

AUDIT AND COMPLIANCE COMMITTEE

Monday, October 6, 2025

**SUBJECT: APPROVAL OF THE OFFICE OF INSPECTOR GENERAL (OIG)'S
ANNUAL WORK PLAN FOR FISCAL YEAR 2026**

PROPOSED Board ACTION

Approval of the OIG's Annual Work Plan for Fiscal Year 2026.

BACKGROUND INFORMATION

As required by both the Board of Governors' regulation (Chapter 4.002(6)(d)) and the Professional Auditing Standards, I am pleased to present FAU OIG's proposed Annual Work Plan for Fiscal Year (FY) 2026 for your review and approval.

In developing this work plan, we conducted an annual risk assessment to evaluate financial, compliance, operational, and reputational risks that may impact the University's various departments, programs, activities, and strategic objectives. Information technology and fraud risks were also considered as part of the assessment. Additionally, we sought input from various FAU stakeholders, including members of the FAU BOT Audit and Compliance Committee, the University President, members of the Executive Leadership Team, and OIG staff. In addition to audit topics derived from our risk assessment and stakeholder input, the OIG Annual Work Plan includes audits mandated by the Board of Governors.

This work plan reflects the changes made in response to discussions and requests from trustee members during the BOT meeting held on June 10, 2025. To help facilitate your review, the changes are summarized as follows:

1. We added more detailed information describing the processes and methods used to develop the work plan (see pages 1-2).
2. We explained how we continue to use various technological resources such as audit management software, AI, and other systems to improve our effectiveness and efficiency (see page 3).
3. A table was added to page 4 of the work plan showing the estimated time resource distribution for planned projects.
4. We added two new audits and removed one MAS engagement (see page 4).
5. An Appendix was added on page 8 to show our risk assessment rating matrix.

IMPLEMENTATION PLAN/DATE

Upon your approval, this work plan will guide our activities throughout the fiscal year.

FISCAL IMPLICATIONS

Not applicable.

Supporting Documentation:

OIGs Annual Work Plan for FY 2026

Presented by – Dr. Stacy Volnick, Executive VP for Administrative Affairs & COO **Phone:** 561-297-3450



FLORIDA ATLANTIC UNIVERSITY
OFFICE OF INSPECTOR GENERAL

ANNUAL WORK PLAN FISCAL YEAR 2026

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

INTRODUCTION

Florida Atlantic University's Office of Inspector General (OIG) strengthens the University's ability to create, protect, and sustain value by providing the Board and management with independent, risk-based, and objective assurance, advice, insight, and foresight. Collectively, OIG activities enhance the University's:

1. Successful achievement of its objectives and strategic goals.
2. Governance, risk management, and control processes.
3. Decision-making and oversight.
4. Reputation and credibility with stakeholders.
5. Ability to serve the public interest of its students.

Both the Board of Governor's regulation¹ and the Professional Auditing Standards² require the Inspector General to prepare a risk-based work plan annually and submit it to the Board of Trustees (BOT) for approval. This Annual Work Plan for Fiscal Year (FY) 2026 outlines the potential projects and activities the OIG plans to undertake during the fiscal year. It is subject to change and does not preclude the OIG from setting new priorities or initiating different projects throughout the year. Circumstances – such as the need for an investigation or requests from BOT members and management – may prompt the OIG to undertake new, higher-priority projects or to reprioritize planned ones. Some projects in the Annual Plan may be deferred to subsequent years, while others may shift from audits to management advisory services, department notifications, or other non-audit reports. Projects may also be terminated if the OIG determines that further work would not provide substantial benefit to the University or would not be cost-effective.

SUMMARY OF METHODS USED IN DEVELOPING THE WORK PLAN

In accordance with the Institute of Internal Auditor's *Global Internal Audit Standards* (Section 9.4) and the *Global Practices Guide for Developing a Risk-Based Internal Audit Plan*, the OIG utilized a systematic, risk-based approach to identify, evaluate, prioritize, and determine which audits to perform. This approach focuses on the most imminent risks to the University while ensuring the most effective use of OIG's limited resources. Consistent with the Standards and Practice Guide, our methodology includes the development of an audit universe, completion of a risk assessment, consideration of prior OIG and external audit coverage, identification of engagements required by law or regulation, and solicitation of input from University stakeholders.

