



Item: AF I-2

**BOT AUDIT AND FINANCE COMMITTEE**

**Tuesday, October 17, 2006**

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

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**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.

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**Supporting Documentation:           OIG 2006/07 Work Plan**

**Presented by:   Mr. Morley Barnett, Inspector General**


**Phone: 561-297-3682**



OFFICE OF INSPECTOR GENERAL  
Florida Atlantic University

MEMORANDUM

TO: Frank T. Brogan  
President

FROM: Morley Barnett   
Inspector General

DATE: June 6, 2006

SUBJECT: 2006/07 Work Plan

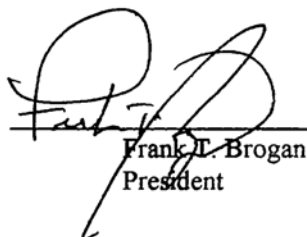
Attached for your review and approval is our One-Year Work Plan for Florida Atlantic University covering fiscal year 2006/07.

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

6/8/06  
Date



**FAU**  
FLORIDA ATLANTIC  
UNIVERSITY

**Office of Inspector General**  
2006/07 Work Plan

**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





**Office of Inspector General**

**Risk Plan Assessment - FY 06/07**

**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.



**Office of Inspector General**

**Risk Plan Assessment - FY-06/07**

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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BUDGETARY BUSINESS CYCLES	AVERAGE RISK RATING	Factors considered for OIG services to be offered during fiscal year 2006/07							PROPOSED OIG SERVICES FOR 2006/07		
		Audited by OIG within last two years	Consulting Review by OIG within last two years	Subject to recent or periodic external audit	Frequent turnover of key personnel	More than five prior audit findings	Recent application or system conversion	Recent significant policy or regulatory changes	Internal Audit	-Management Advisory Service	Scheduled Follow-up on prior recommendations
sch Mgmt. & Support	3.4	YES	NO	YES	NO	NO	NO	NO	NO	Sub-recipient monitoring	
Real Reporting	3.1	NO	NO	YES	NO	NO	NO	NO	NO		
Nonprofit Reconciliation	3.1	NO	NO	YES	NO	NO	NO	NO	NO		
Real and Grant Reporting	3.1	NO	NO	YES	NO	NO	NO	NO	NO		
Revenue & Collections	3.2	YES	NO	NO	NO	NO	NO	NO	NO		
the Cashier's Office	3.3	NO	NO	YES	NO	YES	NO	NO	NO		
Multi-Step Cash Collections	3.2	NO	NO	YES	NO	NO	NO	NO	NO	(See Note below)	
Rebates and Grants	3.1	YES	NO	YES	NO	NO	NO	NO	NO		
University	3.1	YES	NO	YES	NO	NO	NO	NO	NO	Electronic Invoice approvals	
Gifts Payable	3.1	YES	NO	YES	NO	NO	NO	NO	NO		
Gifts Receivable	3.1	YES	NO	NO	NO	NO	NO	NO	NO	Payroll	Follow up on 05/06 audit
Management	3.1	NO	NO	YES	NO	NO	NO	NO	NO		
Investment management	3.3	YES	NO	YES	NO	YES	NO	NO	NO		
Account reconciliations	3.1	NO	NO	YES	NO	NO	NO	NO	NO		
Gifts Receivable	3.1	NO	NO	YES	NO	NO	NO	NO	NO		
Gifts Development & Mgmt	3.2	NO	NO	YES	NO	NO	NO	NO	NO		
Instruction Management	3.4	NO	NO	YES	NO	NO	NO	NO	NO		
Computer & IT Support	3.6	NO	NO	YES	NO	NO	NO	NO	NO		
System recovery management	3.6	NO	NO	YES	NO	NO	NO	NO	NO		
Information security	3.3	NO	NO	NO	NO	NO	NO	NO	NO		
Internal Activities & Support	3.1	NO	NO	YES	NO	NO	NO	NO	NO	Abilities - recruiting Student Employment	
SEC/NCAA compliance	3.1	NO	NO	YES	NO	NO	NO	NO	NO		
Financial Aids and Loans	3.1	NO	NO	NO	NO	NO	NO	NO	NO	Housing	
Library Activities & Contracted	3.1	NO	NO	NO	NO	NO	NO	NO	NO		
Library & Residential Life	3.1	NO	NO	NO	NO	NO	NO	NO	NO		
Student Support Organizations	3.2	NO	YES	YES	NO	NO	NO	NO	NO	Ongoing special review	
J Foundation	3.2	NO	YES	YES	NO	NO	NO	NO	NO		

Note: Selected two major decentralized cash collection areas - Traffic & Parking Department and Broward Cashiers' Offices - for individual internal audits.