



**FLORIDA ATLANTIC UNIVERSITY
OFFICE OF INSPECTOR GENERAL**



**Annual Report of Activities
Fiscal Year Ended June 30, 2022**

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

November 15, 2022

FAU BOT Audit and Compliance Committee
Dr. John Kelly, President

I am pleased to submit the Office of Inspector General's (OIG) Annual Report for Fiscal Year (FY) ended June 30, 2022. This report is required by Professional Standards and the Board of Governor's (BOG) regulation 4.002(8) and summarizes our activities and most significant accomplishments during fiscal year 2021-2022.

Florida Atlantic University continues to move up in ranking on the list of best Universities in the nation. This national recognition is a testament to the collaborative dynamic that exists within the University. The entire OIG staff is thrilled to be part of this continuous transformation and success of the University. Our audit engagement reports, and objective insights enhance the University's governance, risk management, and control processes to help the University achieve its strategic, operational, financial, and compliance objectives. Likewise, our investigative activities promote accountability and integrity and help protect the University's reputation and support its goals and mission. Generally, our full commitment to this University is to:

- Find ways to improve processes, programs, and functions;
- Provide information that supports effective decision making;
- Prevent and detect waste, fraud, abuse, and financial mismanagement; and,
- Help to ensure compliance with regulatory laws and policies.

During the fiscal year, we made significant progress towards completion of our planned projects. In addition, we successfully filled two vacant positions and made substantial procedural changes and improvements to our operational techniques, including automation of our processes. OIG successfully implemented an electronic workpaper system to make our operating processes more effective and efficient. This automation and other procedural changes we made have already enhanced our capabilities and we believe they will continue to help us better achieve our strategic goals and increase the value we add to the University.

We are grateful and highly encouraged by your continuous support and appreciation of the value of our Office. We would also like to thank all levels of FAU management and staff for their cooperation and support throughout the year.

Respectfully Submitted,

Reuben Iyamu
Inspector General

cc: University Provost
Vice Presidents
Inspector General, Florida Board of Governors

Our Mission

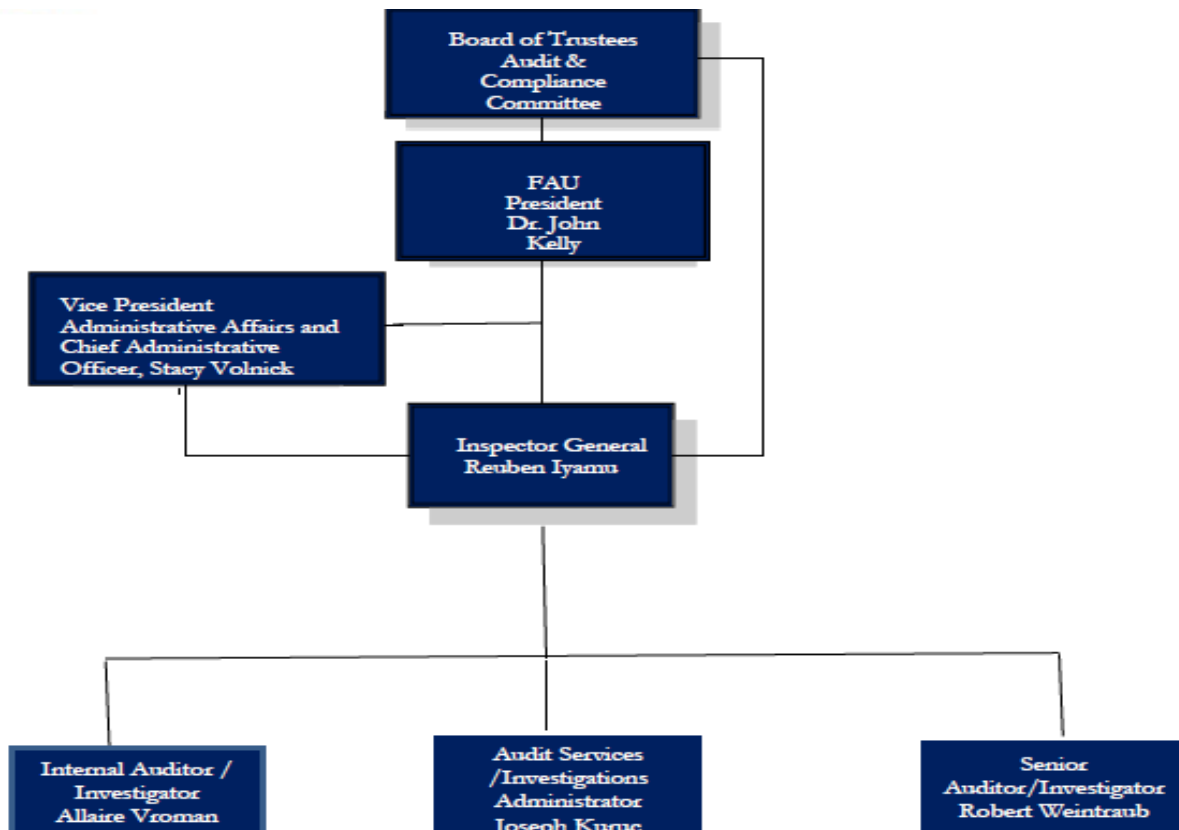
The mission of the Florida Atlantic University's Office of Inspector General (OIG) is to serve the University and its Direct Support Organizations by working collaboratively with the University management and staff, faculty personnel, and the Board of Trustees' (BOT) Audit and Compliance Committee (ACC) to provide independent, comprehensive audits and consulting services designed to enhance the University's reputation, promote accountability, integrity, and efficiency of the University's operations. In addition, the OIG promotes awareness and conducts non-criminal investigations into any alleged fraud, waste, abuse, or mismanagement of University resources.

