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Message from the Chief Audit Executive

Once again it is my pleasure to present the Annual Report for 2013/14 for UWF Internal Auditing & Management Consulting (IAMC). Our mission is to assist the University leaders in fulfilling their fiduciary responsibilities. Our team is committed to providing independent, objective assurance services. Within this Report we intend to demonstrate our accountability to you that the internal auditing function is operating as intended. Additionally, we tied our activities to the UWF Strategic Plan 2012-2017.

Productivity has been high, despite turnover of an internal auditor position. We completed nine (9) audits, 34 PCard departmental audits, and 20 consulting projects (Management Advisory Services). One key MAS is assisting UWF in financial recovery from the April 29, 2014 rain event when UWF sustained \$1.2 million damages at more than 25 sites across campus.

A pleasant surprise to me was the Association of College and University Auditors' **Member Excellence in Service Award**, given to one ACUA member annually. Another wonderful honor was bestowed upon me in April 2014 by receiving UWF's Marion Viccars Service Award in recognition of individual accomplishments reflecting UWF's mission. Both of these honors have been quite humbling and I am most appreciative.

UWF continues to meet strategic objectives, while being exposed to a barrage of risks facing many of its peers in higher education: increased regulations, regulatory and operational risks, enterprise system implementation (Banner Student) and ongoing changes to IT infrastructure, safety of students, staff, and others on campus, challenges associated with restructuring, and increased risk of fraud. UWF Internal Auditing's role is to proactively work with management to navigate these risks and provide assurance that existing internal controls and processes are in place and optimized for effective and efficient risk mitigation. Our report will highlight outcomes of key activities of UWF IAMC.

The dedication and professionalism of the employees in IAMC led to the successes our department experienced this year. I thank them for their efforts. I also would like to thank the UWF management for their cooperation and responsiveness. Finally, I thank **you** for your continued support of IAMC.

A handwritten signature in black ink, appearing to read 'Betsy Bowers'.

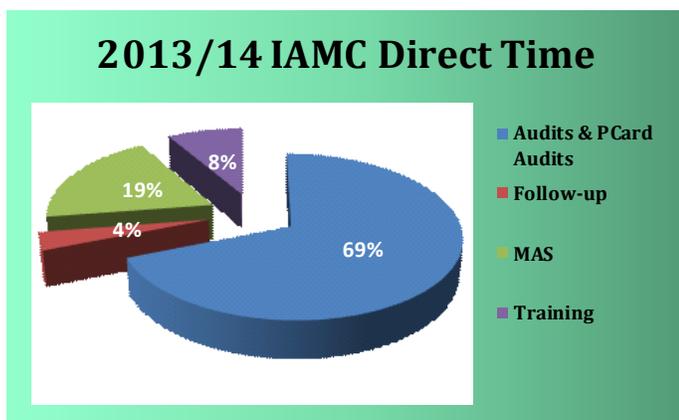
Betsy Bowers, CIA, CFE, CGFM, CIG, CRMA
Associate Vice President

Table of Contents

Audits	2
Management Advisory Services	2
PCard Audits	3
Key Performance Indicators (KPIs)	3
Audit & Operations Committee.....	4

AUDITS

UWF Strategic Priority 4.1 *“Support and sustain the high-quality services and infrastructure needed to achieve identified UWF priorities.”*



Audits comprise the largest portion of our direct time, about **69%** including PCard audits. We **completed nine (9) audits** during the year. A summary of the audits completed, including notable strengths and findings follow.

Attractive Assets

In FY 2012/13 the university increased its capitalization threshold from \$1,000 to \$5,000. Items that had an original cost of \$1000-\$4999 with a useful life of 1+ years are now categorized as “attractive assets.” Our audit focused upon departmental recordkeeping and internal controls. We had two findings, both related to strengthening internal controls and accountability for attractive assets.

Camps and Conferences

Our audit covered camps and conferences hosted via Continuing Education, National Flight Academy, Intercollegiate Athletics, and Reservations and Conference Services departments. The audit included ten (10) findings, most of which related to coordination/centralization of risk management of camps and camp-like activities as well as internal control enhancements.

