# BUFFALO STATE
The State University of New York

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April 9, 2015

Mr. Jeffrey J. McGrath
University Controller
University Controller's Office
SUNY System Administration
State University Plaza
Albany, New York 12246

Dear Mr. McGrath:

Enclosed is SUNY Buffalo State's 2014-15 Internal Control Summary and Certification package. Included are Attachments B and C.

Please contact me, or Rebecca Schenk at (716) 878-4312, if you have any questions.

Sincerely,

Michael F. LeVine
Vice President for Finance
and Management

cc: Katherine Conway-Turner, President
Rebecca Schenk

## 2014-15 INTERNAL CONTROL SUMMARY & CERTIFICATION FORM

The Internal Control Summary and Certification Form provides supporting justification for a campus' level of compliance with the requirements of the Internal Control Act as outlined below. This form requests information regarding specific actions taken, or needed to be taken, by campuses to comply with each of the Act's requirements as described in Budget Policy and Reporting Manual (BPRM) Item B-350. A completed and signed Internal Control Summary and Certification Form should be submitted via e-mail as an attached PDF file and sent to the State University's internal control reporting mailbox at sunyiccert@sysadm.suny.edu by April 10, 2015.

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| SUNY Buffalo State | 4/2/14 | Rebecca J. Schenk | 716-878-4312 |
|---|---|---|---|
| **Campus Name** | **Date** | **Completed by (Name)** | **Phone** |

A. **Establish and maintain guidelines for a system of internal controls for the campus.** Internal control guidelines communicate an organization's management and programmatic objectives to its employees and provide the methods and procedures used to assess the effectiveness of its internal controls in supporting those objectives. Internal control guidelines should:

1. State the campus president's support of internal controls to provide staff with an understanding of the benefits of effective controls;

2. Identify the campus' primary responsibilities and the objectives;

3. Explain how internal controls are organized and managed;

4. Define responsibilities of campus management and supervisors and campus staff;

5. Acknowledge that internal controls adhere to accepted standards; and,

6. Describe the organization's process for evaluating internal controls.

**For this requirement, the campus is:**

☒ **Fully Compliant**    ☐ **Partially Compliant**    ☐ **Not Compliant**

**Provide a thorough explanation of the specific actions your campus has taken, or are needed, to comply with this requirement.**

During 2014/15 the campus continued a solid framework of communications regarding internal controls. It included:

- **The President's "Tone at the Top"** memorandum made available to all faculty and staff; this signifies campus commitment to ongoing internal control review and charges

every employee with the responsibility for good internal controls. This document also specifies the objectives of the institution in supporting and meeting its mission.

- **Internal Control Standards** are promoted continuously at the Internal Control Program web site. New employees are also given a copy of the internal control brochure, including standards, as part of their orientation materials.

- **An Internal Control Steering Committee** [ICSC], is chaired by the Internal Control Program Coordinator, guided by the Internal Control Officer, and comprised of senior staff from each executive area. The members, selected primarily due to role-based campus responsibilities, possess a broad knowledge of campus operations, personnel, policy and strategic plan objectives, and are able to effect change within their respective areas. During 2014/15 this committee met on June 27, 2014, and January 29, 2015.

- **An Internal Control Working Committee** [ICWC] is comprised of the Associate VP for Finance and Management/Comptroller, the Internal Control Coordinator/Director of Budget and Internal Controls, and the Assistant Vice President, Finance and Management. Throughout the year this group meets periodically to plan for future audit activity and program reviews, sustain momentum for reviews in progress, and ensure needed communications with program managers are handled promptly.

- **Internal Control Officer** [ICO] – This individual serves as the liaison with the president and division executives comprising the President's Cabinet, to ensure an appropriate level of engagement and discussion concerning internal controls is occurring at SUNY Buffalo State.