Development of the Audit Universe

The OIG maintains a list of various auditable units³ (the audit universe) within the University, which includes, but is not limited to:

- Programs
- Activities/Functions
- Regulatory/Statutory Requirements
- Processes
- Systems
- Projects
- Departments

¹ Chapter 4.002(6)(d) – *State University System Chief Audit Executives*

² The Global Internal Audit Standards published by the Institute of Internal Auditors (IIA).

³ The units are periodically updated to reflect applicable changes.

- Third Party Risk – Contracts/Vendors
- IT Governance, Risks, and Controls

Each auditable unit is assessed using four risk factors – **Financial, Reputational, Operational, and Compliance** – to help identify and evaluate conditions or events that could adversely affect the unit and the University as a whole. Measurable points are assigned to each risk factor: Low (1 point), Medium (3 points), and High (5 points), based on the level of exposure.

Risk Assessment

Using both qualitative and quantitative techniques, OIG staff rated each auditable unit on each risk factor to evaluate the likelihood and impact of key risks (including fraud risk) that could hinder the successful achievement of the University’s strategic goals and objectives. Units with the highest weighted risk scores were selected for consideration and possible inclusion in the work plan. Including at least one high-risk topic is a widely accepted and expected practice to ensure the effectiveness and relevance of the audit.

Input from University Stakeholders

The Inspector General distributed survey emails to solicit inputs (i.e., audit topic suggestions) from various FAU stakeholders, including members of the FAU BOT Audit and Compliance Committee⁴, the University President, and members of the Executive Leadership Team. The OIG also engaged – sometimes informally – with other University management and staff to increase awareness of perceived risks to the University or within their respective areas. Any concerns or formal requests from stakeholders to audit a specific area, program, or function were taken into account.

Prior OIG and External Auditor’s Audit Coverage

The OIG maintains a system for tracking prior audit engagements and management advisory services conducted within each auditable unit over the past ten and five years, respectively. As part of the annual risk assessment process – and to assist in identifying potential audit topics – the OIG evaluates the time elapsed since the last audit of a unit, function, or process. This ensures that audit resources are directed toward areas with imminent risk to the University, rather than those already addressed by prior OIG audits or other agencies.

The OIG also reviews operational audit reports issued by the State Auditor General for other State University System (SUS) institutions. The goal is to determine whether areas with audit findings and risk exposures identified at other SUS institutions should be considered for inclusion in the OIG work plan. Such audits proactively assess whether management has established and implemented appropriate controls to mitigate similar risks.

Engagements Required by Law or Regulation

In addition to audit topics derived from risk assessments and stakeholder input, the OIG annual work plan includes audits mandated by the Board of Governors, the FAU Board of Trustees, state law, or other regulatory bodies. Accordingly, the annual work plan includes one audit – Performance-Based Funding – which is required annually by state law and BOG regulations.

⁴ Going forward, the Inspector General will solicit input and feedback from all members of the BOT.

WORK PLAN PROPOSED PROJECTS

The proposed assurance and advisory projects in the work plan were developed using the approach described above. Additionally, the OIG collaborated with and received feedback from the Executive Vice President & Chief Operating Officer and the Chair of the Audit and Compliance Committee.

RESOURCES TO ACCOMPLISH WORK PLAN

The OIG currently consists of **three staff members and the Inspector General**. We have budgeted a total of 8,320 staff hours for the fiscal year. Of those, 6,478 hours have been allocated as productive time for direct and indirect projects, which include (but are not limited to) audits, investigations, management advisory reviews, follow-ups, and ongoing special project activities. The remaining 1,842 hours are designated for leave, holidays, and staff development/training.

