

# Florida Atlantic University

## Office of Inspector General



Report on Annual Activities

Fiscal Year Ended June 30, 2007

## Our Mission and Standards

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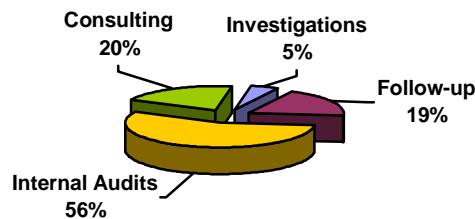
The mission of the Office of Inspector General (OIG) is to add value to the University through evaluation of its control environment, risk management and governance processes. OIG provides a number of diverse but related activities - audit, consulting, and investigative services - intended to promote 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.

## 2006-2007 Highlights

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During fiscal year 2006-07, our office spent a total of 5,754 hours in support of direct services related to our mission.

### Relative Effort for 2006-2007



### AUDITS

During the fiscal year we completed all six of our planned audits. Total time spent on these projects was 3,242 hours. Results of our completed audits are summarized on pages 3 and 4 of this annual report.

### AUDIT FOLLOW-UP

In total, 1,077 hours were spent on efforts to determine the implementation status of prior audit recommendations made by the Florida Auditor General and the Office of Inspector General. Of 62 recommendations that were subject to follow-up, approximately 61% were considered fully implemented and 31% partially implemented. The remaining 8% of recommendations had not been implemented.

### INVESTIGATIONS

OIG was involved with four complaints during the 2006/07 fiscal year. One complaint was generated through the state's GetLean hotline and three were from other sources. The most significant and complex of the four investigations involved time management and compensation issues within the Testing and Evaluation Department. As a result of the investigation, several departmental assignment and management changes were made.

### 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 2006/07, our consulting projects included review of expenditures by University direct support organizations and periodic surprise cash counts of the University's petty cash/operating change funds. In addition to these scheduled projects, we assisted the FAU Foundation by reviewing documentation used to support a request for matching certain bundled gifts with state funds. During the fiscal year we also expanded the scope of our purchasing card (pCard) monitoring activities to include a daily review for possible anomalies in types, frequency, and other expenditure trends. No exceptional transactions were noted as a result of this increased scrutiny.

# Summary of Audits

## **Broward Cashier's Offices**

### **Synopsis of Scope and Objectives:**

Controls at the cashier's offices on the Davie and Ft. Lauderdale campuses were evaluated for adequacy of accountability for money collections and customer refunds, as well as safeguarding of cashier personnel and monetary assets.

### **Summary of Recommendations:**

Twelve recommendations were made to address transaction accountability, segregation of duties, and asset security issues.



## **Traffic & Parking Services**

### **Synopsis of Scope and Objectives:**

Controls for Traffic and Parking Services were evaluated for accountability over revenues, and physical security over parking services personnel, unissued parking permits, and monetary assets.

### **Summary of Recommendations:**

Thirteen recommendations were made to address documentation deficiencies, employee and asset security, and segregation of duties issues.



## **NCAA Compliance - Recruiting**

### **Synopsis of Scope and Objectives:**

We evaluated the effectiveness of established policies, procedures, and practices used to administer and monitor recruiting of student-athletes for the 2006 fall semester.

### **Summary of Recommendations:**

Four recommendations were made to strengthen the system of monitoring and documenting athletic recruiting activities.



## **Student Employment**

### **Synopsis of Scope and Objectives:**

Our objectives were to evaluate the adequacy and effectiveness of internal controls over the hiring and termination processes, and maintenance of required student employment records.

### **Summary of Recommendations:**

Four recommendations were made to address procedural and documentation issues.



## **Housing and Residential Life**

### **Synopsis of Scope and Objectives:**

Audit objectives were to ensure that revenues were properly supported and accurately recorded, and security issues affecting housing residents and facilities were documented, with appropriate intervention by responsible employees.

### **Summary of Recommendations:**

We identified opportunities for improvements related to transaction documentation, safety & security, and asset accountability. Six recommendations were made to address our findings.



## Payroll

### Synopsis of Scope and Objectives:

Our objectives were to evaluate processing accuracy and propriety of accounting for a sample of faculty, administrative, and non-student temporary employees; accuracy and timeliness of federal payroll tax payments and filing of related information returns, and proper handling of 2006 year-end tax reporting; and adequacy of management controls used to monitor the payroll function.

### Summary of Recommendations:

No reportable recommendations were made as a result of this audit.



## **Other Activities**

In addition to its planned direct services, OIG spent approximately 12% of total available hours on administrative and support activities. Examples of the most significant activities included the preparation of the annual risk analysis, related work plan, and the annual report, coordinating activities with external auditors, addressing personnel matters, and general internal administration of the office. The OIG staff also spent 256 hours, or three percent of total available time, fulfilling continuing professional education requirements prescribed by professional standards.

During the fiscal year our office was subjected to a Quality Assessment Review which is required at least every five years under standards set by the Institute of Internal Auditors (IIA). Overall, results of the peer review were positive and the reviewer concluded that activities of the OIG generally conform to standards established by the IIA. Also, during the 2006/07 fiscal year, Inspector General Morley Barnett served as chairman of the State University Audit Council (SUAC). The council meets biannually to discuss audit, compliance, investigative and other issues that are critical to the internal audit function at Florida's eleven public universities.

## **Goals and Challenges for 2007/08**

- # Timely completion of the 2007/08 work plan;
- # Continue to 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; and
- # Coordinate internal audit activities with the Board of Governors' newly-hired Inspector General.

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For additional copies of this report or comments concerning our activities, please contact Morley Barnett, Inspector General.