Our Vision

The OIG's vision is to be a valued partner with FAU management, yet remain independent, in providing auditing (assurance), consulting, and investigation services that add value, promotes accountability, integrity, and objectivity, and is viewed by the University as essential to the proper functioning of University controls and operations.

Independence and Reporting Structure

Our office remains organizationally independent from the University's operational activities. This allows us to fulfill our responsibilities without deterrence and continue to be objective in performing our work. The Inspector General (Chief Audit Executive) reports functionally to the BOT through its ACC, and administratively to the University President. As shown in the organizational chart below, the Office of Inspector General consists of four full-time professional positions, which includes three staff members and the Inspector General. Two of the three staff member positions were filled during this fiscal year.



Professional Standards and Quality Assurance Program

As stipulated in the FAU OIG Charter and as required by the BOG regulations, OIG operates under the professional standards promulgated by the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (Red Book) and the *Principles and Standards for Offices of Inspector General* issued by the Association of Inspectors General (Green Book).

The OIG's continuous improvement programs of its audits and investigative activities include ongoing supervisory and independent reviews, as well as periodic internal assessments. Additionally, an external assessment of operations, which is required at least once every five years, is performed by an independent Quality Assurance Review team based on the Red and Green Books.

OIG Staff Professional Certifications and Professional Affiliations

The OIG staff collectively possesses several decades of experience relevant to our profession. In addition to the possession of educational degrees and experience required for their respective positions, OIG staff members hold the following professional certifications:

- Certified Inspector General (1)
- Certified Fraud Examiner (2)
- Certified Internal Auditor (3)
- Certified Inspector General Auditor (1)

OIG personnel continue to be active in professional organizations that support audits and investigations. This participation assists staff in maintaining a high level of proficiency in their profession and areas of certification. Members of the Office of Inspector General are affiliated with the following professional organizations:

- Association of Inspectors General (AIG)
- Institute of Internal Auditors (IIA)
- Association of College and University Auditors (ACUA)
- Association of Certified Fraud Examiners (ACFE)
- Information Systems Audit and Control Association (ISACA)
- Association of Government Accountants (AGA)

OIG Staff Training

The Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* (IIA Standards) and the Association of Inspectors General *Principles and Standards for Offices of Inspectors General* require Internal Audit staff members to maintain their professional proficiency through continuing education and training. Accordingly, each auditor must receive at least 40 hours of continuing education every year. Throughout the year, each OIG staff participated in several trainings to fulfill (or exceed) the Continuing Professional Education (CPE) requirements prescribed by professional standards.

