



## UWF Internal Auditing & Management Consulting Annual Report 2023/24

### Message from the Chief Audit Executive



It is our pleasure to present the 2023/24 Annual Report for UWF Internal Auditing & Management Consulting. We recruited and hired a new internal auditor this year, completed our audit work plan, and are proud of the improvements that have been made to university activities as a result of our work.

We completed 8 routine audits and 3 quarterly PCard audits, worked on 5 management advisory services, and completed 3 investigations of complaints, while following up on 23 audit recommendations and participating on a variety of University committees.

IAMC activities conform to the Institute of Internal Auditing's *Global Internal Audit Standards*, 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

### IAMC Auditors

Lauren Alidor and Katherine Jones



Along with the Chief Audit Executive, our staff includes an Internal Auditor II and an Internal Auditor I. 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 2023:** 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 made no recommendations.

**Post-Tenure Faculty Review:** This was a Board of Governors required audit. We verified compliance with BOG Regulation 10.003 and its requirements for comprehensive post-tenure faculty review, and evaluated the effectiveness of the review process and its alignment with university policies and procedures. There were no audit findings or recommendations.

**Student Activity & Service Fees:** Our objectives were to review the adequacy and effectiveness of internal controls over formalization of policies and procedures, the budgeting process, expenditures, allocation of fee revenue, and compliance with State laws, BOG Regulations, and University policies. We recommended changes to the acquisition of student travel insurance, and more timely updates to budget and other financial information published on the Student Government Association website.

**Applied Behavior Analysis For-Credit—Revenue and Expenditures:** Our objectives were to evaluate the adequacy and effectiveness of internal controls over revenue collected from program activities, expenditures made from program collections, and compliance with University policies and procedures and BOG Regulations. Internal controls were found to be good and we made no recommendations.

**IT Incident Response Management:** Our objectives were to determine whether the University was engaging in best practices for incident response management, including formalization of the Incident Response Plan in writing; assignment of roles and responsibilities; training and awareness; monitoring and detection; containment, eradication, and recovery; communications, evidence preservation, post-event adjustments; and reporting. We recommended that the Provost or President acknowledge agreement with the Incident Response Plan in writing, and that the plan be stored in an off-line location. We also recommended that the IT department further develop their standards for incident work tickets, and that testing be performed on the Hurricane and Emergency Plan at least annually.

**Onboarding & Training of New Hires:** Our objectives were to review internal controls over job offers; communications between new hires, hiring officials, and Human Resources' staff; quality of support provided to hiring departments; background screenings; reference checks; requirements for new employee training; actions taken to minimize legal exposures; compliance with UWF onboarding policies and procedures; and compliance with relevant laws, rules, and regulations. We recommended that New Employee Orientation become mandatory for non-student employees; that internal controls, fraud awareness, and ethics be added to the training sessions; that a hiring-related policy be updated to reflect current practices; that Human Resources develop a checklist tool to improve the efficiency of the onboarding process; and that controls be strengthened over the completion of mandatory Protection of Vulnerable Persons training.

**(continued on next page)**



## Audits Completed (continued)

**Procurement Competitive Solicitations and Negotiations:** Our objectives were to evaluate the adequacy and effectiveness of controls over competitive negotiations and selections; and compliance with State laws, Board of Governors Regulations, and University policies and procedures. We recommended that written operating procedures be updated to reflect current practices, that contents of official documentation files be standardized, and that consideration be given to hiring an additional staff member.

**West Florida Historic Trust:** Our objectives were to evaluate the adequacy and effectiveness of internal controls over cash handling and management, accounts receivable, expenditures, financial reporting, contractual obligations, inventory, attractive assets, property, training, records retention, information security, grants compliance, and general effectiveness and efficiency. We recommended that they improve compliance with certain requirements of section 267.1732, Florida Statutes and the Operating Agreement with UWF; written procedures be developed for the Business Coordinator's responsibilities; volunteers be registered with the Human Resources department; staff stay current with Purchasing Card Industry Data Security Standards; and ensure that sales tax returns are filed with the Florida Department of Revenue on a timely basis.