The tables below present our audit plan for Fiscal Year 2026. During each audit engagement, preliminary surveys will be conducted to gain an understanding of the audit area and to assess existing risks. Based on these surveys and the auditor's assessment of risks specific to the subject area, tailored audit objectives will be developed. Accordingly, audits in the identified areas may include objectives beyond those listed in this plan. The total number of projects proposed in this work plan is based on current OIG staff resources.

USE OF TECHNOLOGICAL RESOURCES

In conformity with professional standards, the Office of the Inspector General strives to ensure that adequate technological resources are available and effectively utilized to fulfill its responsibilities efficiently and expeditiously. In 2021, the OIG implemented the Audit Management System (AutoAudit) to automate audit processes.

Additionally, the Inspector General (IG) is researching the purchase and implementation of data analytics software. This tool will enhance the efficiency, accuracy, and depth of our audit processes by enabling the analysis of large datasets to identify patterns, trends, and red flags. It will also assist in detecting fraud, errors, or anomalies that might be overlooked during manual reviews. We also intend to collaborate with the Office of Information Technology (OIT) to ensure that the data analytics software we acquire is integrated with AI capabilities.

ChatGPT for Internal Auditors

Since the launch of ChatGPT, OIG staff have primarily used the tool to identify potential risks and controls during the preliminary survey phase of certain audits. Additionally, the IG and OIG staff have attended several training sessions related to its use. Going forward, we plan to explore and begin using Microsoft Copilot, which the University has made available to staff.

Planned Projects for FY 2026	
Project Summary	
Project Types	Total
New Audit Projects	4
Required Audit Project*	1
Management Advisory Services Review	1
Carryforward Audit Projects	2
Follow-Up Audit Projects	5**
Investigations	2***
External Audit Coordination	1
OVERALL TOTAL	16

* Board of Governors (BOG) required audit project.

** Projected for completed and new audits, as well as for those currently in-progress.

*** Projected for FY

ESTIMATED TIME RESOURCE DISTRIBUTION

Total Staff Hours (2,080 hours x 4 employees)	8320	
Less: Vacation and Holiday Hours	1842	
Total Productive Hours	6,478	
Assurance Engagements	3030	47%
FAU Alumni Association Membership Program		
Restricted Gift Administration		
Performance Based Funding		
Housing Maintenance Operation		
Financial Aid Award Process		
Driver and Vehicle Information Database (DAVID) System		
Campus Recreation - Membership Administration (in-progress)		
Management Advisory Service Engagements	750	12%
Business Continuity, Emergency Preparedness, and Disaster Recovery Plans		
Complaint Intake and Investigations	300	5%
Follow-up – Internal and external engagements	360	6%
General and Administration	2038	31%
New IIA Standard implementation		
Administration and Quality Assurance Reviews		

Annual Report development		
Risk Assessment and Workplan development		
Training and Professional development		
Contingencies (Reserved)		
	6478	100%

Project Descriptions		
New Audit Projects		
Project	Department/Division	Description
FAU Alumni Association – Membership Program	FAU Alumni and Community Engagement	The proposed objective of this audit is to evaluate the adequacy and effectiveness of operational controls related to the governance, oversight, and monitoring of the University’s Alumni Association Membership Program and its key activities.
Restricted Gift Administration	University-wide	The anticipated objective of this audit is to determine whether donor gifts to the University are properly classified, recorded, and used by the applicable University units in accordance with donor intent.
Financial Aid Award Process	Student Financial Aid	The proposed objectives of this audit are to evaluate the adequacy and effectiveness of controls over the financial aid award process. The audit may assess whether the procedures for verifying eligibility and awarding financial aid comply with applicable laws, regulations, and policies.
Driver And Vehicle Information Database (DAVID) System	Office of the Registrar	In accordance with the MOU executed between the University and the Florida Department of Highway Safety and Motor Vehicles (FLHSMV), the audit will evaluate the internal controls and data security processes established and implemented by the Registrar’s Office to ensure that data obtained from the DAVID system is protected from unauthorized access, distribution, use, modification, or disclosure.