OIG Performance Activities during Fiscal Year 2021-2022

The reports and risk management insights we offer provides members of the BOT's ACC and University leadership with reasonable assurance of the adequacy and effectiveness of the University's internal controls and the achievement of objectives relating to operations, reporting, and compliance. Of the 8,320 available hours for FY 2022, OIG budgeted 6,480 total hours for productive (direct and indirect) activities. Of those budgeted hours, we spent a total of 5,858 hours completing the OIG activity goals for FY 2022 as reflected on the chart and table below. As shown on the chart, in addition to issuing four engagement reports, OIG spent a considerable amount of time and effort refining and automating its operating processes.

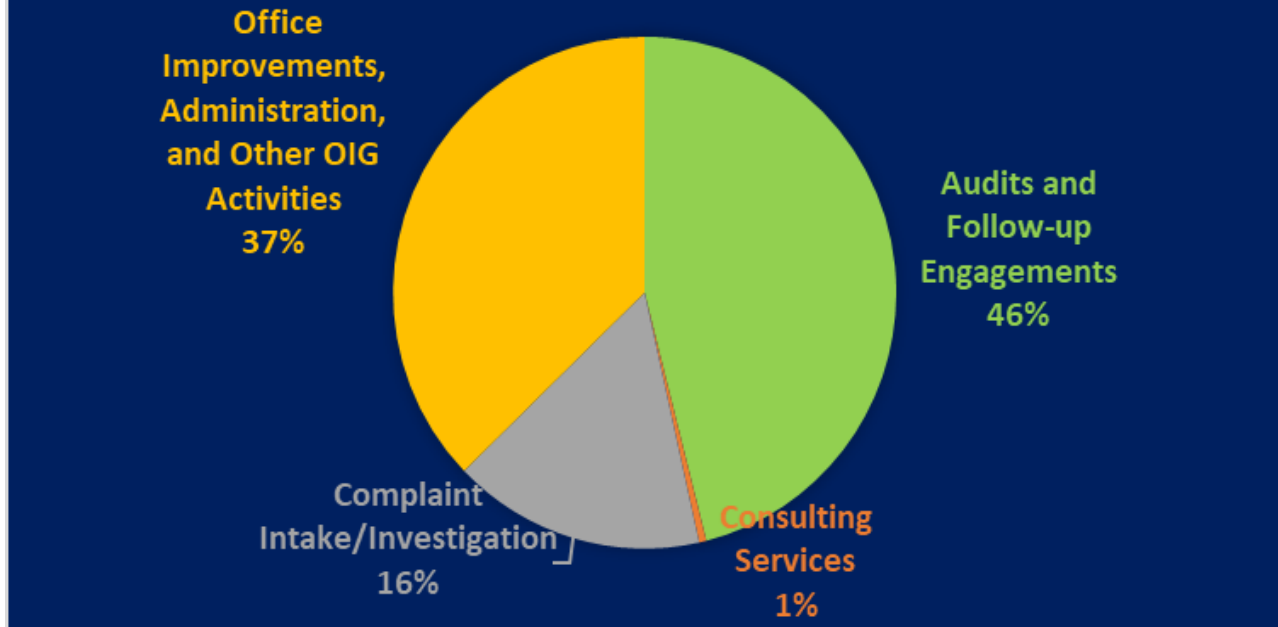
Completed Projects

	Projects	Project Types	Report Number	Issued Date
1	Performance Based Funding Data Integrity FY2022	Audit (Assurance Services)	FY22-A-01	January 14, 2022
2	CARES Act - HEERF I Emergency Student Financial Aid Grants	MAS (Consulting Services)	FY22-C-01	September 20, 2021
3	Follow-up of Laboratory Safety	Follow-up	FY22-A-03	March 15, 2022
4	Follow-up of NCAA Compliance - Financial Aid	Follow-up	FY22-A-02	January 11, 2022

