



Internal Audit

#6 Plan cycle - 6
Plan cycle 2019/2020
7/1/19 - 6/30/20

Introduction

To provide independent, objective assurance and consulting services designed to add value and improve the University's operations. To provide a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Services provided by the Office of Internal Audit indirectly effect the student environment.

Performance Objective 1 Improve coverage of risk assessment.

1 Assessment and Benchmark

Benchmark: A Risk Assessment matrix is used to assess the audit universe (all possible auditable areas). A systematic evaluation of each auditable area is followed resulting in an overall risk level. This matrix is used to determine what audits will be included in the annual audit plan. Internal Audit will set a goal of including at least eight high risk audits in the annual audit plan.

Annually, a scheduled audit plan is created using the above risk assessment matrix. This audit plan outlines scheduled audits; however, it is flexible enough to allow for unexpected modifications.

1.1 Data

Academic Year	# of new audits in annual audit plan	# of follow up audits in annual audit plan
2013-2014	4	3
2014-2015	2	3
2015-2016	4	2
2016-2017	4	4
2017-2018	7	2
2018-2019	4	2
2019-2020	4	2
2020-2021	7	1

2016-2017:

The annual audit plan consisted of four new audits to be conducted plus four follow-up audits of which all were considered high risk areas based on the risk assessment matrix.

Six audits were completed during the 2016-2017 year. Of the six audits completed, two audits were from the 2015-2016 plan year, three were planned follow-up audits, and one was an unplanned audit. Also, two additional audits began during the 2016-2017 year and are currently in progress. In addition to the performance of audits, Internal Audit has performed many research and consulting tasks to assist McNeese State University management in their daily operations, serves as the campus ethics liaison providing guidance regarding compliance issues or concerns, maintains the campus reporting hot-line, and undergoes continual professional training.

2017-2018:

The annual audit plan consisted of seven new audits to be conducted plus two follow-up audits of which all were considered high risk areas based on the risk assessment matrix. In addition, two audits were carried forward from the previous audit plan.

Two audits were completed during the 2017-2018 year. Two audits are currently in progress. Several reasons contributed to the delay of the in audit completions. The Director of Internal Audit hired an additional Internal Auditor at the end of the 2016-2017 and has spent time training and getting this person acclimated to the auditing processes, a substantial amount of time was designated to research new auditing software and sitting through demos, training, etc., and the Quality Assurance and Improvement Program Self Assessment with Validation designated time was greatly understated due to the expansion of the assessment procedures which were unknown to Internal Audit at the time. The 2018-2019 audit plan has been reduced to designate time to properly setup the new audit software so that we can expand upon the methods for risk assessment. Upon completion of this process, the office of Internal Audit will have better efficiencies, communication, and documentation of processes.

2018-2019:

The annual audit plan consisted of time designated to complete in-process prior year audits, four new audits and one follow-up audit. In addition to direct audit time, time has been designated for special projects, research, consulting and advisory services, ethics training/research, administrative duties, and professional education training.

Four unplanned audits and one prior year audit were completed during the 2018-2019 year. Three additional audits are currently in progress. In addition to audits, a multitude of research projects and other responsibilities have been completed.

2019-2020:

The annual audit plan consisted of four new audits to be conducted in addition to two planned follow-up audits of which were all identified as high risk areas on the risk assessment matrix.

One audit from the prior year was carried forward and completed in the 2020 fiscal year in addition to one unplanned audit. Currently, Internal Audit has four open in-progress audits under way. Internal Audit also performs a number of research projects such as research on topics of the Code of Governmental Ethics, Legal questions, internal controls, etc. The Director of Internal Audit was out of the office due to an unplanned surgery and complications. Coupled with that is the COVID-19 pandemic that has hindered the timely completion of some of these audits, however we are hopeful for the upcoming year.

