



UWF Internal Auditing & Management Consulting Annual Report 2021/22

Message from the Chief Audit Executive



It is our pleasure to present the 2021/22 Annual Report for UWF Internal Auditing & Management Consulting. Our staff was able to seamlessly transition to remote work locations last year, but are happy to be back in the face to face environment once again. We were able to complete 7 traditional audits, 20 Purchasing Card audits, 11 management advisory services, and 2 minor investigations of complaints, while following up on audit recommendations and participating on University committees.

IAMC activities conform to 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

Lauren Alidor, Cindy Talbert, and Elizabeth Mrachek



Our current staff includes a Chief Audit Executive, and Internal Auditor III and an Internal Auditor II. Traditional audits, Purchasing Card audits, investigation of complaints, management advisory services, and follow up on prior audit recommendations are assigned to staff members as available.

All staff are required to complete continuing education hours each year.



Audits Completed

Performance Based Funding Data Integrity 2021: 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 eleven Performance Metrics are computed. Controls were found to be strong over the processes used to collect and submit data to the Board of Governors. We recommended that the Institutional Research director ensure that procedures were formalized in writing, and make some minor modifications related to Metric 10 data.

Campus-wide Computer Server Management: Our objectives were to evaluate internal controls over acquisitions and disposals, physical environment, virtual servers, change management, monitoring and performance, and security. Controls were found to be generally strong. We recommended that Information Technology Services develop written procedures for server standards for local support providers.

Recreation and Wellness: Our objectives were to evaluate internal controls over financial activities, contractual agreements, management oversight, safety and security, and activities unique to Recreation and Wellness; compliance with University policies, procedures, and applicable laws; and general effectiveness and efficiency of operations. We recommended that management collaborate with Intercollegiate Athletics and Facilities Management to develop a new agreement to split field maintenance costs; and to collaborate with Intercollegiate Athletics and Movement Sciences and Health to develop a new agreement to split rental revenue. We recommended that the department consult with the Office of General Counsel and the Office of Environmental Health and Safety to determine which events, activities, and clients should use written liability waivers, while developing new waiver verbiage and forms. Lastly, we recommended that the department implement a procedure to ensure that all revenues for contractual agreements are billed in accordance with applicable terms and to routinely monitor collections to ensure that they are received in a timely manner.

Federal Stimulus Funding Compliance: This was our first audit of funding provided through the federal Higher Education Emergency Relief Fund (although a management review was issued in November 2020). Our objectives were to review the adequacy and effectiveness of internal controls designed to ensure compliance with Federal and University requirements, and determine whether the University had complied with the requirements attached to Federal stimulus funding awarded, received, or expended from December 1, 2020 through July 31, 2021. We recommended that the Office of Financial Aid establish procedures to ensure that award, application, and disbursement information is publicized on the UWF website in accordance with Federal Register requirements, and that a refund be made back to Synovus Bank for an over-collection of a SBA Paycheck Protection Program loan.

Foreign Conflicts of Interest: Our objectives were to identify and evaluate the adequacy and effectiveness of controls related to foreign conflicts of interest, including foreign travel oversight; gifts, grants, and contracts with foreign entities; foreign visitors; and foreign talent recruitment; evaluate the processes to ensure the completeness and accuracy of foreign conflict of interest disclosures; and review compliance with applicable laws, rules, and regulations. We recommended that the Research Integrity Office establish a requirement that any contracts, grants, endowments, awards, or donations from a foreign source be communicated to them, with periodic monitoring by the Controller's Office and the UWF Foundation. We also recommended that the University's export control policies and procedures be reviewed and formalized and the most current information posted to the UWF Research Administration and Engagement webpage.

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Audits Completed (continued)

Business Continuity Management and Disaster Recovery: Our objectives were to evaluate the adequacy and effectiveness of controls established in preparation for future incidents or crises that could jeopardize UWF's core mission and its short- and long-term ability to continue operations, to include governance and management support risk assessment and mitigation; business recovery and continuity strategy; plan awareness, testing, and training; and maintenance; and to review compliance with applicable laws, rules, and regulations. We recommended that the Vice President of Finance and Administration, the Police Chief, and the emergency liaison with the Board of Governors take National Incident Management System refresher training; that additional efforts be made to collect departmental Continuity of Operations Plans; that the Vice President of Finance and Administration oversee modifications to the Comprehensive Emergency Management Plan and departmental Emergency Operations Plans; that user access to the Google drive on which Emergency Operations Plans were saved be reviewed periodically; that testing and exercise of the emergency plan be performed annually; and that the creation of a Business Continuity Management Steering Committee be considered, with approval of their Charter by the President and the Board of Trustees.