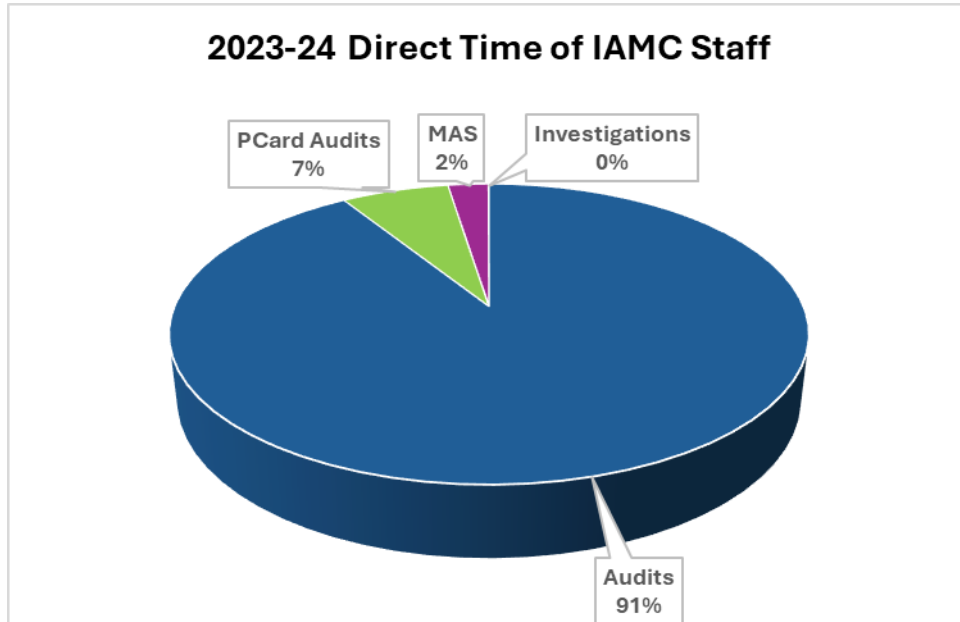
*IAMC sponsors an annual USO Snack Drive leading up to Veterans Day. UWF employees contribute items that are delivered to the USO at the Pensacola airport. These items benefit the many service men and women who fly through our city during that time period. We show these very important travelers a little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

### Management Advisory Services

We completed a review of UWF activities and controls related to the Driver and Vehicle Information Database, for which access is provided by the Florida Department of Highway Safety and Motor Vehicles. We also completed four other reviews that were minor in nature.



## UWF Internal Auditing & Management Consulting Annual Report 2023/24



### PCard Audits

IAMC performed individual administrative and academic department audits of PCard activities from 2006 through 2023. With the implementation of our Concur software, many of the previous manual processes became automated, generating a much higher rate of compliance for some processes. We shifted our attention to University-wide compliance in lieu of the department audits, with reports issued for each fiscal quarter. Timeliness of approvals became the focus, while also monitoring for other types of compliance (for example, allowability of the item purchased) on a test sample selected each quarter. Our continuing efforts include a campaign to educate those with PCard related responsibilities as to the policies and procedures that they are required to follow.





**UWF Internal Auditing & Management Consulting  
Annual Report 2023/24**

**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	\$346,512
Supplies and miscellaneous	2,953
Telephone	773
Statewide security application	980
Dues and memberships	1,436
Travel and training	6,865
	<u>\$359,519</u>

Key Performance Indicators	23/24	22/23	21/22	20/21	Comments
% of audit plan completed by year-end	100%	100%	85%	71%	
Number of audits completed	8	9	7	7	
Average Score: Post-Audit Client Satisfaction Surveys	4.4	4.8	4.9	4.8	Out of 5 points
Percentage of effort spent on audits	98%	89%	90%	69%	Internal Audit and PCard audit hours compared to the total Direct Time of IAMC auditors
Number of Management Advisory Services completed	5	6	11	5	
Number of PCard audits	3	20	20	11	We converted from department audits to quarterly University-wide audits.
Number of follow-ups on audit findings	23	21	50	26	
Number of investigations completed	3	2	2	2	These investigations were minor.
Number of certifications held by staff	5	6	5	5	2-CPA, 1-CIA, 1-CFE, 1-CRMA
Average number of years of audit experience	10	19	18	17	22 yrs. (CAE), 6 yrs. (Auditor II), and 1 yr. (Auditor I)



## UWF Internal Auditing & Management Consulting Annual Report 2023/24

### ***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 Institute of Internal Auditors' *Global Internal Audit Standards*.

### ***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 2023/24.

### ***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 follow up activities this year on 23 recommendations. By year-end, 22 recommendations were found to be implemented, 1 was 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 2023/24, our office only received one hotline complaint.