



Item: AF: I-2

AUDIT AND FINANCE COMMITTEE

Wednesday, October 21, 2009

**SUBJECT: OFFICE OF THE INSPECTOR GENERAL'S REPORT OF ANNUAL ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2009.**

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 fiscal year 2009/2010.

IMPLEMENTATION PLAN/DATE

Not Applicable

FISCAL IMPLICATIONS

Not Applicable.

Supporting Documentation: OIG Report on Annual Activities for FY Ended June 30, 2009

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FAU

**FLORIDA ATLANTIC
UNIVERSITY**

Office of Inspector General



Report on Annual Activities

Fiscal Year Ended June 30, 2009

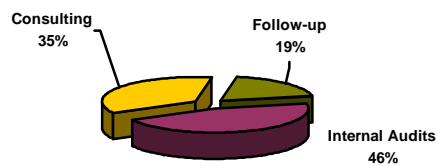
Our Mission and Standards

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.

2008-2009 Highlights

During fiscal year 2008-09, our office spent a total of 6,159 hours in support of direct services related to our mission.

Relative Effort for 2008-2009



AUDITS

During the fiscal year, we completed all five of our planned audits. Total time spent on these projects was 2,666 hours. Results of our completed audits are summarized on page 3 of this annual report.

AUDIT FOLLOW-UP

In total, 1,070 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 60 items that were subject to follow-up, the following conclusions indicate the implementation status of the recommendations as of June 30, 2009:

- | | | |
|--|----|-------|
| • <i>Fully Implemented</i> | 41 | (68%) |
| • <i>Partially Implemented</i> | 17 | (28%) |
| • <i>Implementation no longer applicable</i> | 1 | (2%) |
| • <i>Not Implemented</i> | 1 | (2%) |

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 2008/09, our consulting projects included on-going inspection of daily p-Card transactions, review of expenditures by University direct support organizations, periodic surprise cash counts of the University's petty cash/operating change funds, and examination of landline and cellular phone bills. Other consulting services included an analysis of travel expenses, and review of the University's institutional review boards.

INVESTIGATIONS

Our office is responsible for conducting non-criminal investigations that may impact the University's functions, programs, or activities. During 2008/09, no complaints or internal audit issues lead us to conduct any significant investigations. We reviewed eight anonymous complaints received through a dedicated complaint form on the OIG web site. None of the complaints were considered worthy of critical attention.

Summary of Audits

Student Government Association (SGA)

Synopsis of Scope and Objectives:

Audit coverage was focused on the following objectives:

- Adequacy of internal controls over fiscal operations of the SGA to ensure that budgets, expenditures, and revenues were appropriate, properly organized, supported and recorded.
- Compliance with applicable laws, rules and regulations, and sound business practices relating to fiscal operations of the SGA.

Summary of Recommendations:

Seven recommendations were made to address improvements needed for annual budget preparation, transaction documentation and accountability, and money collection procedures.

Faculty Activity Reporting

Synopsis of Scope and Objectives:

Primary objective of the audit was to determine consistency of documentation maintained by colleges for non-instructional faculty activities reported in the Instructional & Research Data File for the 2007/08 academic year.

Summary of Recommendations:

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

Student Fees

Synopsis of Scope and Objectives:

Key objectives of this audit were to determine:

- Adequacy of management's procedures for periodic monitoring of student matriculation/out-of-state tuition and local fee revenues.
- Proper assessment and recording of fees in the Banner Student system, as well as revenue recognition in the Banner Finance system.

Summary of Recommendations:

No recommendations were made.

Undergraduate Admissions

Synopsis of Scope and Objectives:

This audit centered primarily on evaluative and administrative procedures used by the Office of Undergraduate Admissions for students admitted during the fall 2008 semester.

Summary of Recommendations:

Ten recommendations were made to address ways to ensure correct Florida residency determination, and improve accountability for money collections and asset security.

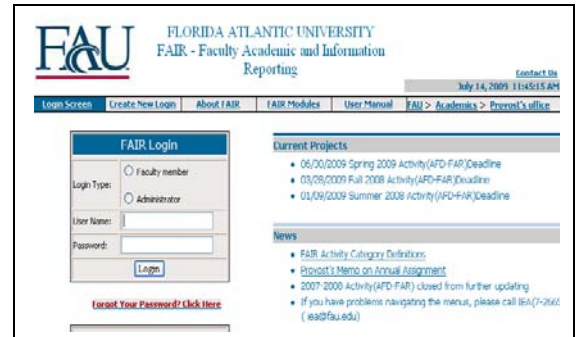
NCAA Eligibility Compliance

Synopsis of Scope and Objectives:

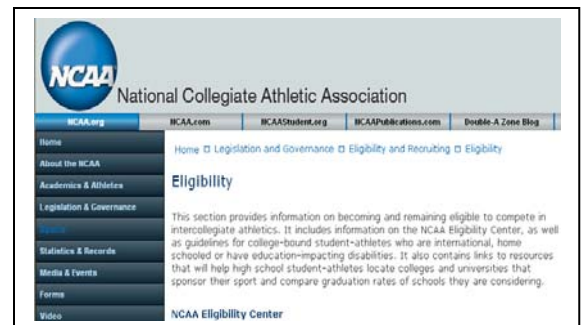
We evaluated the effectiveness of established policies, procedures, and practices used to evaluate and monitor the initial, transfer, and continuing eligibility of student-athletes for the 2008/09 academic year.

Summary of Recommendations:

Four recommendations were made to strengthen procedures for documenting and monitoring eligibility for both recruited and non-recruited student-athletes.



	Undergraduate				Graduate	
	In-State	Out-of-State	In-State	Out-of-State	In-State	Out-of-State
Matriculation Fee ("Tuition")	\$ 82.00	\$ 82.00	\$ 229.24	\$ 229.24	\$ -	\$ 618.52
Non-Resident Fee	\$ -	\$ 632.71	\$ -	\$ -	\$ -	\$ -
Student Financial Aid Fee	\$ 4.02	\$ 23.87	\$ 11.91	\$ 42.89	\$ -	\$ -
Capital Improvement Fee	\$ 2.44	\$ 2.44	\$ 2.44	\$ 2.44	\$ -	\$ -
Housing Fee	\$ 2.32	\$ 2.32	\$ 2.32	\$ 2.32	\$ -	\$ -
Activity & Service Fee	\$ 10.00	\$ 10.00	\$ 10.00	\$ 10.00	\$ -	\$ -
Health Fee	\$ 2.80	\$ 2.80	\$ 2.80	\$ 2.80	\$ -	\$ -
Athletic Fee	\$ 13.75	\$ 13.75	\$ 13.75	\$ 13.75	\$ -	\$ -
Total Per Credit Hour	\$ 122.06	\$ 679.62	\$ 270.49	\$ 618.52	\$ -	\$ -



Other Activities

In addition to its planned direct services, OIG spent approximately 14% of total available hours on administrative and 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 236 hours, or 3% of total available time, fulfilling continuing professional education requirements prescribed by professional standards.

Goals and Challenges for 2009/10

- # Timely completion of the 2009/10 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
- # Increase use of our data mining software in analysis of certain expenses during a time of budgetary constraints and staff reductions.

Contact Information



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A word from our staff . . .

We wish to thank 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.



Ben Robbins, Allaire Vroman, Christine Gnanaseelan, Mike Hewett, Morley Barnett