



# 2017/18 Annual Report

## Message from the Interim Director

It is our pleasure to present the Annual Report for UWF Internal Auditing & Compliance. Fiscal year 2017/18 was a very productive year for us, despite the challenge of not being fully staffed. We were able to:

- ◆ Complete 9 operational/compliance audits
- ◆ Complete 35 Purchasing Card audits
- ◆ Provide 9 management advisory services
- ◆ Follow up on 49 audit findings
- ◆ Conduct 7 investigations

IAC 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.

On July 1, 2018, our office name officially changed to **Internal Auditing and Management Consulting**, as the Compliance program successfully launches off into an independent department.

**Cindy Talbert**

CIA, CICA, CPA, CRMA  
Interim Internal Audit Director



Our staff stay actively involved in community service projects, including volunteering at the Ronald McDonald House and spearheading an annual snack drive for the USO on Veteran's Day.



### The Rest of the Team

**Dan Bevil**, MBA, CIA, CICA  
Internal Auditor II

**Matthew Packard**, CCEP  
Compliance Officer

**Elizabeth Mrachek**, CPA  
PCard Auditor

**Samuel Boyd**  
PCard Auditor

**Lauren Alidor**  
Administrative Specialist/  
Auditor

### Table of Contents

Audits	2
Time Breakdown	2
PCard Audits	3
Professional Activities	3
KPIs	3
Compliance	4

## Audits

Much of our project time this year was devoted to audit work. We completed audits of:

**Performance Funding Data Integrity:** This is an annual Board of Governors required audit. We evaluated the completeness, accuracy and timeliness of data file submissions to the Board of Governors.

**Faculty/Staff-Led Student Travel:** This audit focused on the safety and security of faculty, staff, and students, and minimizing the exposure of the University to liability.

**Market Rate Tuition:** We reviewed revenue generated by the UWF graduate and doctoral programs using market rate tuition, and evaluated compliance with Board of Governors regulations.

**College of Business Dean's Office:** We examined various areas of risk to determine the strength of the control system.

**Petty Cash and Change Funds:** We examined petty cash funds of \$1,210 and three change funds totaling \$33,555, with surprise cash counts.

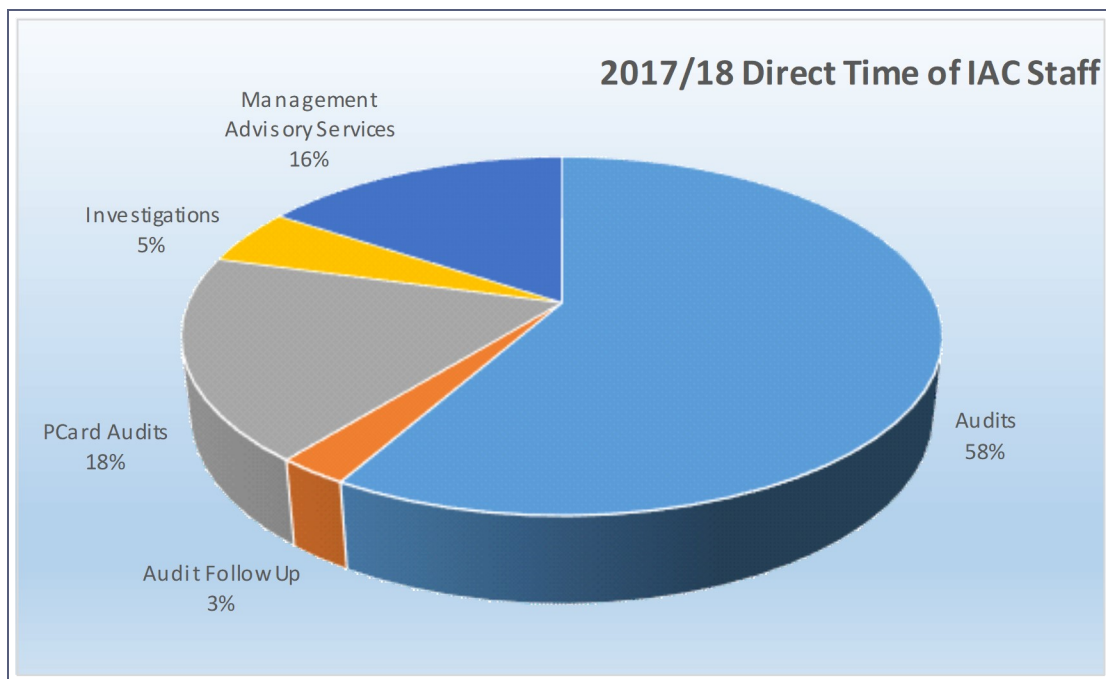
**Library Operations:** This included evaluations of controls over financial activities, purchasing/contracts, information technology, physical security, property, and inventory.

**Mobile Device/Bring Your Own Device:** We evaluated whether policies and procedures were adequate to address risks, primarily security risks.

**Conflicts of Interest/Outside Activities:** We identified numerous improvements that could be made to strengthen the reporting of employees' potential conflicts of interest, and the review and approval of activities outside the University in which employees engage.

