



**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS**
Office of the Inspector General and Director of Compliance
ANNUAL AUDIT PLAN FOR FISCAL YEAR 2011-2012

Section 20.055, Florida Statutes, specifies that the Inspector General develop long-term and annual audit plans based on the findings of periodic risk assessments and that the plan show the individual audits to be conducted during each year and related resources to be devoted to the respective audits. By statute, the plan is submitted to the Audit and Compliance Committee, the Board of Governors, and the Chancellor for approval, and a copy of the approved plan is submitted to the Auditor General.

I. Overview of Methodology Used to Determine Areas Selected for Audit

The Inspector General's Office conducted an assessment that included each of the organizational units within the Board of Governor's (Board) office, including the Board's Foundation. We reviewed Board regulations, the Florida Constitution, applicable statutes, financial records, internal operational manuals and handbooks, organizational charts, various reports including prior audit reports, and other available data. We surveyed management regarding the complexity of their operations and obtained insight into operations.

Additional operational or programmatic information was obtained from the Regulation Compliance Review Project (RCR Project). In the fall of 2009, the Board office undertook a comprehensive review of the Board's regulations to determine, among other things, whether additional procedures would be effective in monitoring the implementation of regulations promulgated by the Board. The RCR Project was designed by the Inspector General as a key component in the overall risk assessment process. Appropriate staff conducted an analysis of each regulation. The primary objective was to determine what action or conduct the subject regulation required on the part of the Board or the universities. In addition, staff was asked to describe the existing processes and procedures utilized to implement the regulation and assign a maturity rating indicating the need for immediate remedial action.

We then ranked each auditable unit or activity based upon risk factors such as: complexity and decentralization of operations, existence of certain internal control

elements such as policies and procedures or monitoring systems, and existence of prior audits by the Inspector General, the Auditor General, or other oversight authority. We also considered the potential for loss or theft of assets, possibility of not meeting operational or program objectives, and whether or not there was any health, safety or welfare issues for the public, employees, clients, users, or recipients of program benefits.

II. Results of the Periodic Risk Assessment

CALCULATION OF AVAILABLE HOURS	Total Hours
Direct Hours - Assurance services include internal audits, consulting services, management reviews, audit follow-up, and review of external audits from SUS and Auditor General.	666
Direct Hours - Other initiatives include compliance, preliminary investigative responsibilities for consumer complaints, Committee and Board meeting preparations, and performing other related duties.	1830
Total Indirect Hours - Miscellaneous projects, administrative activities, conduct internal training, receive professional training, authorized holidays and leave.	1664
Total Available Hours - (2080 x 2: Total hours per staff who must divide their areas of responsibilities into three broad categories: Audit, Compliance, and Investigative)	4160

III. Audit Plan for Fiscal Year 2011-2012

Based on the results of our assessment, the following areas were identified as audit priorities for this year and **666 staff hours** have been allocated to the following assurance services:

TOTAL ASSURANCE SERVICES	Estimated Hours
Internal Audits	
Institutes and Centers	50
Ethics Climate	50
Tuition Differential/Tuition and Fees Program(s)	250
Board of Governors Foundation	250
Audit Follow-Up	
Six-month Follow-up to Ethics Audit	20
Coordination of External Audits	
Office of Program Policy Analysis and Government Audits - Six- and 18- Month Follow-up Reports as needed	10
Auditor General's 2011 Operational Audit of the Board Office (Anticipated Spring 2012)	36
Direct Hours - Assurance Services	666

We have reserved **1830 staff hours** to be allocated to the following initiatives, projects and reports:

<u>OTHER DIRECT SERVICES</u>	Estimated Hours
Special Projects	
2011-2012 Risk Assessment and Audit Plan (Section 20.055(5)(a), Florida Statutes; Section 2010, International Professional Practices Framework, The Institute of Internal Auditors)	200
Inspector General's 2010-2011 Annual Report (Section 20.055(7), Florida Statutes)	100
Completion of Regulation Compliance Review Project, all phases	315
Establishment of SUS Compliance Program	150
Clean up of Data Request System for Collection of SUS External and Internal Audit Reports	50
Development of Robust Trend Tracking System for AG audits, OPPAGA reports, and SUS and Board External and Internal Audit Report Findings and Follow-up	300
Other Projects as Assigned	50
Investigative	
Complaints/Investigations/Preliminary Inquiries	415
Complaints/Investigations/Preliminary Inquiries - Administrative Support	250
Direct Hours - Other Direct Services	1830
Direct Hours - Assurance Services	666
Total Direct Hours	2496

Respectfully Submitted by: _____ Date: _____
Inspector General

Audit Plan Approved by: _____ Date: _____
[Chancellor]

Audit Plan Approved by: _____ Date: _____
[Chair, Audit and Compliance Committee]

Audit Plan Reviewed by: _____ Date: _____
[Chair, State University System of Florida, Board of Governors]