BOG Required Audit Project		
Performance-Based Funding (PBF) Metrics Data Integrity	University-Wide	In accordance with the State University System’s Board of Governors (BOG) mandate, the objective of this annual audit is to evaluate the effectiveness of the University’s processes and internal controls to ensure the completeness, accuracy, and timeliness of data submissions to the BOG, which support the University’s Performance-Based Funding (PBF) metrics.

Carryforward Audit Projects

Housing Maintenance Operation <i>[Carryforward]</i>	Student Affairs	The proposed objectives of the audit are to ascertain the effectiveness of operational, administrative, and financial controls related to housing maintenance, and to ensure compliance with relevant laws, regulations, and University policies.
Campus Recreation – Membership Administration <i>[In-progress - currently in Reporting phase]</i>	Student Affairs	The objective of the audit is to evaluate the adequacy and effectiveness of controls over the University's campus recreation membership activities, including registration, payment, and cancellation processes. The audit will also examine recreation facility access and equipment use controls, as well as compliance with applicable laws, regulations, and policies.

Management Advisory Services Review

Business Continuity, Emergency	Emergency Management/ Administrative Affairs	The review objectives will be developed in collaboration with the Office of Emergency Management.
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Follow-up Audit Projects

Follow-up audits	To Be Determined	Follow-up audits will be conducted as needed for audit reports issued before and/or during the fiscal year to determine whether corrective actions were taken to address agreed-upon management action plans. These audits are conducted every six months (March and September) for up to two years.
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Investigations and External Audit Coordination	
Investigations	
Complaint Intake and Investigations (<i>as they arise</i>)	The OIG receives complaints through various sources. Each complaint is evaluated to determine jurisdiction, whether it merits investigation, and whether it qualifies as a Whistle-blower complaint. The OIG is responsible for investigating non-criminal allegations and Whistle-blower complaints related to fraud, waste, and abuse of University resources. Complaints determined to be outside of our jurisdiction are referred to the appropriate management.
External Audit Coordination – Including Follow-ups	
External Audit Coordination	For audits conducted by other entities, the OIG serves as the primary liaison and assists in coordinating and facilitating management responses and follow-up activities related to the audits or investigations.
FAU Auditor General Operational Audit 2025	In instances where the State Auditor General's operational audit – conducted every three years – identifies statutory violations, the Board of Governors (BOG) requires the University President, the Audit and Compliance Committee (ACC), and the Chair of the Board of Trustees (BOT) to complete and sign the <i>Certification of Corrective Actions to Auditor General Findings of Statutory Non-Compliance</i> (Certification) to document compliance with the laws cited by the Auditor General. To help provide an objective basis of support for the Certification, the OIG will conduct follow-up test work to validate the actions taken by management to address the Auditor General's findings and recommendations.

Other OIG Functions and Office Management Activities	
Other OIG functions	Other OIG functions include, but are not limited to, activities such as policy and procedure development or revisions, the annual risk assessment for work plan development, and internal quality assurance and peer reviews.
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.

APPENDIX A

Each risk factor – Financial, Reputational, Operational, and Compliance – was rated using priority scores to calculate a total weighted score for each auditable unit. Priority scores were determined based on the likelihood and impact of each applicable potential risk, as outlined in the Risk Assessment Rating Matrix below.

RISK ASSESSMENT RATING MATRIX	
Risk Priority Ratings	Description
HIGH	These risks involve substantial and direct exposure to reputational damage; non-compliance with laws, regulations, or policies; loss of assets or revenues; reduced operational effectiveness and efficiency; and/or misstatement of financial reporting.
MEDIUM	These risks may involve an important but limited level of exposure to reputational damage; non-compliance with laws, regulations, or policies; loss of assets or revenues; reduced operational effectiveness and efficiency; and/or misstatement of financial reporting.
LOW	Low risks include limited exposure to reputational damage; non-compliance with laws, regulations, or policies; loss of assets or revenues; reduced operational effectiveness and efficiency; and/or misstatement of financial reporting.

		LIKELIHOOD		
		Low	Medium	High
IMPACT	High	Medium 3	High 5	High 5
	Medium	Low 1	Medium 3	High 5
	Low	Low 1	Low 1	Medium 3