



Item: AC: A-1

AUDIT AND COMPLIANCE COMMITTEE
Tuesday, June 8, 2021

SUBJECT: REQUEST FOR APPROVAL OF FY 2022 ANNUAL WORK PLAN FOR THE OFFICE OF INSPECTOR GENERAL (OIG)

PROPOSED COMMITTEE ACTION

Review and recommend approval of fiscal year 2022 annual work plan for the OIG.

BACKGROUND INFORMATION

In accordance our Internal Audit Charter, Florida Board of Governors regulation, and the standards promulgated by the Institute of Internal Auditors, the Office of Inspector General has prepared this fiscal year 2022 annual work plan for your consideration and approval. The work plan was prepared based on a risk assessment of basic programs, functions, and activities of the University. We also sought input from the Vice President of Administrative Affairs and the BOT Audit and Finance Committee members. A proposed work plan was 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.

IMPLEMENTATION PLAN/DATE

July 1, 2022

FISCAL IMPLICATIONS

Not applicable.

Supporting Documentation:

Prepared by – Mr. Reuben Iyamu, Inspector General

Presented by – Ms. Stacy Volnick, Vice President Administrative Affairs

Proposed Annual Work Plan FY 2022

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FLORIDA ATLANTIC UNIVERSITY
OFFICE OF INSPECTOR GENERAL



ANNUAL WORK PLAN FISCAL YEAR 2022

**Reuben Iyamu, MBA, CIA, CFE, CIGA
Inspector General**

INTRODUCTION

This is the Office of Inspector General (OIG)'s Annual Work Plan for Fiscal Year (FY) 2022. This Work Plan presents the projects and other activities that the OIG plans to undertake during the fiscal year. Both the Board of Governor's regulation¹ and the Professional Auditing Standard² require that the Inspector General prepare a risk-based work plan annually and submit for the Board of Trustee's approval. It is my pleasure to present this work plan to you for consideration and approval. This work plan will guide our activities throughout the fiscal year but may be adjusted to allow responses to emerging risk, and to meet the needs and priorities of management and the Board of Trustee (BOT) Audit and Compliance Committee.

METHODOLOGY

This work plan was developed based on our annual risk assessment and the contributions from the BOT Audit and Compliance Committee. Annual risk assessment was conducted to assess the likelihood and impact of operational, financial, compliance, and reputational risk that could prevent successful achievement of the university's strategic goals and objectives.

RESOURCES TO ACCOMPLISH WORK PLAN

The OIG currently consists of one staff and the Inspector General. We are currently in the process of recruiting one staff and hopefully recruiting one additional staff in the future. Based on the staff levels, we are allocating total projected hours of 6,740 for direct projects, leave/holidays, professional development, and indirect activities. The following **table** presents our audit plan for fiscal year 2022 and the anticipated objectives. Prior to each audit engagement fieldwork, preliminary surveys will be conducted to gain an understanding of the audit area and assess existing risks. From the preliminary survey and auditor assessment of risks particular to the subject area, specific objectives will be developed. Accordingly, audits of the identified areas may include objectives other than those listed in this plan.

IMPLEMENTATION OF AUDIT MANAGEMENT SOFTWARE

One key project activity that our office will also be undertaking (perhaps in the early part of next fiscal year) will be to implement an Audit Management Software that our office is currently in the process of procuring. The system will automate, streamline, and standardize our audit and investigation processes. We believe the system implementation will not only help to improve our office processes to ensure industry standards are met, but it will also enhance the efficiency and effectiveness of our office operations. We are projecting an additional 100 hours of staff time for the implementation process, which we anticipate may include (but not limited to) staff trainings, system testing, and workpaper conversion).

¹ Board of Government Regulation 4.002(6)(d) State University System Chief Audit Executives

² The International Standards for the Professional Practice of Internal Auditing Published by the Institute of Internal Auditors.