Health, Counseling & Wellness Services

This departmental audit was a self-assessment with internal audit validation. Thirty five (35) areas related to administrative aspects of the Health, Counseling and Wellness Services were examined. Three minor enhancements were recommended related to IT internal controls, strategic planning, and appropriate health/hazardous waste training for employees.

SEVIS (Student and Exchange Visitor Information System)

We had three Notable Strengths regarding the international student oversight and operations. The audit included five (5) findings focusing on updating access to the SEVIS system, formalizing SEVIS policies, and improving documentation in International Student Organization files.

Material & Supplies Fees-(4 audits)

We audited Material and Supplies Fees (M&S) collected and used in FY 2013/14 for four (4) departments, each with a separate audit report. The departments were: 1. Art 2. Biology 3. Chemistry 4. HLES Our audit focused upon the usage of the M&S fees collected from students for particular courses. Florida Statute 1009.24 gives authorization to assess M&S fees specifically for consumables. BOG Regulation 7.003 authorizes Boards of Trustees to assess M&S Fees with the various rates being approved at the BOT level. UWF had 147 courses collecting M&S Fees and 278 courses collecting Equipment Fees. Findings within these four audits focused upon documenting departmental policies and procedures, monitoring cash balances for monies collected, and administrative oversight enhancements within the Provost’s Office.

Office of Economic Development and Engagement (OEDE)

A Notable Strength related to the OEDE operation was included in the report. Although the group is small in size, they carry a tremendous array of credentials and qualifications, which help to ensure that Sustainable Economic Development Initiative (SEDI) activities are carried out in an organized, thorough, and professional manner. The audit included two (2) findings relating to formalizing written procedures and identifying resources to support ongoing compliance.

MANAGEMENT ADVISORY SERVICES

UWF entities often turn to IAMC for consulting assistance of varying types, due to the expertise we can provide in topics such as good business practices, effective internal controls, inter-workings of the University environment, and a well-rounded knowledge of compliance issues. These engagements help to build effective and trusting relationships with the areas we audit. Accordingly, during this year, senior management sought our expertise presenting opportunities for 20 Management Advisory Services projects. These activities included serving on interdivisional task forces, researching policies and regulations, workflow evaluations, and quality assurance reviews for other institutions. Accordingly we identified these efforts to align with **UWF Strategic Priority 4.3** *“Maximize the acquisition and deployment of resources, and strategically align and integrate planning, budgeting, assessment, and continuous improvement efforts.”*

PCARD AUDITS

Along with our two internal auditors, PCard Audits are performed by two part-time employees (one is a CPA). These part time employees each work 15-20 hours per week. During FY 2013/14 we were able to complete 34 PCard audits and tested \$783,936 in PCard expenses. Presently, UWF has 413 cardholders in 160 departments. PCard expenditures for FY 2013/14 total \$11,385,330 to 3,355 vendors. In addition to aligning with UWF Strategic Priority 4.3 our use of a graduate student as a PCard Auditor aligns with **UWF Strategic Priority 1.1**. "Foster student learning and development to include the knowledge, skills and dispositions that optimize students' prospects for personal and professional success."

Number of Departments Reviewed	Number of Cardholders	Number of Transactions Occurring	Number of Transactions Tested	Total PCard expenses for these Depts.	Total PCard transactions Tested
34	135	5,126	1,679	\$ 1,325,507	\$ 783,936 (59%)

Audit Opinion for the PCard Audit				
Excellent	Good	Fair	Poor	Total
12	15	6	1	34



Betsy Bowers



Cindy Talbert



Dan Bevil



Elizabeth Mrachek



Matt Packard

KEY PERFORMANCE INDICATORS

During 2012/13, key performance indicators were established based on the 2011/2012 peer review. We found alignment with **UWF Strategic Priority 4.3**. "Maximize the acquisition and deployment of resources and strategically align and integrate planning, budget, assessment, and continuous improvement efforts."

