



UNIVERSITY of WEST FLORIDA



Internal Auditing & Management Consulting Annual Report 2019/20

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UWF Internal Auditing & Management Consulting Annual Report 2019/20

Message from the Chief Audit Executive

It is our pleasure to present the 2019/20 Annual Report for UWF Internal Auditing & Management Consulting. Despite the changes that this past year presented for higher education, IAMC rose to the challenge. We were able to complete 7 traditional audits, 24 Purchasing Card audits, 4 management advisory services, 9 investigations of complaints, while following up on audit recommendations 64 times and participating on university committees.

IAMC activities comply with the Standards for the Institute of Internal Auditing, which require an annual confirmation of independence to the Board of Trustees. IAMC reports functionally to the UWF Board of Trustees and administratively to the President. The BOT Audit & Compliance Committee continues to provide tremendous support, enabling our department to serve as an effective, independent resource.

Cynthia Talbert
CFE, CIA, CPA, CRMA

The IAMC Team

Cindy Talbert, Lauren Alidor, Elizabeth Mracheck



Our current staff includes a Chief Audit Executive, two Auditors (one is half-time), and a Student Auditor. The Student is in training to perform all PCard audits, supervised by an Auditor. Traditional audits, investigation of complaints, management consulting services, and follow up on prior audit recommendations are assigned to staff members as available. All Work Force staff are required to obtain 40 hours of continuing education each year and participate in the local chapter of the Institute of Internal Auditors.



Audits Completed

Performance Based Funding Data Integrity: This is an annual audit required by the Board of Governors. We evaluated the completeness, accuracy, and timeliness of data file submissions to the Board of Governors., from which ten Performance Metrics are computed. Controls were found to be strong in all areas involved in the production and review of data, and no materials errors were noted in our tests of the data. There were no audit findings or recommendations.

Student Wellness Services, Health, & Counseling: This audit evaluated controls over financial management, equipment, travel, information technology, safety, customer service, and other aspects of administration, as well as mitigation of risks to the University and students, and compliance. In general, controls were noted to be strong. We recommended that written policies and procedures for Wellness Services be formalized in writing; that Student Health Services adopt Environment Health & Safety policies and training classes offered; that employees confirm in writing that a Procedures Manual had been provided to them; and that an attractive asset tracking process be established.

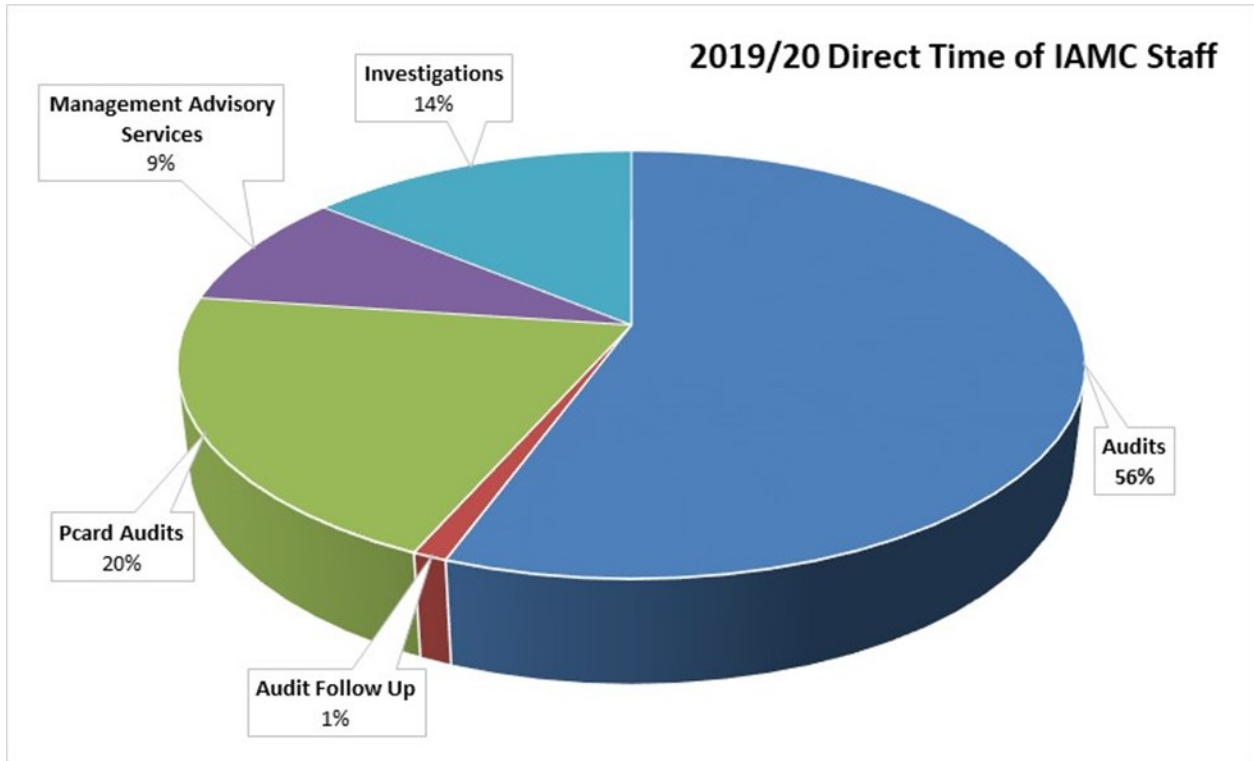
Scholarships: We reviewed controls over policies and procedures, compliance, packaging and awarding, tax reporting, application of aid, eligibility, and collaboration between campus units to centrally report the extent of scholarships available and awarded. Controls were found to be strong. We made no recommendations.