[PLAN2020](#) [DOC 107 KB 7/14/20]

1.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:

Internal Audit is in the process of purchasing a software program that has a built in risk assessment tool. This software will allow for a more efficient evaluation of both Enterprise as well as Engagement Risks for determining areas of needed audit focus. Again, this will assist in improving efficiencies of the office.

The 2017-2018 audit plan includes two audits from the previous year, six new audits and has two listed follow-up audits. In addition, the Quality Self Assessment & Validation review will be performed along with other administration, research, consulting, and training responsibilities.

2017-2018:

Internal Audit purchased AutoAudit and is currently in the process of setup and implementation. The 2018-2019 audit plan has been reduced to allow for more time to be designated to the lengthy setup time in order to properly utilize the risk assessment tools.

2018-2019:

Although the audit plan was reduced to allow for more time to setup and implement the new audit software, Internal Audit had a number of high priority, unplanned audits that prevented us from implementing the new audit software. We have again adjusted the 2019-2020 audit plan to allow for more implementation time.

2019-2020:

As mentioned above, the 2019-2020 audit plan was adjusted to allow for more time of audit software set up and implementation. However, due to an unplanned surgery with complications and the COVID-19 pandemic, Internal Audit was again delayed in this project. Despite this delay, we are more optimistic since IT was able to reinstall the software after some identified issues. The 2020-2021 audit plan has included seven audits with one planned follow-up despite the software implementation time needed. Internal Audit has established some weekly project goals to assist in time management that will allow for designated setup time.

Performance Objective 2 Improve oversight controls and efficiencies on campus.

1 Assessment and Benchmark

Benchmark: 100% of the management survey results to score a category of "good" or higher in the following areas:

- **Accountability:**
 - The internal audit activity assesses the adequacy and effectiveness of the University's processes for controlling its activities and managing its risks.
 - Reports significant issues related to the processes for controlling the activities of the University and its affiliates, including potential improvements to those processes, and provides information concerning such issues through resolution.
 - Periodically provides information on the status and results of the annual audit plan and the sufficiency of department resources.
 - Coordinates with other control and monitoring functions (risk mgmt, compliance, security, legal, external audit).
- **Responsibility:**
 - Evaluates and assesses significant functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion (#18).
 - Assists in the investigation of significant suspected fraudulent activities within the University and notifies management and the audit committee of the results (#19).
 - Submit written and timely reports to the President of the University and appropriate members of management at the conclusion of each audit engagement to acknowledge satisfactory performance or to set forth observations and/or recommendations for correction or improvement (#20).

1.1 Data

Accountability:

Year	% scoring good or higher in all of the categories	Average score
2013-2014	91.67%	3.67/4.00
2014-2015	100%	4.00/4.00
2015-2016	67%	3.25/4.00
2016-2017	100%	3.14/4.00
2017-2018	100%	3.33/4.00
2018-2019	100%	3.67/4.00
2019-2020	100%	3.50/4.00

Responsibility:

Year	% scoring good or higher in all of the categories	Average score
2013-2014	83.3%	3.67/4.00
2014-2015	100%	4.00/4.00
2015-2016	67%	3.33/4.00
2016-2017	100%	3.00/4.00
2017-2018	100%	3.44/4.00
2018-2019	100%	3.88/4.00
2019-2020	100%	3.41/4.00

[Customer_Satisfaction_Survey_20](#) [PDF 59 KB 7/14/20]

[Management_Survey_20](#) [PDF 70 KB 7/14/20]

1.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:

Maintain - Continue to monitor survey data.

2017-2018:

There have been various projects in which Internal Audit have been asked to either research or "look into" that have been not reported in an actual audit report that contribute to process improvements. A goal for Internal Audit is to utilize the new auditing software to better track these miscellaneous requests. The software will allow increased documentation for audits performed as well as the miscellaneous projects, the findings and recommendations associated with each audit or project, communications with management, risk assessment documentation, and allow for tracking of time for each project. All of these and more are tied to the survey tools utilized for proper monitoring of the overall audit functions.

