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AUDITCON

A HIGHER EDUCATION SUMMIT

ACUA  
ASSOCIATION OF COLLEGE & UNIVERSITY AUDITORS



# AuditCon

## A Higher Education Summit

September 24-28, 2023 Loews Miami Beach Hotel • Miami Beach, FL



# Elevating Departmental Auditing – Strategies for Success

ACUA Conference | Miami Beach, Florida



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## Your facilitator team for today

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**Rob Clark**



**Aaron Cohen**



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### **What are you hoping to get out of this session?**

- Currently conducting departmental audits and looking for ways to make them better
- Currently conducting departmental audits but taking longer than expected and not able to get to as many departments as hoped
- Not currently doing departmental audits but recognize these are beneficial
- My flight was delayed and I had nothing better to do



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### How do you ensure audit coverage in each department?

- How many conduct departmental audits focusing on covering a variety of topic within a specific department?
- How many only select departments as part of an operational audit covering a single topic (e.g., Payroll Office; Accounts Payable; Student Accounts; P-Card Office)?



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## Delivering greater value from departmental audits

Check the  
box  
approach

Risk-based  
approach  
leading to  
requests for  
audits



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**Moving the needle to deliver further value – how do you get there?**





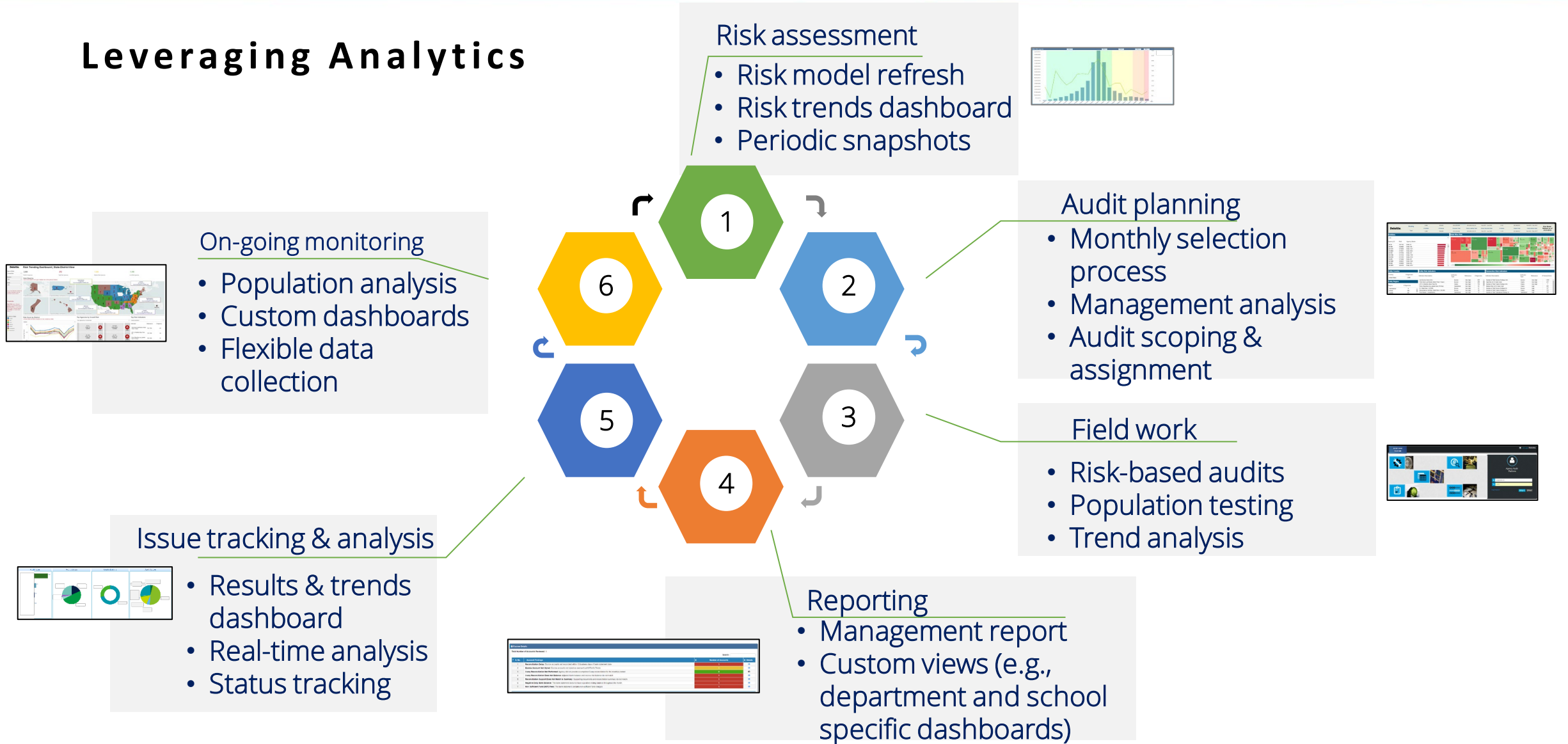
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## Leveraging Analytics







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## How do you conduct your departmental audits?