In addition to the above list of completed projects, the following audit engagements were in-progress and nearing completion as of June 30, 2022:

- Audit of University Payroll Process
- Audit of the Higher Education Emergency Relief Fund (HEERF) II and III
- Audit of Cybersecurity and Disaster Recovery Management

OIG FY22 ACTIVITIES



Summary of OIG Activities

AUDITS

Performance Based Funding Data Integrity FY2022 (FY22-A-01)

OIG completed an audit of the University's Performance Based Funding (PBF) Data Integrity that is required annually by the BOG. The primary purpose of the audit was to review and evaluate the institutional controls and processes established to ensure the completeness, accuracy, and timeliness of data submissions to the BOG in support of the Performance-Based Funding measures.

The audit provided reasonable assurance of the adequacy of internal controls in place, and an objective basis of support for the University President and BOT Chair to sign the PBF Data Integrity Certification form. We noted no reportable issues that required management corrective actions.

AUDIT FOLLOW-UP

OIG reported on the status of efforts made by management to satisfactorily resolve and implement the recommendations from our previous audits. The purpose of the follow-up report process is to reassure the BOT ACC, President, and respective Vice Presidents that areas identified for improvement in our initial audits are being addressed by management. A total of 7 management action plans were not completed at the beginning of the fiscal year. As indicated in the above list of completed project, OIG issued two follow-up engagement reports, reflecting the completion and resolution of all 7 management action plans.

CONSULTING SERVICES

As part of its formal consulting services, OIG occasionally provides a scheduled Management Advisory Services (MAS) review of the university's programs and systems of internal controls. OIG completed the following MAS review as part of its FY2022 approved work plan.

CARES Act - HEERF I Emergency Student Financial Aid Grants (FY22-C-01)

The primary purpose of the review was to determine the University's compliance with student disbursement and reporting guidelines of the CARES Act allocations and spending. Based on our review, OIG determined that controls and processes established and implemented by the University ensured compliance with all applicable disbursement and reporting requirements of the Student HEERF. We noted no reportable issues that required management corrective actions.

INVESTIGATIONS

The OIG is responsible for performing non-criminal investigations of fraud, waste, abuse, and mismanagement of university resources. OIG receives complaints (most of which are anonymous) from various sources, including through the Anonymous Complaint form on OIG's website. The University recently implemented a third-party complaint intake process, representing another source OIG receives complaints. Received complaints are logged and accessed to determine whether the complaint is whistleblower related, contained sufficient information, and whether is a significant and credible allegation that merits investigation. Some received complaints are not within the jurisdiction (or do not rise to the level) of an Inspector General investigation. Such complaints are referred to appropriate management for action. Others considered not to be credible and did not provide sufficient information are closed out.

Out of 19 complaints or concerns received by OIG, 14 were referred to appropriate management for action, 3 were closed out for lack of credibility and sufficient information, and OIG initiated inquiry into 2.

Other OIG Activities

In addition to the planned direct services, OIG provided administrative and service delivery support. Examples of the most significant other activities included: preparation of the annual risk analysis and work plan for FY2023; our annual report; coordinating activities with external auditors; addressing personnel matters; participation in the State University System community; and general internal administration of the Office, including staff meetings.

OIG Goals for FY2023

- The Office of Inspector General will enhance the current outreach efforts to include awareness trainings and presentations to the University management and staff informing them of the mission and activities of OIG.
- The OIG will start shifting the approach of our activities to focus on proactive services (i.e., preventative rather than detective) designed to help the University address emerging financial, reputational, and regulatory risks.
- The OIG will help to facilitate the University's Enterprise Risk Management (ERM) program.