2018-2019:

Accountability for the Internal Audit activity is to assess the adequacy and effectiveness of the University's processes for controlling its activities and managing its risks. Internal Audit meets this goal of accountability for departments that it audits, but assessing the efficiencies and effectiveness for our own internal processes is just as important as providing that for our University departments. As part of the mission and scope of Internal Audit, we must provide a disciplined systematic approach to the auditing process, so in reviewing our processes we identified an area for improvement. An internal goal established in last year's assessment to implement a new auditing software to improve the efficiencies within our department was not met and, therefore, the goal of implementation remains the same.

2019-2020:

Although the results remain at an acceptable level, these numbers are expected to fluctuate a bit based on the number of audits and the levels of communication resulting from findings and recommendations identified. All audits performed are communicated to management and the board with recommendations for improvements of controls, process, compliance, etc. Internal Audit is still in the process of software implementation as we had some difficulties in the process. A time management system has been implemented temporarily to assist in establishing deadlines for the completion of projects until we are able to fully implement AutoAudit at which time the time management program will be built in the software program itself.

Performance Objective 3 Regularly review compliance with Institute of Internal Auditors (IIA) standards.

1 Assessment and Benchmark

Benchmark: 100% of the management survey results to score a category of "good" or higher in the following areas:

- Independence and Objectivity:
 - Maintains an independent mental attitude.
 - Objectivity of the internal auditor.

1.1 Data

Independence and Objectivity:

Year	% scoring good or higher in all of the categories	Average score
2013-2014	91.67%	3.75/4.00
2014-2015	100%	4.00/4.00
2015-2016	67%	3.00/4.00
2016-2017	100%	3.50/4.00
2017-2018	100%	4.00/4.00
2018-2019	100%	4.00/4.00
2019-2020	100%	3.80/4.00

1.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:

Maintain - Continue to monitor survey data.

2017-2018:

The Institute of Internal Auditors (IIA) International Standards of Professional Practice of Internal Auditing (Standards) requires internal auditors to maintain independence and objectivity through placement in the organization, mental attitudes, and refrain from functioning as a member of the management team with regards to making operating decisions. Internal audit strives to provide guidance through advising and consulting based on laws, regulations, and factual information that allow management personnel to make educated decisions.

2018-2019:

Although Internal Audit consistently meets this goal, the monitoring of Independence and Objectivity is a requirement of the IIA International Standards of Professional practice of Internal Auditing (Standards); therefore, this goal will remain in place.

2019-2020:

The International Standards for the Professional Practice of Internal Auditing (Standards) 1100 - Independence and Objectivity requires that the internal audit activity must remain independent, and internal auditors must be objective in the performance of their work. Independence is the freedom from conditions that threaten the ability of the internal audit activity to carry out internal audit responsibilities in an unbiased manner. Objectivity is an unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. The surveys are used to assist us in identifying any impairments in mental attitude, biases, and objectivity of the auditing staff. The surveys are also used for reporting annually for the periodic assessments and in the Quality Assurance Programs that the Standards require every five years. So although our office continues to meet these requirements, the monitoring of independence and objectivity will remain in place.

2 Assessment and Benchmark

Benchmark: Self Assessment Quality Assurance Review with Independent Validation – This is an assessment of the Internal Audit function for compliance with the International Institute of Internal Auditor's Standards. A result of general compliance or partial compliance is desired.

2.1 Data

2017-2018:

The Quality Assurance and Improvement Program Self-Assessment with Independent Validation results stated that McNeese State University's Internal Audit activity generally conforms to the Institute of Internal Auditors (IIA) *International Standards for the Professional Practice of Internal Auditing (Standards)*. This opinion, which is the highest of three possible ratings, means an audit charter, policies, procedures, and practices are in place to implement requirements of the Standards necessary to ensure independence, objectivity, and proficiency of the internal audit function.

