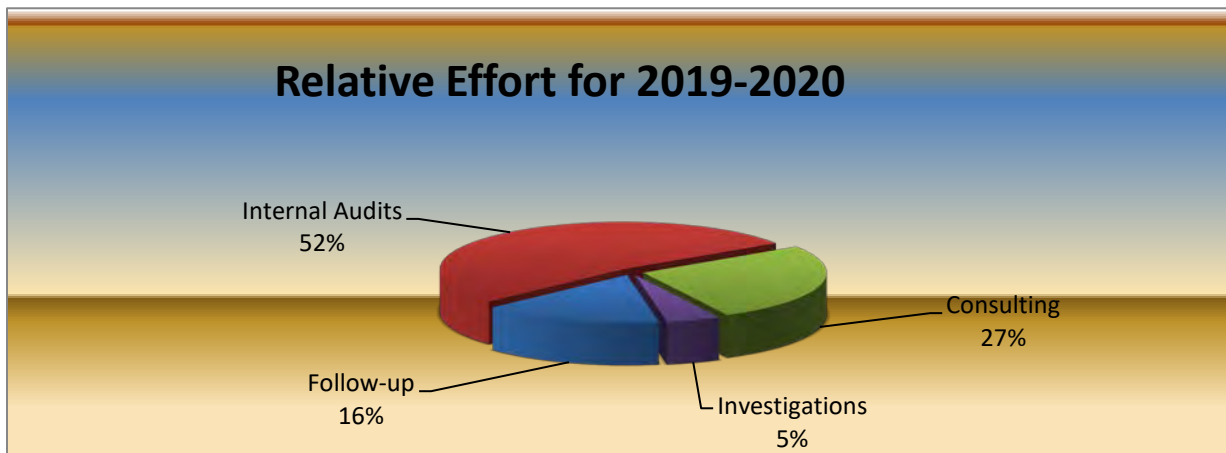
Annual Report of Activities
Fiscal Year Ended June 30, 2020

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 non-criminal 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 Compliance Committee.

2019-2020 Highlights

During fiscal year 2019/20, our office spent a total of 2,940 hours in support of direct services related to our mission.



AUDITS

For the fiscal year ended June 30, 2020, we completed an audit requested by the Florida Board of Governors of all public universities related to data integrity used to support system-wide performance based funding metrics. Results of this audit are summarized on page 3 of this report.

AUDIT FOLLOW-UP

In total, 465 hours were spent on efforts to determine the implementation status of prior audit recommendations. Of nine items subject to follow-up, six were considered to be partially implemented; and, three were indeterminate. Additional assurance work will be performed for these items as part of our on-going follow-up program.

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 this reporting period, our most significant consulting project was an analysis of select expenditure transactions of the FAU Foundation.

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 encourages the reporting of potential irregularities or known fraudulent activities. During 2019/20 fiscal year, no complaints or internal audit issues lead us to conduct any significant investigations.

Summary of Internal Audits

Performance Based Funding Data Integrity

Synopsis of Scope and Objectives:

Evaluate institutional controls and processes in place for proper data compilation and timely submission to the Board of Governors. This audit also served as support for a BOG-required certification of the University's data integrity by the president and board of trustee's chair.

Summary of Recommendations:

No recommendations were made for the current audit.

Florida Board of Governors Performance-Based Funding Allocation, 2020-21 May 28, 2020					
	2019 Scores	2020 Scores	Allocation of State Investment	Allocation of Institutional Investment	Total Performance- Based Funding Allocation
FAMU	70	73	\$13,322,826	\$14,831,071	\$28,153,897
FAU	86	85	\$21,197,885	\$23,597,645	\$44,795,530
FCCU	81	88	\$11,715,809	\$13,042,127	\$24,757,936
FTU	87	88	\$31,333,250	\$34,880,409	\$66,213,659
FSU	88	85	\$41,292,730	\$45,967,379	\$87,260,109
NCF	67	87	\$4,035,348	\$4,492,180	\$8,527,528
UCF	88	89	\$35,175,932	\$39,158,113	\$74,334,045
UF	95	90	\$47,699,700	\$53,099,666	\$100,799,366
UNF	78	83	\$13,214,326	\$14,710,288	\$27,924,614
USF	92	94	\$35,923,379	\$39,990,177	\$75,913,556
UWF	94	82	\$10,088,815	\$11,230,945	\$21,319,760
Total			\$265,000,000	\$295,000,000	\$560,000,000

Other Activities

In addition to its planned direct services, OIG spent approximately 8% of total available hours on administrative and service delivery support activities. Examples of the most significant other activities included: 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 46.5 hours, or 1.1% of total available time, fulfilling continuing professional education requirements prescribed by professional standards.

Compliance with professional audit standards and Board of Governors Regulation

Consistent with professional standards established by the Institute of Internal Auditors (IIA) and BOG Regulation 4.002, *State University System Chief Audit Executives*, we are organizationally independent of the activities, programs and functions we review, and we consistently strive to ensure that all services provided to the University are carried out with objectivity, professionalism and adhere to ethical standards.

Goals and Challenges for 2020/21

- ◇ Completion of the NCAA Compliance – Recruiting audit started during 2019/20, but delayed due to the COVID-19 pandemic.
- ◇ Our 2020/21 work plan includes an audit and/or management advisory service (consulting) review to determine university compliance with the recent CARES Act, including a BOG-required audit of existing controls and processes related to integrity of data submitted in support of its performance-based funding model.
- ◇ Add value to the University's operations by identifying and addressing institutional risks, and encouraging all employees to guard against fraud, waste, and abuse.

OIG Staffing Changes

Morley Barnett, FAU's former Chief Audit Executive, retired in January 2019. The Board of Trustees and management continue to search for his replacement.

Contact Information

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