- Auditing for compliance with policies
- Auditing for those areas of highest risk within departments



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AREA OF RISK MITIGATION	Reasonable to Strong Controls in Place	Opportunity for Improvement	Opportunity for Significant Improvement	Page
<b>EXECUTIVE SUMMARY</b>				
<b>STRATEGIC RISK – Unit-level Risk Assessment</b>				
<b>FISCAL – Policies, Procedures, Training</b>				
Maintenance of Financial Records	Green			
Payroll Processing			Red	
Procurement		Yellow		
Procurement Card	Green			
Travel	Green			
Sponsored Programs			Red	
<b>HUMAN RESOURCES – Policies, Procedures, Training</b>				
Time Reporting		Yellow		
Hiring/Onboarding process	Green			
Conflict of Interest	Green			
Title IX Training	Green			
Leave Reporting		Yellow		
Annual Performance Appraisals	Green			
<b>LEGAL – Contracting</b>				
<b>HEALTH &amp; SAFETY – Policies, Procedures, Training</b>				
Environmental/CDC/OSHA	Green			
Chemical Safety	Green			
Biological Safety	Green			
Hazardous Waste		Yellow		
<b>INFORMATION SYSTEMS – P &amp; P, Training</b>				
Data Stewardship			Red	
Back-Up and Business Continuity Plans			Red	
Logical Security		Yellow		
Physical and Environmental Controls		Yellow		
Equipment Maintenance		Yellow		
Software Licensing	Green			
Website Operations/Development	Green			
<b>EMPLOYING STUDENTS - Policies, Procedures, Training</b>				
Time Reporting		Yellow		
Protection of Information	Green			
<b>HEALTH SCIENCES - Policies, Procedures, Training</b>				
Healthcare Worker Compliance Requirements		Yellow		
Credentialing & Privileging		Yellow		
HIPAA and Compliance Training	Green			
Billing and Coding			Red	
Provider Arrangements	Green			
Student Externships and Fieldwork		Yellow		
<b>MANAGEMENT ACTION PLAN</b>				



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Visual snapshot of numerous organizational risks

Focuses on risk posture (not just compliance with policies)

Balanced approach, highlighting strengths, not just “findings”

Helps management focus on areas of highest risk

Designed to be a value-added management tool

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### A Different Approach - Departmental Auditing Survey

**Weaker Control Environment**  
( $x > 2.0$ )

**Average Control Environment**  
( $1.5 < x < 2.0$ )

**Stronger Control Environment**  
( $x < 1.5$ )





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Group Area	Area	Arts and Humanities	Biological Sciences	Clinical Medicine	Humanities and Social Sciences	Non-School Institutions	Physical Sciences	Technology
Expenses	Budgetary Control	↔	↔	↔	↔	↔	↔	↔
	Credit Card Expenses	↔	↔	↔	↔	↔	↔	↔
	Expenses and Advances	↔	↔	↔	↔	↔	↔	↔
	Purchasing	↔	↔	↔	↔	↔	↔	↔
Finance	Cash Handling and Banking	↔	↔	↔	↔	↔	↔	↓
	Fixed Assets	↔	↑	↔	↔	↓	↔	↑
	General Ledger and Grant Journals	↔	↔	↔	↔	↔	↔	↔
Grants and Donations	Accounts Receivable (Excluding Research Grant Billing)	↑	↑	↔	↓	↔	↑	↓
	Donations	↑	↑	↑	↑	↔	↔	↔
	Research Grants and Contracts	↔	↑	↔	↔	↔	↓	↔
	Trust Funds	↔	↔	↔	↔	↔	↔	↔
Management	Departmental Management	↔	↔	↔	↔	↔	↔	↔
	Risk	↔	↑	↔	↔	↓	↔	↔
	Student Feedback	↔	↔	↑	↔	↔	↔	↔
Safety	Emergency and Continuity Planning: Staffing and Business	↑	↑	↔	↓	↑	↔	↔
	Health and Safety	↔	↔	↔	↔	↔	↔	↔
	IT Controls	↔	↔	↔	↔	↔	↔	↔
Staff	Payroll	↔	↔	↔	↔	↑	↑	↔
	Recruitment	↔	↓	↔	↓	↔	↓	↔
	Staff Management	↓	↓	↔	↔	↓	↓	↓



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## Q&A and Audience Sharing of Leading Practices





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### Interested in Learning More?

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