

Annual Report 2006 - 2007

Part 1

Section A

Unit Information

Unit:

Internal Audit

Mission Statement:

To provide the University with constructive feedback of program controls that encourages continuous quality improvement of program administration. Our commitment is to support a responsive and organizationally healthy University that provides sound, high quality academic and student life programs. Internal Audit functions as an independent resource to provide timely and relevant audit, review and consulting services that will assist University programs to effectively discharge their administrative responsibilities. As part of the governance and accountability structure of the University, Internal Audit strives to promote accountability, integrity, efficiency, and compliance.

The constructive feedback provided by Internal Audit focuses on:

- Maintaining and strengthening internal controls over the finances, assets, and key records at the University.
- Enhancing the effectiveness and efficiency of the management processes of University programs.
- Compliance with applicable policies, rules, regulations and laws.

Section B

Unit Goals within Last Year's (2005-2006) Report

Strategic Plan Goal

Unit Goal

With which 1 or 2 goals from the 8 current strategic plan goals does your 2006-2007 goal best align?

Goal for 2006-2007

Goal 7 - Community Leadership
Goal 8 - Ongoing Quality Improvement

Maintain relationships with State Auditor General's Office and Chief Inspector General's Offices

What actions have you taken to achieve this goal?

Provide to Auditor General FGCU management representation letters and risk of fraud letter for FYE 6/06 financial statement and operational audits. Coordinate report responses to AG audit recommendations for operational and statewide Federal awards audits. Attend exit conferences for AG audits. Attend BOG audit committee workshop with other SUAC (Statewide University Auditing Council) members in November 2006. Participate in SUAC ListServ discussions.

What measures have you taken towards assessment of this goal?

AG issued its audit reports without any delay caused by lack of required University response. Have on-going friendly work relationships with local and Tallahassee based AG employees. This has given me access to quicker responses from the AG throughout the year. Have provided timely, accurate information to Management about statewide issues affecting internal audit from other SUAC members.

Describe the progress you have made toward attaining this goal including the anticipated completion date.

The goal was attained during this year but continues to be a goal for the coming fiscal year.

Describe how the results of assessments have been used to improve student learning or your department's activities.

The Florida Auditor General's office and FGCU Internal Audit did not duplicate one another's work. This creates conditions under which Internal Audit optimizes the services it provides. An efficient use of resources provides more for student learning.

Strategic Plan Goal

Unit Goal

With which 1 or 2 goals from the 8 current strategic plan goals does your 2006-2007 goal best align?

Goal for 2006-2007

Goal 7 - Community Leadership

Represent FGCU in the community by being active and visible in community organizations.

What actions have you taken to achieve this goal?

Internal Audit attended several local Institute of Internal Auditor meetings and seminars, two Florida Institute of Certified Public Accountants meetings, and the FICPA's FGCU Accounting Conference. In addition, for the Spring Semester Internal Audit hired an auditing intern, a FGCU accounting major, to audit Student Government expenditures for the Fall Semester 2006. This increased Internal Audit's visibility with business students and faculty, as well as Student Affairs. It also provided an educational opportunity and work experience for an accounting student. In addition Internal Audit Director joined WGCU-FM and WGCU-TV and began listening and viewing regularly to increase listenership and viewership.

What measures have you taken towards assessment of this goal?

Attendance certificates from FICPA and IIA.

The measure of the student intern's work will be the issued limited scope audit report at the end of the Spring Semester. Internal Audit will also follow up to see if Student Government implements changes it agrees to in audit report.

Describe the progress you have made toward attaining this goal including the anticipated completion date.

1. The goal was achieved but continues as a goal for the next year. Internal Audit will increase its community involvement in the coming year, particularly when a second internal auditor is hired.
2. SW FL Chapter of FICPA provides financial support to the COB Accounting Department through the FGCU Foundation.
3. The student internship will end with the completion of the Spring Semester.

Describe how the results of assessments have been used to improve student learning or your department's activities.