Internal Audit will implement the items identified as opportunities for improvement. The next Quality Assurance and Improvement Program Self-Assessment with Independent Validation will be performed in 2023.

2018-2019:

The Quality Assurance and Improvement Program (QAIP) performed identified various opportunities for improvement and Internal Audit has implemented all of the items listed, except for the completion of the new software implementation. Items implemented were as follows: a) The Director of Internal Audit revised the Internal Audit Charter to further elaborate the distinctions between the consulting and auditing engagements; b) The Director created a document in which all auditing personnel will annually review and sign representing their understanding of the IIA Standards, mandatory guidance, and Code of Ethics. This document also serves as a confirmation of independence; c) Created an annual memorandum summarizing the activities, progress, independence and objectivity for submission to the Executive Staff and ULS Board annually; and d) The expansion of Information Technology knowledge by becoming members of ISACA and registering for webinars

designed specifically for IT auditing. Internal Audit will schedule the next QAIP for 2023 as required by the IIA standards.

2019-2020:

The next QIP is to be performed in 2023 as required by the IIA Standards. In the meantime, periodic self assessments are being performed internally and reported to the ULS Board of Supervisors and improvements identified during the 2018 QAIP have been or in the processes of being implemented.

2.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:

Maintain – Continue to monitor The International Standards for the Professional Practice of Internal Auditing (Standards) for any revisions to standards and implement as necessary.

2017-2018:

Internal Audit will implement the opportunities of improvement identified in the Quality Assurance and Improvement Program Self-Assessment with Independent Validation (QAIP) by both the assessor and the validators. A formal annual self assessment will be implemented and the next QAIP will be performed in 2023 as required by the Institute for Internal Auditors (IIA).

2018-2019:

Internal Audit has implemented the items identified in the QAIP as opportunities for improvement and plan to have the required QAIP scheduled for 2023.

2019-2020:

The next QAIP is planned for 2023 as required by the IIA Standards.

Performance Objective 4 Seek out professional development opportunities.

1 Assessment and Benchmark

Benchmark: Retain the professional Certification of Certified Internal Control Auditor (CICA) through continuing education.

- Maintain the minimum requirement of 40 hours of continuing professional education over a two-year period to maintain the Certified Internal Control Auditor (CICA) credentials.

1.1 Data

2016-2017:

For the current reporting period of January 1, 2017, through December 31, 2018, the Internal Auditor has obtained 28 CPE credits as of July 13, 2017.

2017-2018:

For the current reporting period of January 1, 2017, through December 31, 2018, the Director of Internal Audit has obtained 54 CPE credits as of July 6, 2018, with an additional 25 CPE credits scheduled in the upcoming months.

2018-2019:

For January 1, 2019, through December 31, 2020, the Director of Internal Audit has obtained 10 CPE credits as of June 25, 2019, and is on track to complete all required CPE by the end of the reporting period.

2019-2020:

For January 1, 2019 through December 31, 2020, the Director of Internal Audit has fulfilled the reporting requirements of 40 hours of CPE.

[CPE_CICA Reporting](#) [XLSX 14 KB 7/15/20]

1.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:

Continue trainings throughout the year to meet requirements.

2017-2018:

Continued Education requirements for the CICA are scheduled to be fulfilled for the reporting year. The next reporting period will begin January 1, 2019.

2018-2019:

Continued Education requirements for the CICA license have been fulfilled by the audit director for the Jan. 1, 2017 - Dec. 31, 2018, reporting period with a total of 54 CPE credits. For the 2019-2020 reporting year, as of June 25, 2019, 10 CPE credits have been earned and we will continue to seek out continuing education to fulfill the current reporting requirements.

2019-2020:

As of July 15, 2020 the requirements have been fulfilled for the reporting period January 1, 2019 - December 31, 2020 with 40.5 CPE credits.

2 Assessment and Benchmark

Benchmark: Retain the professional Certification of Certified Public Accountant (CPA) through continuing education.

