



Item: AF: I-2

AUDIT AND FINANCE COMMITTEE
Tuesday, October 20, 2015

**SUBJECT: OFFICE OF THE INSPECTOR GENERAL'S REPORT OF ANNUAL ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2015.**

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 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, 2015

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Florida Atlantic University

Office of Inspector General



Annual Report of Activities

Fiscal Year Ended June 30, 2015

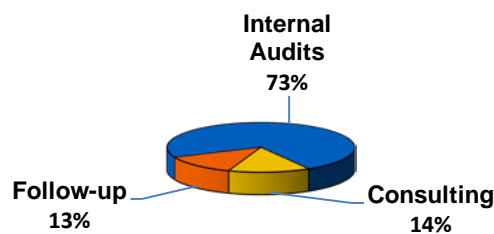
Our Mission and Standards

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 Finance Committee.

2014-2015 Highlights

During fiscal year 2014/15, our office spent a total of 5,556 hours in support of direct services related to our mission.

Relative Effort for 2014-2015



AUDITS

For the fiscal year ended June 30, 2015, we completed six internal audits, including 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. Total time spent on these projects was 4,061 hours. Results of our completed audits are summarized on page 3 of this report.

AUDIT FOLLOW-UP

In total, 715 hours were spent on efforts to determine the implementation status of prior audit recommendations made by the Office of Inspector General and the Florida Auditor General's Office. Of 18 items subject to follow-up, 10 were fully implemented, seven were partially, and one was not implemented, pending transition to Workday, the University's new enterprise resource planning system.

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 2014/15, our consulting projects included periodic reviews of pCard transactions, review of select activities of the FAU Foundation, and surprise cash counts of the University's petty cash/operating change funds. In addition to these typical annual consulting services, the inspector general served in an advisory role on general and security matters for development of Workday which was implemented as of July 1, 2015.

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 2014/15 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 trustees chair.

Summary of Recommendation:

Data and compilation practices were found to be adequate for reporting and submission of required information to the BOG.

Human Resources – New Hires

Synopsis of Scope and Objectives:

Review internal controls over the recruitment and hiring processes for all employee classifications; evaluate accuracy, security and completeness of related records.

Summary of Recommendation:

One recommendation was made to address several documentation deficiencies for newly hired employees.

Telecommunications

Synopsis of Scope and Objectives:

Centralized and decentralized accountabilities for telecommunication services were reviewed for compliance with established policies and procedures and sound business practices.

Summary of Recommendation:

Two recommendations were made to improve user area procedural compliance and centralized access controls to hardware and software systems.

NCAA Compliance - Sports Camps & Clinics

Synopsis of Scope and Objectives:

Determine if institutional and non-institutional camps and clinics were administered in accordance with NCAA regulations, as well as with University policies and procedures and applicable state statutes.

Summary of Recommendations:

Three recommendations were made to improve Athletics Department oversight compliance with established University policies and procedures, applicable state statutes and sound business practices.

Market-Rate Tuition Programs

Synopsis of Scope and Objectives:

The five market-rate graduate programs offered during academic year 2014/15 were audited to evaluate compliance with BOG Regulation 7.001, *Tuition and Associated Fees*, and adequacy of fiscal oversight.

Summary of Recommendations:

Two recommendations were made to enhance accountability for program revenues and security over receipts of checks/money orders.

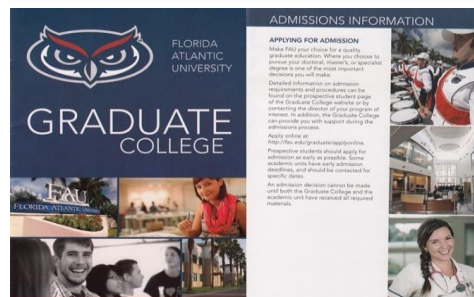
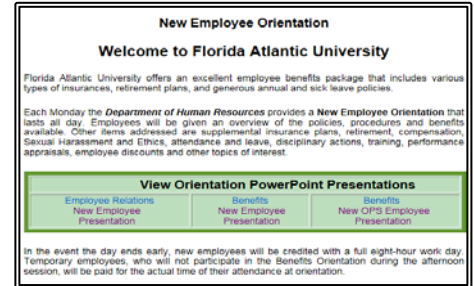
Graduate Admissions

Synopsis of Scope and Objectives:

This audit focused primarily on evaluative and operational procedures and practices employed by the Graduate College for degree-seeking students applying for admission to FAU during the fall 2014 semester.

Summary of Recommendations:

Three recommendations were made to improve accountability for money collections and security of personnel and monetary assets.



Other Activities

In addition to its planned direct services, OIG spent approximately 16% of total available hours on administrative and service delivery 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 213 hours, or 3% of total available time, fulfilling continuing professional education requirements prescribed by professional standards.

Goals and Challenges for 2015/16

- ◇ Timely completion of the 2015/16 work plan, including a BOG-required audit of existing controls and processes related to integrity of data submitted in support of its performance funding model.
- ◇ 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.

Contact Information



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A word from the IG ...

Our staff is grateful to 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.



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