- **Evaluation** – An outside auditing firm is employed to test internal controls for high risk areas at the campus. These areas include those identified by SUNY System Administration, as well as campus-specific programs identified through the course of routine operations and/or individual issues. The ICWC performs preliminary assessment of the financial, internal control and management reports for campus audits. Concurrent or subsequent review for audits, reports, and/or testing documents is provided by the ICO. Input to the ongoing work of the ICWC is provided by the ICO to ensure action plans and communications support the institutional focus and direction of internal controls at SUNY Buffalo State. Program managers affected by any review and evaluation are consulted in an exit process, as well as for corrective actions.

- **Campus Communications and Feedback** –Once a review is complete, additional communication regarding institutional issues is shared, when appropriate, with the President's Cabinet, the Internal Control Steering Committee, or the campus community. Feedback is always welcome.

**Internal Control Program website: http://internalcontrol.buffalostate.edu/**

**B. Establish and maintain a system of internal controls and a program of internal control review for the campus.** The system of internal control should be developed using the COSO (Committee of Sponsoring Organizations of the Treadway Commission) conceptual framework adopted in the *Standards for Internal Controls in New York State Government,* and should incorporate COSO's five basic components of internal control: control environment, risk assessment, control activities, information and communication and monitoring.

The program of internal control review shall be a structured, continuing and well documented system designed to identify internal control weaknesses, identify actions that are needed to correct these weaknesses, monitor the implementation of necessary corrective actions and periodically assess the adequacy of the campus' internal controls.

Organizations can adopt a system of internal control review tailored to their needs, size and degree of centralization. The procedures for evaluating the adequacy of that system also vary, but at a minimum should:

1. Identify and clearly document the primary operating responsibilities (functions) of the campus;

2. Define the objectives of these functions so they are easily understood by staff accountable for carrying out the functions;

3. Identify/document the policies and procedures used to execute functions;

4. Identify the major functions of each of the campus' assessable units;

5. Include a process and cycle to assess risk and review controls for major functions. *(Describe the process used to review the campus' internal controls and list all high-risk activities and indicate which were reviewed during 2014-15)*;

6. Assess the risks and consequences associated with controls failing to promote the objectives of major functions. *(Identify the significant deficiencies revealed during the 2014-15 review process. Outline the actions taken, or planned, to eliminate deficiencies, highlighting the most important improvements made during the year)*;

7. Test controls to ensure they are working as intended (see the Manager's Testing Guide which can be downloaded from BPRM Item B-350). *(Summarize specific actions the campus has taken to install a compliance testing program. Describe actions taken during 2014-15 to verify test results and expand the testing program)*;

8. Institute a centrally monitored process to document, monitor and report deficiencies and corrective actions. *(Describe the monitoring system installed to verify that corrective actions are taken. Discuss the extent to which IT systems are used to track actions)*;

**For this requirement, the campus is:**

☒ **Fully Compliant**   ☐ **Partially Compliant**   ☐ **Not Compliant**

**Provide a thorough explanation of the specific actions your campus has taken, or are needed, to comply with this requirement, and please describe briefly your campus' process for reviewing and testing controls and monitoring corrective actions. Also list all high-risk activities which were reviewed during the past year, and the results of those reviews.**

## Items 1 - 4

Buffalo State has clearly identified the primary operating responsibilities and functions of the campus in multiple ways. The institution's mission and various strategic and academic plans are shared with employees and are widely available through the Provost's Office with support of the institutional assessment officer.

The objectives of institutional functions, and employee responsibilities in meeting such objectives, are articulated to employees through the use of job descriptions and performance programs.

The context for institutional operations and expectations for employee performance are guided by policies and procedures that have been developed expressly to support Buffalo State and its mission, safeguard the health and safety of students and staff, and ensure compliance with the rules and regulations of external entities (federal, state, and SUNY), which influence how the organization conducts its operations. Policies and procedures are accessible to employees from campus web sites maintained by Human Resources, divisional executives, finance and management, and the Internal Control Program, to cite only a few.

A significant initiative was launched during 2014/15 to establish an online administrative policy library, wherein administrative policies will be provided in a single web site in an easily-searched, standardized format. The library will formalize the process for the introduction, development, review and approval of new administrative policies, and the updating of existing policies. It will also allow for expansion of the online library to other non-academic divisions. Planned launch date is June 1, 2015.

