

San Francisco State University Audit, Risk and Compliance (*ARC*)

Working Session

October 12, 2016

Agenda

- Introductions
- Audit and Advisory Services Update *Helen Storrs*
- Enterprise Risk Management Assessment Tool Demo *Michael Beatty*
- Campus Asset Management *Stanley Pearce*
- Risk Dashboards *Michael Beatty*
 - University Police Department
 - Budget
 - Aggregate & Integration into Risk Appetite and Tolerance Dials
Solinna Kim
- ERM Initiatives Update *Michael Beatty, Solinna Kim*
 - Business Continuity, Safety Trainings,
 - Lunch & Learn Schedule

Audit and Advisory Services

FY 16/17 Audit Plan

- Annual Audit Plan determines A&AS' priorities for the year which are tied into SFSU's goals.
- The plan includes A&AS' mission, service overview, objectives, activities listing and the Internal Audit Charter.
- Revisions/Additions to the FY 16/17 Plan include:
 - Overview updated for staffing changes, quality assurance program, and procedures for project acceptance and execution.
 - Supplementary Audit Services updated reflecting informal RFP results.
 - Self-Assessment Program and Process updated for planned FY implementation.
 - Audit and Quality Assurance Activities List for the FY (7,360 hours planned; 6,100 hours of internal resources).
 - Internal Audit Activity Charter updated for organization and reporting and monitoring changes.
- Request Committee Approve Audit Plan and Revised Internal Audit Charter

Risk Assessment Demo

University Property Office

Stanley Pearse, C.P.P.M, Supervisor

Daniel Mackie, Property Analyst

What does the University Property Office do?

- Maintains the University Property database
 - Additions
 - Modifications
 - Asset location changes
 - Custodial department transfers
 - Retirements
 - Financial Adjustments
- Affix asset tags to equipment
- Conduct physical inventories by building location / every two years
- Disseminate CSU / Campus Property Policy to campus end users
- Auctions; Brought nearly \$15.5K back to University departments in FY2015/2016
- Summer Computer Refresh
- Zoll Deployment (Special project)

Why is the University Property Office Important?

- External Audits
- Business Continuity
- Proper Fiscal Accounting
- Eyes and Ears for Administration and Finance
 - Example 1: Floor plans
 - Example 2: Business Continuity / Compliance Issues
 - Library and Fine Arts equipment checkout; Equipment does not tie back to issued asset tag numbers
 - Example 3: Environmental
 - Example 4: Asset Accountability

University Property Office Issues

- Colleges / Departments not taking inventory reconciliations seriously
 - Indicating the assets are found when they were not
 - Retiring assets when they cannot find them
- Usually only find about 50% of the assets
 - Assets disposed of without submitting a Property Survey Form
 - Assets moved to a different building without submitting a Property Relocation Form
- Determining who the College and Department custodial contact is
- Academic Technology / Academic IT Consultants
 - From a University Property perspective, who is the real asset custodian?
 - If Academic Technology is should all the IT assets that they are currently managing be transferred to their department from the departments that they are in “contract” with?
- PeopleSoft Asset Management
 - Not able have a retirement reason code, “Retired due to Physical Inventory” for metrics
 - Retirements; only able to retire assets one at a time.
 - Location changes; only able to update location changes one at a time

Metrics

Risk Dashboard

Training mitigates risk

Claims can be an indicator of a need for improved management and controls

Weak Controls + Lack of Accountability lead to inefficiency and financial loss and compliance risk

CUSTOMER			
FINANCIAL	<p>Unfound Inventory 0</p> <p>Property Claims 0</p>		
PROCESS	<p>Conflict of Interest Compliance Training Completion 100%</p> <p>Harassment Prevention Training Completion 99.86%</p>	<p>Audit Observations 7</p>	<p>Data Security Training Completion 56.18%</p>
PEOPLE	<p>EPL Claims 0</p>	<p>Worker's Comp Claims 13; \$120,770</p> <p>Compromised E-mail Account Incidents 6 (3% Univ. incidents)</p>	<p>Ergo Evaluations 3 of 55 EEs</p>

Risk Dashboard

Budget

CUSTOMER			
FINANCIAL	<p>Property Claims 0</p>		<p>Unfound Inventory: 7 items; \$10,164.65</p>
PROCESS	<p>Conflict of Interest Compliance Training Completion 100%</p> <p>Harassment Prevention Training Completion 99.86%</p>	<p>Audit Observations 3</p>	<p>Data Security Training Completion 56.18%</p>
PEOPLE	<p>Worker's Comp Claims 0</p> <p>EPL Claims 0</p> <p>Compromised E-mail Account Incidents 3 (1% Univ. incidents)</p>		<p>Ergo Evaluations 3 of 10 EEs</p>

Integrating Risk Dashboards into
Risk Appetite and Tolerance Dials

2016 Training Update



First Aid, CPR, AED Certification Training – Friday August 26, 2016
Next Training: Friday, December 2, 2016

2016 Training Update

**BECAUSE ONE DAY A LIFE
COULD BE IN YOUR HANDS...**



Hands-Only CPR Training in the Quad – Wednesday September 28, 2016
Next Training: Spring

Lunch and Learn Schedule

Procedures and Best Practices

October 4, 2016

ERM and EHS present Driver Safety

November

ERM and UPO present University Asset Management

December

ERM presents Special Events

January

ERM and Procurement present Insurance Requirements and Contracts

2016 ARC Meeting Schedule

- December 4, 2016



ARC