KPI	2013/14	2012/13	Comments
Percentage of audit plan completed	100%	80%	
Number of Audits completed	9	8	See above
Average Score –Post Audit Client Satisfaction Survey	4.9	4.9	On a scale of 1 (poor) to 5 (Excellent)
Average number of days for an audit	81	80	Calculated in business days for each audit, then averaged.
Average report turnaround time (days)	11	10	Calculated as # days between Exit conference and final report
Percentage of effort spent on Audits	69%	66%	Internal Audits and PCard audits compared to the total Direct Time of IAMC auditors
Number of Management Advisory Services	20	15	
Number of PCard Audits	34	35	
Number of Follow-ups on Audit Findings	38	48	
Number of certifications held by staff	6	6	2-CPA, 1-CIA, 1-CFE, 1-CIG, 1-CGFM, and 1-CRMA
Average number of years of audit experience per auditor	17	16	31 yrs. (AVP) + 11 yrs. (Auditor III) + 3 yrs. (Auditor II) +20 yrs. (PCard Auditor)

UWF BOARD OF TRUSTEES AUDIT & OPERATIONS COMMITTEE

Effective July 1, 2001, in accordance with the provisions of Chapter 2001-170, Laws of Florida (2001), the Board of Regents of the State University System of Florida was abolished. The University of West Florida is now governed by the University of West Florida Board of Trustees, a public body corporate of the State of Florida. According to Section 229.082, Florida Statutes, the president of the university serves as chief executive officer of the university and corporate secretary of the UWF Board of Trustees (BOT). The bylaws of the UWF BOT created the Finance, Administration, and Audit Committee. In December 2011, BOT Committees were restructured to create the Audit & Operations Committee (A&O), to which our office functionally reports. The new A&O Committee Charter and the new Internal Auditing Charter were approved in March 2012 by the UWF BOT. Our audit committee is presently composed of three Trustees: Susan O'Connor, Dr. Pam Dana, and Garrett Walton.



Notable and Newsworthy



PROFESSIONAL ACTIVITIES

UWF Strategic Priority 3.1. *“Develop, cultivate, assess, and sustain a network of mutually beneficial community partnerships.”* IAMC staff participate as members and leaders in myriad of professional activities in our efforts to make others aware of UWF.

- Institute of Internal Auditors (IIA)*
- Association for College and University Auditors (ACUA)*
- Association of Certified Fraud Examiners (ACFE)*
- American Institute of Certified Public Accountants (AICPA)
- Southern Association of College and University Business Officers (SACUBO)
- National Association of College and University Business Officers (NACUBO)
- Society for Corporate Compliance and Ethics (SCCE)
- Society for College and University Planning (SCUP)
- State University Auditors Council (SUAC)*
- American Association of University Women (AAUW)
- Toastmasters International, Ellyson Park*
- IT Gulf Coast

*IAMC staff held a leadership position.

UWF Strategic Priority 4.2 *“Recruit, develop, retain and recognize dedicated, high-quality staff members who advance the mission, vision, and values of the University.”*

UWF IAMC was highlighted via two distinguishing awards bestowed upon **Betsy Bowers**. First, at the international conference for the Association of College and University Auditors (ACUA) held in Norfolk, VA in September 2013, Bowers was awarded the **ACUA Member Excellence in Service Award**. This award recognizes a member who has made outstanding contributions to ACUA through exceptional volunteer service. She is a past national president of ACUA, past editor of the ACUA College & University Auditor Journal and presently chairs the ACUA Faculty Committee. As a result of that exceptional service, Bowers is recognized by universities around the world as the “go to” person for higher education audit issues.

Additionally, she serves as a team lead on Quality Assurance Reviews of higher education internal auditing operations.



In May 2014, UWF recognized Bowers for outstanding job performance as well as service to UWF and the community by awarding her the **UWF Marion Viccars Award**. The award was established by UWF's second president, Dr. James Robinson

IAMC Vision Statement

Achieving institutional excellence by facilitating continuous improvement through innovative problem solving and shifting paradigms.