- Maintain the minimum requirement over the annual reporting period January 1 through December 31. This requirement varies depending on the licensure date of each CPA, however each consecutive two years must total 80-hours for the two year period in order to maintain the CPA credentials.

2.1 Data

Maintain the minimum requirement of continued professional education to maintain the Certified Public Accountant (CPA) certification:

2016-2017:

For the current reporting period of January 1, 2017, to December 31, 2017, the Director of Internal Audit has received 27 CPE credits and the Internal Auditor has received 25 ½ CPE credits as of July 13, 2017. All courses taken qualify for credit under the following categories: Accounting and Auditing, Taxation, Professional Ethics, and Specialized knowledge and applications. A cumulative total of 73 credit hours have been earned for the three years 2016-2018 for the Director of Internal Audit. This is the first reporting period for the Internal Auditor.

2017-2018:

For the current reporting period of January 1, 2018, to December 31, 2018, the Director of Internal Audit's (DIA) has received 13 CPE credits and the Internal Auditor has received 14 CPE credits as of July 6, 2018. An additional 25 CPEs are currently scheduled to be taken by both auditors within the upcoming months. Additional training will be sought to fulfill the reporting requirements before year end. All courses taken qualify for credit under the following categories: Accounting and Auditing, Taxation, Professional Ethics, and Specialized knowledge and applications.

2018-2019:

For January 1, 2018, through December 31, 2018, the Director of Internal Audit reported 44 CPE hours and the staff auditor completed 43 hrs of CPE and met the two-year requirement of 80 hrs. For the current reporting period of January 1, 2019, through December 31, 2019, the Director of Internal Audit has 13 CPE hours and the staff auditor has completed 7.5 hrs as of June 20 with an additional 31 CPE hours scheduled for each.

2019-2020:

For January 1, 2019 through December 31, 2019, the Director of Internal Audit reported 40 CPE hours and the staff auditor completed 41.50 hrs of CPE and met the two year requirement of 80 hrs. For the current reporting period of January 1, 2020 through December 31, 2020, the Director of Internal Audit has completed 3.5 hours and the staff auditor has completed 151 hrs as of July 15th with additional CPE hours scheduled for each to meet the required education requirements.

[Casey_State-Board-CPE-worksheet-2019](#) [XLSX 34 KB 7/15/20]

[VMR_State-Board-CPE-worksheet-2019](#) [XLSX 32 KB 7/15/20]

2.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:

Maintain.

2017-2018:

Continued Professional training will be sought to fulfill reporting requirements. The Director of Internal Audit is also researching the various certifications to allow for our professional growth and knowledge for specialization and utilization within the department. With the ever changing world of technology, we are strongly leaning towards a Certification of Information System Auditor certification (CISA). This will allow us to better understand and evaluate IT systems, functions, segregation duties, etc.

2018-2019:

Continued Professional Education has and will continue to be sought to fulfill reporting requirements. The Internal Audit office has designated some of these education credits towards needed subjects of IT and cybersecurity to expand the needed knowledge base; however, certification in this area has not been sought as of yet.

2019-2020:

Continued Professional Education hours have and will continue to be completed to fulfill reporting requirements to maintain certifications earned.

3 Assessment and Benchmark

Benchmark: Maintain the minimum requirement of two hours of education and training regarding the provisions of the Code of Governmental Ethics.

3.1 Data

2016-2017:

For the calendar year 2017, the Director of Internal Audit/Ethics Liaison has received three CPE credits on the Louisiana Code of Governmental Ethics.

2017-2018:

For the calendar year 2018, the Director of Internal Audit/Ethics Liaison has received three CPE credits on the Louisiana Code of Governmental Ethics and seven CPE credits for Louisiana Professional Ethics.

2018-2019:

For the calendar year 2019, the Director of Internal Audit and Ethics Liaison has received three CPE credits on the Louisiana Code of Governmental Ethics.

