



FLORIDA POLYTECHNIC
UNIVERSITY

**University Audit
Risk Assessment & Work Plan
For the Fiscal Year Ended June 30, 2025
Report No: FPU 2025-02
August 2024**



TABLE OF CONTENTS

Transmittal Letter.....	1
Overview.....	2
Risk Assessment Process.....	3
Risk Areas.....	4
Audit and Compliance Work Plan.....	5
University Audit and Compliance Resource Availability and Planned Usage.....	6

Transmittal Letter

August 9, 2024

Mr. Clifford K. Otto, Governance, Audit and Compliance Committee (AACC) Chair
Dr. Devin Stephenson, President
Florida Polytechnic University

I am pleased to submit the Annual Work Plan (Plan) of the Florida Polytechnic University Audit function for the fiscal year ending June 30, 2025. The Plan primarily provides for the planned activity of University Audit and an allocation of total available time between the audit and compliance functions. A separate Plan for University Compliance has been prepared in greater detail and submitted for approval; however, approved total Compliance Plan hours are also included in this report to account for the total resources of University Audit and Compliance (UAC). This Plan outlines all planned audits and other required audit-related activities based on required audits, an assessment of audit risk, and resources available to UAC during the plan year. The Plan also includes provisions for assisting management with additional requests, special investigations, follow-up on any previous observations/findings, and other value-added work.

The Plan may be updated as necessary to reflect changes in the University's strategic plan, program initiatives, and external environmental factors along with accommodating requests from the Board of Trustees and University management.

Thank you in advance for the support offered in the performance of University Audit and Compliance responsibilities.

Sincerely,

David A. Blanton

David A. Blanton, CPA, CCEP
Chief Audit Executive & Chief Compliance Officer
University Audit and Compliance

Overview

The Internal Audit Charter, approved by the Audit and Compliance Committee (AACC), provides that the mission of University Audit is to serve the University by recommending actions to assist them in achieving its strategic and operational objectives. This assistance includes providing recommendations to management for activities designed and implemented by management to strengthen internal controls, reduce risk to and waste of resources, and improve operations to enhance the performance and reputation of the University. Additionally, the Compliance and Ethics Charter provides that the mission of University Compliance is to support and promote a culture of ethics, compliance, risk mitigation, and accountability.

As required by the Internal Audit Charter, pursuant to Florida Board of Governors (BOG) Regulations¹ and Internal Auditing Standards², audits are to be scheduled and performed according to a risk-based annual plan which shall be submitted to the President, the AACC, and the Board of Governors. A risk assessment is an on-going systematic exercise performed to identify concerns and potential areas of risk that may benefit from audit assurance and is used to appropriately allocate audit resources. In performing the risk assessment, information on risk areas and concerns were gathered from the following:

- inquiry with various University staff/observations and a review of University records
- the collective knowledge of UAC as it relates to University operations
- a review of other University audit reports
- new legislation, laws, rules, or requirements
- complaints and allegations

A population of 127 risk areas was identified to create the “audit risk universe”. This represents an increase of 6 new risks that were added from the previous risk assessment conducted last year. Various risk factors were then analyzed and applied to the audit risk universe to generate a relative risk rating by area/specific risk. University senior management’s input was then solicited and obtained in considering significant risks. The results of this risk assessment process led to the generation of selected audit topics as identified on pages 4 and 5 and those risks dedicated to compliance monitoring³.

Risk Assessment

The CAE should use risk assessment techniques in developing the internal audit activity’s plan and in determining priorities for allocating internal audit resources. Risk assessment is used to select areas to include in the internal audit activity’s plan. Also, the CAE should seek guidance on what the board and the senior management considers important to assist in assessing risks, prioritizing projects and allocating audit resources.⁴

¹ Florida Board of Governors Regulation 4.002(6)(d)

² *International Standards for the Professional Practice of Internal Auditing*

³ Planned risks to be monitored through compliance monitoring reviews are detailed in the 2024-25 Compliance & Ethics Program Plan.

⁴ Institute of Internal Auditors’ International Professional Practices Framework (IPPF): IPPF Practice Guide – Interaction with the Board

Risk Assessment Process

Each year, University Audit and Compliance is charged with completing an assessment of risk to assist in the development of an Annual Audit & Compliance Work Plan (Plan). The goal for the Plan is to effectively use audit resources in order to provide audit coverage to areas with the greatest known risks and to dedicate sufficient time in administering the Compliance and Ethics Program in accordance with BOG Regulations⁵.

A list of risk areas, prepared from inquiry of senior management, reviews of other audit reports, and previous risk assessments was compiled and prioritized with respect to University goals and objectives, the nature and type of risk, and available resources. The areas of risk were assessed and the Work Plan was developed considering the following factors:

1. Impact
2. Likelihood
3. Concern
4. Management's ranking
5. Risk factor classifications (see sidebar at right)
6. Fraud risk

A weighted value was then determined, based on the factors above, for each risk identified. Risks with a higher risk score were prioritized for audit consideration and presented to the Audit and Compliance Committee for Plan approval.

Auditing Standards require that follow-up be performed on previously reported matters. The Plan includes an allocation of resources to perform follow-up reviews to ensure appropriate corrective action has been taken for each previously reported finding/observation. Additionally, certain audits included in the Plan are statutorily required, independent of the risk assessment process.

RISK FACTORS & CONSIDERATIONS

Operational – Are University resources being used in an effective and efficient manner? Could University operations be improved?