**Hal Marcus College of Science and Engineering Dean's Office:** We examined controls over financial activities, contractual agreements, management oversight, safety and security, compliance, and effectiveness and efficiency of operations.

A project on the approved 2017/18 audit work plan was canceled due to circumstances that changed during the time since the work plan was approved by the BOT. This was an audit of **Innovation Institute**.



### 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 35 PCard audits issued during fiscal year 2017/18 are displayed in the adjacent table. 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—24 Good—7 Fair—3 Poor—1**

Departments receiving a rating of Poor are required to submit a remediation plan to the Board of Trustees. Departments with cardholders are audited on approximately a 2 year cycle.

#### Professional Activities

*During the year, IAC staff participated as members and/or leaders in:*

Institute of Internal Auditors  
Association for College and University Auditors  
Association of Certified Fraud Examiners  
Institute for Internal Controls  
State University Audit Council  
Society for Corporate Compliance and Ethics  
State University Compliance Consortium

### PCard Statistics

PCard Audits	35
Dollars tested	\$1.8 mil
Cardholders audited	165
Cardholders	402
Cardholder Depts	147
Total PCard charges	\$15 mil
Vendors	3,672
# of Transactions	37k

Key Performance Indicators	17/18	16/17	15/16	14/15	Comments
Percentage of audit plan completed	88%	63%	100%	67%	
Number of audits completed	9	6	7	5	
Average Score: Post-Audit Client Satisfaction Survey s	4.9	4.9	4.9	4.9	Out of 5 points
Percentage of effort spent on audits	76%	63%	53%	72%	Internal Audits and PCard audits compared to the total Direct Time of IAC auditors
Number of Management Advisory Services	9	21	19	11	
Number of PCard audits	35	33	34	32	
Number of follow-ups on audit findings	49	69	33	21	
Number of investigations completed	7	6	7	5	
Number of certifications held by staff	8	11	10	7	2-CPA, 2-CIA, 1-CRMA and 2-CICA, 1-CCEP
Average number of years of audit experience	16	19.5	18	17.5	16 yrs. (Interim Director) + 7 yrs. (Auditor II)+25 yrs. (PCard Auditor)
Years of compliance professional experience	4	3	2	1	Compliance Officer

### Higher Education Compliance

Higher Education has oft been referred to as one of the most highly regulated entities of any industry. One of the most daunting and fundamental objectives facing any compliance program is the identification of all applicable regulatory requirements and the subsequent dissemination of these requirements to the appropriate personnel.

The Compliance Program utilizes UWF's intranet to help address this challenge. By using UWF's Business Process Library, or "Confluence," the Compliance Program was able to develop a suite of resources aimed at simplifying regulatory compliance. These include a Compliance Resource Center, Compliance Accountability Matrix, and Higher Education Compliance Calendar. Accompanying these resources is the UWF Compliance Database, a shared database that compiles all of UWF's federal, state, and local regulatory requirements. Together these tools make achieving and maintaining compliance more manageable than ever before.

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## 2017/18 Annual Compliance Report

Much of the past year has been dedicated to implementing the Board of Governors Regulation 4.003, State University System Compliance and Ethics Programs. This regulation was passed with the expressed goal of making compliance and ethics programs compulsory at all Florida State University System (SUS) institutions. UWF's Compliance Program is pleased to announce that we are now in full compliance with all components of the regulation!

Major achievements include the acquisition and implementation of UWF's Integrity Helpline, establishment of the UWF Compliance Partner Network, development of the Compliance and Ethics Charter and Program Plan, the appointment of a Chief Compliance Officer, and the establishment of the Office of Compliance and Ethics. These accomplishments underscore UWF's steadfast commitment to fostering an atmosphere of compliance and ethical behavior.



### Increasing Employee Awareness

The Compliance Program worked to build upon its collaborative relationship with the Office of the General Counsel. In addition to providing oversight for UWF's Higher Education Opportunity Act public disclosure responsibilities, this year two new projects were undertaken, one of which was the development of Florida Sunshine Law resources that are designed to increase awareness of UWF's ongoing responsibilities as it relates to compliance with public records and open meeting laws. The other is an ongoing initiative to address UWF's responsibilities to comply with the European Union's (EU)

General Data Protection Regulation (GDPR), which went into effect on May 25, 2018. Both projects involved substantial research and the development of online resources in order to deliver on-demand guidance and support for UWF personnel.

### Recent Trends in Payment Card Industry Compliance

The Compliance Program continued its efforts to strengthen UWF's Payment Card Industry Compliance program. This year, we saw an increase in the use of mobile devices for payment acceptance. In order to tackle the inherent risks presented by the new technology that makes mobile payments possible, UWF teamed up with Blackbaud MobilePay. This service has enabled WUWF and University Advancement to accept payments outside of the traditional Point-Of-Sale machines and therefore, increase revenue-generating opportunities such as offering on-site ticket sales to attend WUWF's popular live music program, RadioLive.