2019-2020:

For the calendar year 2020, the Director of Internal Audit and Ethics Liaison has received the required two credit hours of Liaison training on the Louisiana Code of Governmental Ethics.

3.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:

Maintain.

2017-2018:

Annual training requirements for Ethics Liaisons have been met for the 2018 calendar year and will be obtained for each calendar year.

2018-2019:

Annual training requirements for Ethics Liaisons have been met for the 2019 calendar year. Tracking of educational credits are requirements by the IIA standards and should be maintained as a benchmark.

2019-2020:

Annual training requirements for Ethics Liaisons have been met for the 2020 calendar year.

4 Assessment and Benchmark

Benchmark: Represent McNeese State University in professional organizations.

4.1 Data

2016-2017:

All audit personnel continue to participate as an active member of the LACUA, IIA, and ACUA organizations. The Director of Internal Audit represented MSU in the Louisiana Association of College and University (LACUA) professional organization by holding the office of Secretary for the 2007-2008 fiscal year, the office of Vice President for the 2008-2009 fiscal year, and the office of President for the 2009-2010 fiscal year.

2017-2018

All audit personnel continue to participate as active members of the Louisiana Association of College and University Auditors (LACUA), Institute of Internal Auditors (IIA), and the national Association of College and University Auditors (ACUA) organizations. The Internal Audit has been asked to represent and serve as a member of the LACUA Budget Committee for the upcoming year.

2018-2019:

The Director of Internal Audit has served on the LACUA Nominations Committee and as a discussion panelist in the 2018-2019 year. The staff internal auditor has served on the LACUA Education Committee and plans to serve the organization in an officer role in the 2020 year.

2019-2020:

All audit personnel continue to participate as active memers of the LACUA, IIA, IIC, ISACA, and ACUA organizations and serve on various committees when the opportunity presents itself.

4.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:

Maintain.

2017-2018:

When opportunities arise the Auditing personnel will serve and represent McNeese State University and the Internal Audit profession as a leader in a respectful and professional manner.

2018-2019:

Auditing personnel will continue to serve and represent McNeese and the profession as leaders when the opportunities present themselves.

2019-2020:

When the opportunities arise, the auditing personnel have and will continue to serve and represent McNeese and the Internal Audit profession as a leader in a respectful and professional manner.

Performance Objective 5 Strive for a high level of management and customer satisfaction.

1 Assessment and Benchmark

Benchmark: 100% of both the management and customer survey results to score a category of "good" or higher.

1.1 Data

Management and Customer Survey Results:

			% scoring "good"
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Year	Response rate	or higher on overall satisfaction
2013-2014	80%	99.3%
2014-2015	56.25%	100%
2015-2016	55%	83.5%
2016-2017	38%	100%
2017-2018	42%	100%
2018-2019	46%	100%
2019-2020	68%	100%

1.1.1 Analysis of Data and Plan for Continuous Improvement

2016-2017:

Internal Audit is in the process of investing in a software program that will assist in improving the efficiencies of the audit process. This includes timeliness and accuracy of information communicated to management.

2017-2018:

Internal Audit has recently purchased an audit software that will provide better efficiencies for the audit process. This year will consist of a significant amount of time designated to proper set up of the program to provide the best results for all.

2018-2019:

Although the overall ratings were good or higher, there still is an issue with the audit processing time. Again, this is partially due to not yet having the audit software up and running. The goal of implementing the audit software still remains the same for the 2019-2020 year.

2019-2020:

The Director of Internal Audit plans to reassess the Customer and Management Surveys in order to obtain more detailed information where possible. Although the overall ratings meet the assessments and benchmarks, the DIA wants to reevaluate the questions in the surveys to determine whether questions can be reworded to obtain better, more helpful feedback to determine whether our office is truly meeting the expectations of the auditee or other personnel and whether there are areas that can be improved.