Financial – Are University financial processes handled as intended? Are assets maintained and protected in an appropriate manner? Is financial reporting reliable and accurate? Are accounting records properly maintained?

Compliance – Is the department or audited activity in compliance with applicable laws, rules, regulations, and University policies?

Reputational – Does an activity or action rise to the level of concern such that the resulting loss or damage impair the reputation of the University?

Strategic – Does the activity or department's actions align with the strategic plan of the University? (i.e., mission, goals, and objectives)

Technology – Does the processes, applications, and infrastructure that support an activity or department adequately support the technology environment for the University?

Human Capital – Is the University workforce properly suited to meet the objectives of the University?

⁵ Florida Board of Governors Regulation 4.003(1)

Risk Areas

The following areas were determined to present the highest risk using the risk assessment methodology or represent audits or reports that are required to be completed:

Rank	Audit Risk Area	Objectives/Purpose of Audit or Activity	Notes
1	Performance Based Funding (PBF) Data Integrity Audit	As required, to determine whether the University has established adequate controls to properly report data for the various metrics related to PBF.	A
2	Annual Report – FYE24	As required, this report summarizes the audit activities for University Audit and facilitates proper oversight by the AACC.	
3	Risk Assessment & Audit Plan - FYE25	As required, to effectively use audit resources to provide audit coverage to areas with the greatest known risks and other required audit activities.	
4	Foundation Follow-up	To determine whether controls have been properly implemented to adequately correct the segregation of duties finding included in prior audits of the Foundation.	B, E
5	IT Audit Follow-up	To determine whether controls have been properly implemented to adequately correct the IT security findings included in the Auditor General's "Information Technology Operational Audit".	B
6	Foreign Influence Audit	As required, to determine whether appropriate controls have been designed and placed into operation to ensure compliance with applicable laws enacted to prevent foreign influence.	C
7	Global Internal Audit Standards Review	Self-assessment and gap analysis of changes required by new internal auditing standards.	D
Notes:			
A – PBF audit and BOT data certification is required to be presented to the BOG by March 1, 2025. This is the fifth year that Florida Poly will participate in the funding for PBF and a condition of participation is an audit of the data integrity supporting the metrics developed to measure performance. Consequently, this is ranked highest priority for the 2024-25 Plan year.			
B – Project was included on FYE24 plan but not completed and carried forward into current plan.			
C – This operational audit is statutorily required by July 1, 2025, for universities that receive state appropriations or state tax revenues and have a research budget of \$10 million or more.			
D – New standards effective 1/1/25. This review essentially serves as an interim quality assurance review.			
E- May be treated as consultative engagement since the external auditing firm is expected to follow-up on risk area.			

Given the limited resources of UAC, and the amount of time necessary to administer both the audit and compliance functions at the University, planned audits were limited to these required audits and areas of high risk. Additionally, audit resources were reserved to complete an annual report, the risk assessment and audit plan, and other administrative duties in the upcoming plan year. In the event that resources for the 2024-25 fiscal year are available beyond activities called for in the Plan above, UAC will present a revised Plan for AACC approval to address additional areas of high risk.

Additionally, UAC utilized the risk assessment process to identify a number of other risk areas that might benefit from compliance monitoring efforts rather than a comprehensive audit. Those areas of risk are separately identified in the 2024-25 Compliance and Ethics Program Plan.

The following Work Plan summarizes planned activity pursuant to the risk-based assessment, required audits, and available hours for UAC to administer the audit and compliance functions at the university:

Florida Polytechnic University University Audit & Compliance Work Plan (A) 2024-25 Fiscal Year		
Activity	Estimated Hours	Total Hours
ADMINISTRATIVE ACTIVITIES:		220
Periodic meetings with President/Board	40	
BOG Communications	40	
Prepare Audit & Compliance Liaison Materials and Attend Briefings	120	
Other	20	
INVESTIGATIVE ACTIVITIES:		120 ⁶
Complaint Intake, Preliminary Inquiries, Investigations (B)	120	
COMPLIANCE ACTIVITIES:		320 ⁶
Administration of the Compliance and Ethics Program	320	
AUDITING ACTIVITIES:		932
UAC Risk Assessment and Audit Plan 2024-25	80	
UAC Annual Report	40	
Performance Based Funding Data Integrity Audit	400	
Foundation Follow-up	90	
IT Operational Audit Follow-up	120	
Foreign Influence Operational Audit	122	
Global Internal Audit Standards Review/Interim QAR	80	
MANAGEMENT ADVISORY/CONSULTING ACTIVITIES:		144
Various (B)	144	
TRAINING ACTIVITIES:		120
Webinars, SUS Committees, and Continuing Professional Education	120	
Total Estimated Hours	1,856	1,856
Notes: (A) This annual work plan is subject to change based on requests made by the Board to evaluate particular programs or activities. (B) Estimated hours for investigations and management advisory services are not readily quantifiable and could change significantly depending on the number of allegations, investigations, and/or consulting requests.		

⁶ Hours for investigative and compliance activities as separately detailed in the 2024-25 Compliance Program Plan.

The table below identifies current resources available for University Audit and University Compliance during the 2024-25 Plan year: (1 staff FTE)

Available Staffing Hours	
Month	Hours
July	168
August	176
September	160
October	184
November	144
December	136
January	168
February	160
March	168
April	176
May	168
June	168
Sub Total	1,976
Vacation/sick	(120)
Annual hours available	1,856

The graph below depicts the planned allocation of UAC resources, by activity, for the upcoming fiscal year as detailed in the work plan on page 5:

