SUBJECT: OFFICE OF THE INSPECTOR GENERAL’S FISCAL YEAR 2006-2007 WORK PLAN.

PROPOSED BOARD ACTION

Information Only.

BACKGROUND INFORMATION

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 senior management, the audit committee, and the audit staff in completing the risk assessment. A proposed work plan is prepared by applying auditor judgment to areas rated as having the highest risks, with an emphasis on avoiding duplication of audit services. The final plan is approved by the president, with notification to members of the Audit and Finance Committee.

IMPLEMENTATION PLAN/DATE

Not Applicable.

FISCAL IMPLICATIONS

Not Applicable.

Supporting Documentation: OIG 2006/07 Work Plan

Presented by: Mr. Morley Barnett, Inspector General

Phone: 561-297-3682
MEMORANDUM

TO: Frank T. Brogan  
President

FROM: Morley Barnett  
Inspector General

DATE: June 6, 2006

SUBJECT: 2006/07 Work Plan

Attached for your review and approval is our One-Year Work Plan for Florida Atlantic University covering fiscal year 2006/07.

Our plan reflects a commitment by the Office of Inspector General to provide the University with services in the areas of traditional audits, management advice, accountability activities, and the performance of non-criminal investigations. As with the 2005/06 work plan, this proposed plan incorporates suggestions from senior management, the Board of Trustees, and our staff.

We believe the plan offers flexibility to make logical changes, should they be required, and is designed to avoid duplication of services by others who are responsible for providing audit and accountability oversight for the University and its affiliated organizations.

If you have any questions or need additional information, please contact me.

Approved: 

Frank T. Brogan  
President

Date

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SPECIAL ON-GOING REVIEWS
The following areas are examined at least annually:

- Direct Support Organizations (DSO) transactions
- Purchasing Card Program
- Cash Counts (unannounced)

INTERNAL AUDITS

- NCAA Compliance - Recruiting
- Payroll
- Traffic and Parking
- Housing and Residential Life
- Broward Cashiers’ Offices
- Student Employment

MANAGEMENT ADVISORY SERVICES

Consulting services are planned in the following areas to address operational and risk concerns based on current risk surveys and discussions with management.

- Research - Monitoring of Sub-recipients
- Electronic approval of vendor invoices

OTHER OFFICE ACTIVITIES

- Periodic follow-up on Auditor General, internal audit and external audit report recommendations
- GetLean Hotline complaints and/or Whistle Blower investigations, as required
- Special projects and investigations, as requested
- Coordination of all University external audits
- Consultation with University administrators, as needed

PERFORMANCE-BASED BUDGETING MEASURES

Reviews of measurements linked to the University’s strategic plan will be considered based on requests by senior management and/or the Board of Trustees.
Office of Inspector General

Risk Analysis for Fiscal Year 2006/07

FAU
FLORIDA ATLANTIC UNIVERSITY
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 of other audit providers and regulatory agencies; and,
3) maintain a reasonable balance between the types of services offered the University community - audits, consulting services, and investigations.

Foundational to the assessment process are surveys completed by senior management, Board of Trustees members, and the OIG staff. These surveys provide input by the respondents for the programs, functions, and activities of 17 major business cycles of the University. Survey respondents were requested to rate the perceived risk of each program, function, and activity on a sliding scale from 1 through 5, with 5 considered the most risk-prone categories.

Analysis of University business cycles with perceived relative high risks

For those areas with an average risk rating greater than 3.0, consideration was given to the type of service, if any, that the OIG would offer during fiscal year 2006/07. In making this determination, professional judgment was used in evaluating what to include in our plan by applying the following primary factors:

- Whether the program, function, or activity had been subjected to an internal or external audit within the last two years;
- Turnover of key personnel;
- Whether there were numerous findings and recommendations in prior audits;
- Recent changes in computerized applications or systems; and,
- Recent significant changes in laws, rules, regulations or policies.
In addition to analyzing those areas with the highest average risk ratings for inclusion in the annual work plan, we considered other programs, functions, and activities which had not been the subject of recent internal audits or reviews. Using this approach, we plan to conduct an internal audit of the Traffic and Parking Department. Also, in keeping with our commitment to provide management advisory reviews, we plan to provide consulting services on sub-recipient monitoring for research projects and electronic approval of vendor invoices.
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<th>Entity: Business Cycles</th>
<th>AUDIT RATING</th>
<th>Audited by OIG within last two years</th>
<th>Consulting services by OIG within last two years</th>
<th>Subject to recent or periodic external audit</th>
<th>Subject to recent or periodic internal audit</th>
<th>Significant policy or regulatory changes</th>
<th>Management Advisory Service</th>
<th>Scheduled Follow-up on prior recommendations</th>
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