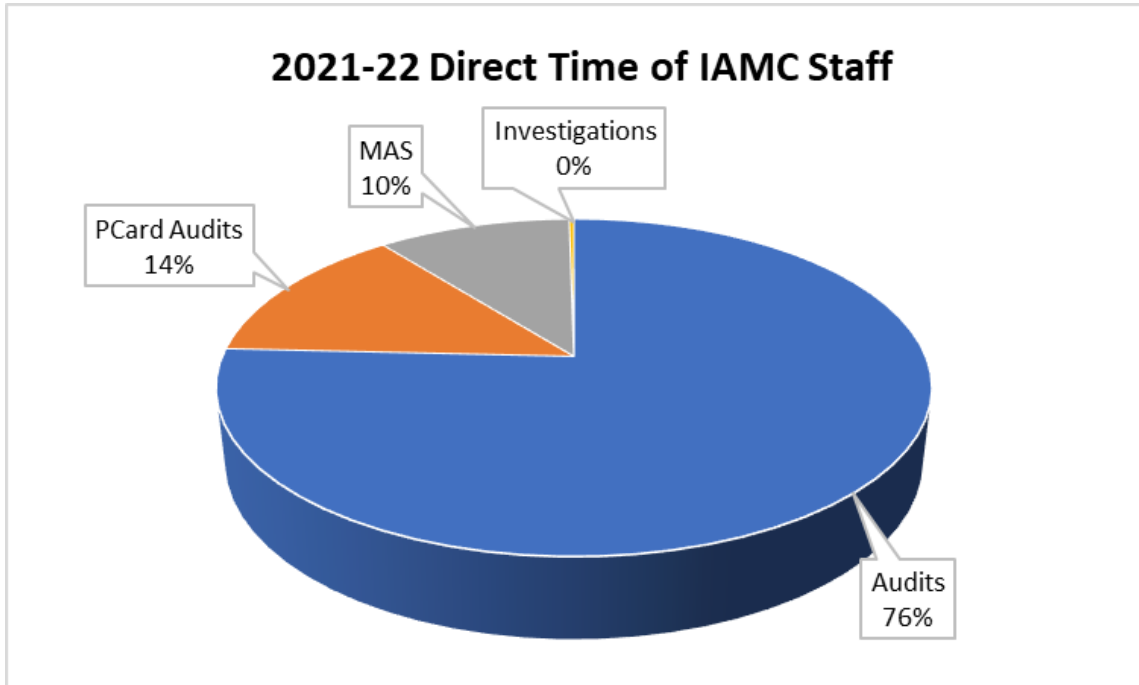
Utilities, Energy, and Environmental Sustainability: Our objectives were to evaluate internal controls over safety and security; alternate continuity with equipment, staffing, and strategy; systems susceptibility to intrusion, infiltration, and hacking; metering and billing practices; contractual agreements with local utility companies; and review and analysis of trends in usage levels. We recommended that management consider negotiation of new agreements with non-E&G supported departments, to help recoup the cost of services provided; that management collaborate with Human Resources on a plan to recruit and retain staff; that management develop a Memorandum of Understanding with Information Technology Services related to system support requirements and expectations; and that the department develop procedures to ensure that all staff take required training sessions.

Management Advisory Services

We completed one major advisory service at the request of management during the fiscal year. Our Review of Split-Funded Payrolls focused on grant budgets and required no recommendations. We conducted ten additional reviews that were minor in nature.



IAMC sponsors an annual USO Snack Drive leading up to Veteran's Day. UWF employees contribute items that are delivered to the USO at the Pensacola airport. These items benefit the many service men and women who fly through our city during that time period. We show these very important travelers a little TLC from UWF.



PCard Audits

Our PCard audits are conducted by staff members with extensive knowledge of PCard regulations and best practices. Statistics related to the 20 PCard audits issued during fiscal year 2021/22 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—14 Good—4 Fair—1 Poor—1

Departments receiving a rating of Fair or Poor are required to submit a remediation plan to the Board of Trustees.

PCard Statistics

PCard audits	20	Total Cardholder departments	108
Cardholders audited	71	Total cardholders	322
Dollars tested	\$1,283,623	Total charges for depts. audited	\$1,930,495
Transactions tested	603	Total transactions for depts. audited	2,534



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Budgetary Information

IAMC is supported primarily by Education & General funding provided by the President's Division, supplemented with \$20,000 in Auxiliary funding. We expended the following amounts from E&G and Auxiliary funding:

Salary and fringes	\$297,901
Office supplies	455
Furniture	3,002
Telephone	772
Statewide security application	1,078
Dues and memberships	1,070
Training	1,250
	<u>\$305,528</u>

Key Performance Indicators	21/22	20/21	19/20	18/19	Comments
% of audit plan completed by year-end	85%	71%	56%	57%	Completed 6 out of 7 audits
Number of audits completed	7	7	7	4	Completed 2 from 20/21 work plan and 5 from 21/22 work plan
Average Score: Post-Audit Client Satisfaction Surveys	4.9	4.8	4.9	4.9	Out of 5 points
Percentage of effort spent on audits	90%	69%	76%	70%	Internal Audit and PCard audit hours compared to the total Direct Time of IAMC auditors
Number of Management Advisory Services completed	11	5	4	5	
Number of PCard audits	20	11	24	36	
Number of follow-ups on audit findings	50	26	64	35	Increase is due to a change in practice; we follow up every month rather than biannually.
Number of investigations completed	2	2	9	8	
Number of certifications held by staff	5	5	5	9	2-CPA, 1-CIA, 1-CFE, 1-CRMA
Average number of years of audit experience	18	17	16	18	20 yrs. (CAE), 4 yrs. (Auditor II), and 29 yrs. (Auditor III)



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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.

Charter Review

We are required to review and make necessary modifications to our department Charter at least every 3 years. This was completed and approved by the Board of Trustees during 2020/21.

Quality Assurance Program

IAMC has established a Quality Assurance and Improvement Program. This includes a peer review every 5 years. Our last review was conducted in the Fall 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 50 follow up activities this year on 49 recommendations. By year-end, 28 recommendations were found to be implemented, 13 were not implemented, while 8 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
- State University Audit Council

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 2021/22, our office received and resolved one hotline complaint.