Participation in these community activities provides visibility to FGCU, and the SW FL Chapter of the FICPA provides financial support for the FGCU Accounting Department of the College of Business and also provides scholarships for Accounting Majors. The local Chapter of the IIA also provides a scholarship to an FGCU student. The student internship helped students become more aware of the value of internal controls and the useful function of Internal Audit.

Strategic Plan Goal

Unit Goal

With which 1 or 2 goals from the 8 current strategic plan goals does your 2006-2007 goal best align?

Goal for 2006-2007

Goal 8 - Ongoing Quality Improvement

Perform 1 or 2 audits on a segment of the information system.

What actions have you taken to achieve this goal?

Due to a change in Internal Audit Director at the end of the first quarter of the fiscal year, this goal was not achieved. The new Internal Audit Director needs to receive training in the ACL software licensed by the University and co-source with Information Systems an audit of this type. The money for such training was not in this year's budget. (The former internal auditor had received training in a prior year but not undertaken an audit.) Internal Audit has asked for Information Systems assistance in making this a first priority project for next fiscal year.

What measures have you taken towards assessment of this goal?

Not applicable because goal was postponed to next fiscal year.

Describe the progress you have made toward attaining this goal including the anticipated completion date.

This goal was postponed until 2007-2008. The new Internal Auditor determined that there were other equally important audit projects that could be undertaken and completed in this fiscal year. Completed audit projects to provide evidence of Internal Audit value was critical this year. On the 30-month work plan created by the former Internal Auditor, information systems auditing was numbers 6, 8, and 9 in a prioritized list of 10. A limited scope audit of a segment of information systems will be a first priority in next year's audit plan. Internal Audit will take 3-day training in July or August of next fiscal year. ACL license will be renewed at the same time, and an audit will be undertaken in the first quarter of the next fiscal year.

Describe how the results of assessments have been used to improve student learning or your department's activities.

Not applicable because this goal was postponed until 2007-2008.

Strategic Plan Goal

Unit Goal

With which 1 or 2 goals from the 8 current strategic plan goals does your 2006-2007 goal best align?

Goal for 2006-2007

Goal 8 - Ongoing Quality Improvement

Perform 1 to 5 Limited Scope Audits and/or Management Review Projects annually.

What actions have you taken to achieve this goal?

Identified areas of the university that would benefit from an audit. Performing the audit or review projects, which includes analyzing outcomes of and controls over specific areas of the university. The three areas chosen for limited scope audits were cash and check collection procedures, student government expenditure procedures, and special test and provisions compliance in research and development grants. Reallocated department budget to hire intern for second semester, President authorized additional budget for half-time OPS auditing assistant position in place since February, and have obtained budget for a full-time certified auditor/investigator which the IA Director is working to hire before the end of the fiscal year.

What measures have you taken towards assessment of this goal?

There will be written and distributed reports that include management responses.

Describe the progress you have made toward attaining this goal including the anticipated completion date.

All limited scope audits are currently in process. Cash and check collection procedures audit will be completed by end of fiscal year as will the special tests and provisions compliance audit. Student government expenditures audit will be completed by May 15. Reports will be distributed that include management responses to findings and recommendations.

Describe how the results of assessments have been used to improve student learning or your department's activities.

Completed audit projects provide findings and recommendations that maintain and/or strengthen the operations of the units chosen for analysis, which in turn provides efficient use of our resources to provide services to FGCU students.

What program or service specific assessment occurred in the current academic year?

The Internal Audit Director held discussions with the President and members of his Executive Group as well as selected directors to ascertain what they felt were areas of concern that Internal Audit should consider when creating a work plan for the current fiscal year and for the future.

How were the results of the assessment used to improve programs or services?