Planned Projects For FY 2022

Project Summary

Project Types	Total
In-Progress and Carried Forward Project	1
New Audit Projects	3
Required Annual Audit Projects	2
Consulting Projects	1
Follow-Up Audit Projects	6
Special On-going Projects	2
OVERALL TOTAL	15

Project Descriptions

Project In-Progress and Carried Forward from FY 2021 Work Plan

CARES Act - HEERF Emergency Student Financial Aid Grants	This Management Advisory Service (MAS) review is currently in-progress. The primary purpose is to determine the University's compliance with the disbursement and required reporting of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Emergency Student Financial Aid Grant Portion.
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New Audit and Consulting Projects

New Audit Projects

Payroll Processes	The anticipated objectives of this audit will be to review and evaluate the effectiveness of internal control framework over the University's payroll processes. Among other areas, the audit may verify whether (1) employees existed and were employed during the sampled pay period, (2) employee's gross and net pay were properly authorized, calculated, and consistent with leave and attendance record, (3) deductions were proper, authorized, and supported, and (4) payments were properly recorded in the University's financial record.
Cyber Risk and IT Disaster Recovery Management	The planned objectives of this audit will be to evaluate the University's cybersecurity approach in comparison to the National Institute of Science and Technology (NIST) Cybersecurity Framework. The scope of the audit may include validating whether controls in place provide reasonable assurance of the University's ability to identify, protect,

	detect, respond to, and recover from credible threats to the network. We also anticipate testing to ensure the University’s IT department has provided for timely restoration and recovery of critical data and systems for continuity of operation, in the event of disaster.
CARES ACT (Part II)	For both Institutional and Student Portion of the CARES Act allocation, the planned objectives of the audit would be to determine whether the University disbursed the allocated funds in accordance with the Recipient’s Funding Certification and Agreement. The audit may also assess whether the University complied with all the applicable funding reporting requirements.
Consulting Projects	
	Consulting services are advisory in nature and are generally performed at the request of management. Although not specifically requested by management or the BOT Audit and Compliance Committee, management advisory services may be provided on Enterprise Risk Management Development.
Required Annual Audit Projects	
State University Performance-Based Funding Metrics – Data Integrity	In accordance with the State University Systems, Board of Governor (BOG)’s mandate, the objectives of this annual audit will include analysis of processes, procedures, system-based controls, and other data verification measures in place to support the integrity of information presented by the Florida Atlantic University (FAU) to the BOG for the University’s Performance-Based funding calculations.
FAU use of Driver and Vehicle Information Database (DAVID)	This annual audit will determine whether controls are in place to protect personal data provided for FAU's use by the Florida Department of Highway Safety and Motor Vehicles (DHSMV) in accordance with the MOU between FAU and DHSMV. Specifically, the audit will determine whether physical or logical controls are in place to protect the personal data from unauthorized access, distribution, use, modification, or disclosure.
Follow-up audit Projects	
Follow-up audits	Follow-up audits will be conducted as needed for audit reports issued during the year to determine whether corrective actions were taken to address agreed-upon recommendations and management action plans. Follow-up audits are conducted every six months (March and September) for up to two years.
Investigations and Special Review Projects	
Investigations	
Complaint Intake and Investigations (<i>as it arises</i>)	OIG receives complaints reported through various sources. We evaluate each complaint received to determine jurisdiction, whether it merits investigation, and whether the complaint is Whistle Blower related. The OIG is responsible for investigating non-criminal allegations and

	Whistle Blower complaints pertaining to fraud, waste, and abuse of University Resources. Received complaints determined to be outside of our jurisdiction are referred to the appropriate management.
Special On-Going Projects	
External Audit Coordination	For audits conducted by Auditor General and other entities, the OIG acts as the primary liaison and assists in coordinating and facilitating management response and follow-up to the audits or investigations.
Unannounced Cash Counts	OIG may perform unannounced cash counts throughout the year for any of the University locations that collect cash.
Other OIG Functions and Management Activities	
Other OIG Functions	
Other OIG functions	Other OIG functions include (but are not limited to) activities such as policy and procedure development, Annual Risk Assessment for work plan development, and Internal Quality Assurance and Peer Reviews.
Office Management Activities	
Office Management Activities	Office management activities include (but are not limited to) general administrative functions and staff meetings, continuing professional development, outreach to University staff and administrators, and approved employee leave and holidays.