Police Department: This audit focused on controls over ammunition, weapons, and equipment, compliance, evidence handling, internal investigations, officer supervision and training, policies and procedures adequacy, revenue and expense, safeguarding of confidential information, and reporting. Controls were noted to be strong. We recommended that the department conduct periodic evaluation of the chargeback rate for officer support at events, and that the department fully develop written procedures for the Clery and Uniform Crime Reports.

Parking & Transportation Services: The objectives were to evaluate internal controls over department administration, financial management, parking operations, contractual agreements, information technology, maintenance and repairs, and compliance. Internal controls were noted to be strong in general. We recommended that PATS limit access to the department truck and conduct periodic review of staff driver's licenses; periodically confirm the accuracy of financial holds placed on student accounts; and remove patrollers' ability to void citations themselves.

Usha Kundu, MD College of Health Dean's Office: We evaluated internal controls over financial activities, contractual agreements, compliance, and general effectiveness and efficiency of operations. Controls over most administrative activities were strong. We recommended that Travel Authorization Requests be signed by the employees' supervisor in accordance with the Academic Affairs' policy; that policies and procedures be formalized in writing; and that a Continuity of Operations Plan be submitted to Environmental Health & Safety.

Laboratory Sciences Annex Construction Expenditures: We focused on the bidding and contract process, construction cost billings, Construction Manager payments, and change orders. Controls were found to be strong. We recommended that Facilities Planning & Construction review their written policies and procedures to ensure they were adequate and up-to-date.



PCard Audits

Most of our PCard audits are conducted by two part-time employees, including an experienced CPA and a Student Auditor. Statistics related to the 24 PCard audits issued during fiscal year 2019/20 are displayed in the table below. PCard audit reports are issued to department management with a rating assigned, based on the level of compliance with University PCard policies, as determined by the audit work. Ratings assigned were:

Excellent—19 Good—5 Fair—0 Poor—0

Departments receiving a rating of Fair or Poor are required to submit a remediation plan to the Board of Trustees. Departments with cardholders are audited on a cycle of every two to three years.

PCard Statistics

PCard audits	24	Cardholder departments	145
Cardholders audited	212	Total cardholders	379
Dollars tested	\$1,450,641	Total charges	\$13,401,480
Transactions tested	1,719	Total transactions	28,734



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Budgetary Information

IAMC is supported primarily by Education & General funding provided by the President's Division. In 2019, we were fortunate to begin receiving \$20,000 in Auxiliary funding to support the PCard auditing function. In 2019/20, we expended the following amounts from E&G, E&G Carryforward, and Auxiliary funding:

Salary and wages	\$334,573
Office supplies	1,176
Telephone	1,203
Statewide security application	2,372
Dues and memberships	1,462
Travel and training	3,634
	<u>\$344,420</u>

Key Performance Indicators	19/20	18/19	17/18	16/17	Comments
% of audit plan completed by year-end	56%	57%	88%	63%	Completed 5 out of 9 audits
Number of audits completed	7	4	9	6	Completed 2 from 18/19 work plan and 5 from 19/20
Average Score: Post-Audit Client Satisfaction Surveys	4.9	4.9	4.9	4.9	Out of 5 points
Percentage of effort spent on audits	76%	70%	76%	63%	Internal Audits and PCard audit hours compared to the total Direct Time of IAMC auditors
Number of Management Advisory Services completed	4	5	9	21	
Number of PCard audits	24	36	35	33	
Number of follow-ups on audit findings	64	35	49	69	
Number of investigations completed	9	8	7	6	
Number of certifications held by staff	5	9	8	11	2-CPA, 1-CIA, 1-CFE, 1-CRMA
Average number of years of audit experience	16	18	16	19.5	18 yrs. (CAE), 2 yrs. (Auditor), and 27 yrs. (Auditor)



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Guidelines

The activities of our office are designed to comply with:

- Our Charter, approved by the Board of Trustees,
- Board of Governor's Regulation 4.002 "State University System Chief Audit Executives", and
- The Standards of the Institute of Internal Auditors.

University Hotline

UWF uses a variety of mechanisms to receive complaints, including a hotline for faculty and staff. Communications from the EthicsPoint **Integrity Helpline** are coordinated through an outside party. A UWF resource group assigns complaints for investigation as necessary. Financial-related complaints and miscellaneous matters are handled by IAMC. In 2019/20, our office received and resolved one hotline complaint.

Quality Assurance Program

IAMC has established a Quality Assurance and Improvement Program. This includes a peer review every 5 years. Our next review is scheduled for summer of 2021. Ongoing monitoring is incorporated into our routine practices, for example, by workpaper review and frequent interaction between auditors and the CAE.

Audit Follow Up

Prior audit recommendations are followed up on periodically during the year. IAMC performed 64 follow up activities this year on 45 recommendations. By year-end, 33 recommendations were found to be implemented and 12 were not implemented. Seven others had not reached their targeted implementation dates yet. IAMC is working with department staff to ensure that resolutions are reached.

Professional Activities

During the year, IAMC staff participated as members of:

- Institute of Internal Auditors
- Association for College and University Auditors
- Association of Certified Fraud Examiners
- ISACA
- State University Audit Council



Annual USO Snack Drive

For the past 5 years, IAMC has been on mission to ensure that military personnel who arrive at the Pensacola Regional Airport know that Pensacola loves them! We became aware of young men and women who disembark from flights with nothing to eat and lacking basic toiletries. As each Veteran's Day approaches, we begin collecting snacks, drinks, and toiletries to be distributed by the USO volunteers at the airport. Auditor Lauren Alidor makes a delivery in this photo.