These discussions brought into focus the most important current issues listed in the 30 month work plan dated January 2006. Internal Audit chose those issues to address in 2006-2007. In particular it caused the department to use its education and travel budget to fund the intern position that is auditing Student Government expenditures. By using IA education budget this way in 2006-2007 and, working with the Vice-President of Student Affairs, the goal is to have Student Government fund a similar position beginning next year to review the expenditures of the larger clubs on a rotating basis.

Section D

Unit Contribution or President's Performance Measures

Please review the [President's Performance Measures for 2006-2007](#). Did your unit contribute to any specific performance goals for the President? (If so, please indicate whether the measure set was attained and to what degree.)

The Internal Audit unit contribute to the President's Performance Measure #7, Community Leadership, and to #8, Ongoing Quality Improvement, as described above. In addition to the limited scope audits discussed above, the department completed at least three investigations and provided management advisory services on an ad hoc basis. As an administrative function, the department's contribution is indirect but important to implementing and sustaining FGCU's effectiveness and its activities are based upon assessment to promote continuous improvement.

Part 2

Section A

Unit Goals for Coming Year (2007-2008)

Strategic Plan Goal

With which 1 or 2 goals from the 8 current strategic plan goals does your 2007-2008 goal best align?

Unit Goal

Goal for 2007-2008

Goal 8 - Ongoing Quality Improvement

Perform one information systems audit. Update risk assessment in order to perform most critical audits. Perform a minimum of three other limited scope audits as indicated in the 30-month audit plan dated January 2006. Perform investigations as required. Perform advisory services on ad hoc basis. Communicate with University Board of Trustees at least once during 2007 - 2008. Maintain useful, informative relationships with Auditor General's staff, with statewide university internal auditors and Inspector Generals from state agencies, and with other university internal auditors and compliance officers through participation in ACUA.

What action(s) will you undertake to achieve the goal?

Obtain ACL computer assisted audit training early in first quarter. Co-source audit with Information Systems. Update risk assessment for current year and use to develop audit plan responsive to current year's needs. Write and issue a minimum of four limited scope audit reports. Follow-up to see that findings and recommendations have been corrected or implemented. Assist, coordinate, and follow-up during Auditor General audits, particularly with President's representation letters. The department will be more active in statewide internal auditor/inspector general activities and education. The department will be represented at a minimum of one of the two ACUA conferences held each year. The department will increase its presence at local chapter IIA meetings and seminars.

By what means will you assess goal achievement?

Write and distribute audit reports. Follow-up will indicate that management makes changes as agreed to in reports. Survey annually those who have received audits to determine if they were useful.

How will you know if you have successfully attained each goal?

The quantity of audit reports can be measured at the end of the year. If audits are completed smoothly and with open communications, then the Auditor General goal has been met. The number of attended SUAC, ACUA, and IIA events, meetings, workshops, or conferences can be measured.

How will the results of the above assessments be used to improve student learning or services?

Improved internal controls help safeguard resources that can be used for student learning. Recommendations for more efficient or effective operations can improve student learning using the same amount of resources. Investigations may help prevent mismanagement, abuse, or noncompliance. Working cooperatively with the Auditor General prevents duplication of effort. Involvement with SUAC, Inspectors General, ACUA, and IIA educates the Internal Audit staff so they can do their job more effectively as well as bring visibility to FGCU.

Section B Resources

What additional resources have you requested and received a commitment for during 2007-2008 from your area VP or the President that is based on your analysis of assessment data for 2006-2007?

\$800 to renew ACL computer assist auditing software

\$3,900 for ACL training (\$1,300 x 3 staff including 1 Information Systems person)

\$1,500 for replacement laptop computer for half-time OPS employee and for use at audit locations

Total = \$6,200

Section C Assessment Plans

What assessments are you planning to conduct during 2007-2008?

Perform follow-ups to audits to see if recommendations have been implemented.

Survey those who receive audit reports to see if useful, ask for suggestions to improve reports.

Director to sit for Certified Internal Auditor exam in February 2008.

Section D Coming Year - Strategic Plan Contributions

Goal 8: 2.1