

# Internal Audit Report

September 7, 2017

# Athletics Ticket Sales and Sponsorship Revenue

Audit Objectives:	RISK MITIGATION			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Evaluate the adequacy of controls over ticket sales and cash handling at athletic events				
Evaluate the adequacy of controls for documenting sponsorship terms, invoicing sponsors, and monitoring outstanding pledges				

# Athletics Ticket Sales and Sponsorship Revenue

- Management response
  - Recording and verifying the zip tie number used to seal cash deposit bags
    - Improves ability to detect tampering and possible theft
  - Making athletic game-day ticket sales cash setups available for retrieval at the Business Office
    - Eliminates commingling of personal and University funds while also improving the efficiency of retrieving game-day cash setups

# Athletics Ticket Sales and Sponsorship Revenue

- Management response
  - Completing an athletics sponsor contract for all super sponsors
    - Reduces likelihood of billing errors and provides clear and consistent documentation of cash, goods, or services exchanged
  - Expanding the current sponsor tracking spreadsheet and providing it to the Business Office monthly
    - Improves communication regarding outstanding sponsorship balances and increases the likelihood of timely collection

# Athletics Ticket Sales and Sponsorship Revenue

- Management response
  - Implementing a due date and minimum deposit amount to secure sponsorship benefits
    - Reduces the risk that the University confers sponsorship benefits without receiving sponsorship revenue
  - Evaluating ticketing systems for implementation in coordination with the completion of the PAC renovation and expansion
    - Increases the efficiency, accuracy, and effectiveness of tracking, managing and reconciling tickets

# Child Protection Policy and Procedure Compliance

Audit Objectives:	RISK MITIGATION			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Evaluate the adequacy of the University's Child Protection Policy (CPP) and procedures				
Evaluate the efficiency and effectiveness of child protection procedures				
Evaluate compliance of University-sponsored child-related programs with published policy and procedures				

# Child Protection Policy and Procedure Compliance

- Management response
  - Implementing third-party background checks and utilizing a tiered approach for screening individuals that work with children
    - Improves efficiency and effectiveness of screening process
  - Utilizing the Raptor system for sex offender registry checks and event check-in
    - Streamlines the process of completing sex offender registry checks and makes retaining evidence of completion of those checks and check-in of volunteers more efficient

# Child Protection Policy and Procedure Compliance

- Management response
  - Monitoring compliance with training requirements
    - Reduces the risk that volunteers are not aware of their responsibilities under the policy
  - Implementing a compliance review of child-related events
    - Identifies compliance issues and provides feedback to program administrators to incorporate in the next event
  - Maintaining a master spreadsheet of child-related programs
    - Provides visibility into the number, type, and timing of events and the number of volunteers required and allows for comparison of events



# Federal Grant and Contract Pre-award Policies and Procedures

Audit Objectives:	<i>RISK MITIGATION</i>			
	Adequate Controls & Practices	Opportunity for Minor Improvement	Opportunity for Moderate Improvement	Opportunity for Significant Improvement
Evaluate the adequacy of and compliance with pre-award policies and procedures				
Review progress addressing recommendations from 2016 consulting engagement regarding Outreach and Engagement business practices				

# Federal Grant and Contract Pre-award Policies and Procedures

- Management response
  - Formalizing and communicating interim and annual objectives for opportunity development
    - Improves awareness, preparedness, and ability to focus on opportunities consistent with strategic objectives
  - Requiring a completed pre-notification form before submitting a proposal to the funding agency
    - Provides important details regarding grant applications and fulfills University procedural requirements

# Federal Grant and Contract Pre-award Policies and Procedures

- Management response
  - Updating the Grant Management Guide to reflect regulatory changes
    - Eliminates inconsistencies between internal resources and published regulatory requirements that may confuse individuals applying for federal grants
  - Establishing a target date for completing detailed cost analyses of Lifelong Learning and Center for Applied Research engagements
    - Promotes timely completion of cost analyses and improved accuracy in pricing future engagements

# Audit Recommendation Matrices

- Updates include the addition of a “Risk Rating” column
- Rating definitions
  - Low – Minor issue; characterized by insignificant financial impact or minimal impact on ability to meet goals and objectives
  - Moderate – Medium-priority internal control or risk management issue; characterized by modest financial losses, reputation damage, or delayed achievement of goals and objectives
  - High – Significant internal control or risk management issue; characterized by high susceptibility to fraud or misappropriation, material financial impact, considerable damage to reputation, or inability to achieve goals and objectives

# Audit Recommendation Matrices

- 2012 Recommendations
  - Two outstanding recommendations represent efficiency improvements for payroll and benefits processing
- 2013 Recommendations
  - Two high-risk items completed
  - Two remaining items are low to moderate risk
- 2014 Recommendations
  - All items are projected for completion by the end of the fall 2017 term

# Audit Recommendation Matrices

- 2015 Recommendations
  - Two completed and two remaining targeted for completion by November 2017
- 2016 Recommendations
  - All items completed
- 2017 Recommendations
  - 15 recommendations issued on projects year-to-date
  - Seven are completed or in progress

# 2017 Internal Audit Plan

QUARTER BEGINNING	AUDIT AREA	DESCRIPTION	HOURS
January 2017	Athletics Business Operations	Review controls over cash, ticket sales, and other revenue	120
	University Risk Management Committee	Facilitation of University Risk Assessment Committee activities	220
	Internal Control Documents for Financial Statement Audit	Documentation of accounting and financial reporting controls for state auditors	100
	Campus Store	Physical inventory observation	40
April 2017	Federal Grant and Contract Proposals	Evaluate compliance with pre-application policies	230
	Child Protection Policy	Evaluate compliance with Child Protection Policy	220
	Residence Life	Review controls over billing and occupancy, card/key security, and residence contracts	250
	Facility Operations Storeroom	Physical inventory observation	50
July 2017	Federal Student Financial Aid	Grants and scholarships	250
	Utility Costs	Review process and procedure for utility rate negotiation	120
	IT Security Initiatives	Monitoring progress on security findings from prior IT security and privacy audits & coordinating follow-up to Protiviti review	220
October 2017	State Student Financial Aid	Review controls over state student financial assistance	250
	Undergraduate Admissions	Review controls over admission of prospective students	220
	Bonds Payable	Review controls over bond issuance, administration, and compliance	200

<b>Total Hours</b>	<b><u>2490</u></b>
Hours Available	2525
Hours available for unscheduled audits	35