Major functions of assessable units have been identified both through the responsibilities charged to employees in those units, and in audits and reviews performed to date.

## Items 5 - 8

Buffalo State does not have an internal auditing function. The university engages an external certified public accounting firm to perform specified audits, reviews, and testing of key controls. Since 2008, Buffalo State has revamped and strengthened its program for internal control activities. This includes a systematic approach to review and validation of key process controls and associated narratives for the eight high-risk areas as specified by SUNY. With the revised

process narratives forming a new frame of reference, audit cycles for each of the areas now place added emphasis on testing key controls.

The campus has an annual audit testing matrix which is updated as appropriate. Annual audits and internal control program reviews serve to supplement institutional reviews of organizational structure, and provide updated inputs regarding an inventory of functions. All of these mechanisms assist in identifying areas that require improvement, any corrective actions, and the timeline for corrective actions.

**Reviews completed during the period April 1, 2014 to March 31, 2015:**

- **Computer Operations**
  - Last conducted during 2010-2011.
  - Campus-engaged review completed March 11, 2015.
  - A total of 49 key controls were tested, with 14 recommendations for improvements, primarily addressing documentation and the formalization of communications.
  - Preparation of a corrective action plan is in process.

- **General Control Environment,**
  - Last conducted during 2011-2012.
  - Campus-engaged review completed March 23, 2015.
  - A total of 34 key controls were tested, with 7 recommendations for improvements, primarily addressing the incorporation of ethics statements as a standard when working at, or doing business with, the college; also recommended enhancing training efforts.
  - Preparation of a corrective action plan is in process.

- **Office of the State Comptroller (OSC) Accounts Payable Advisory 28,** annual review and certification regarding the adequacy of internal controls over the payment process.
  - Last conducted during 2013-2014 for the components of Accounts Payable and SFS/FMS Access Security.
  - Campus-engaged review completed February 24, 2015.
  - Review of controls over the Payment Process was deemed satisfactory. Review of controls over the purchasing process (P-Card) was deemed satisfactory with weaknesses.
  - Action taken: A new Procurement Card Program Administrator has been hired; an informal process regarding notification of employee separations has been formalized; and supervisors are now required to sign monthly statements of Procurement Cardholders.

- **Financial Aid**
  - Last conducted during 2012-2013 for a campus-engaged review.
  - SUNY-engaged auditor conducted Single Audit of Federal Programs for the Year Ended March 31, 2014.
  - Testing revealed one instance in which a student's enrollment status change was communicated 6 days past the required reporting date.
  - Action taken: The number of Degree Award files transmitted during each semester to ED via National Student Loan Data System has been increased to ensure all student status changes are sent timely.

- **NYS Department of Health**
  - o Audit of student health records conducted by NYS DOH Immunization Program for compliance with Public Health Law (PHL) Section 2165 and Section 2167, on April 3, 2014.
  - o Review revealed records to be in excellent order, up-to-date, and in compliance with PHL Sections 2165 and Section 2167, using a computer-based system of securing immunization records.

- **University Pass Program**
  - o Last conducted by Niagara Frontier Transit Authority (NFTA) for the academic year 2011-2012.

  - o NFTA audit for the academic year 2012-2013, dated June 2, 2014.
  - o One finding of an overpayment by Buffalo State to NFTA.
  - o Action taken: The amount to be credited to the next billing cycle for Buffalo State.

  - o NFTA audit for the academic year 2013-2014, dated March 25, 2015.
  - o One finding of an underpayment for replacement passes by Buffalo State to NFTA.
  - o Action taken: Buffalo State will pay the amount upon receipt of an invoice.

- **Research Foundation Audits** – The annual A-133 audit was performed in May 2014 by KPMG on fiscal year 2013-2014. No findings were reported.

  Follow-up Audit of Research Foundation Activity at Buffalo State College:
  - o All Sponsored Programs Operations and some CDHS staff are participating in SPA (Sponsored Program Administration) Fundamentals training.
  - o Continued review of the policies, processes and procedures to create efficiencies and improve compliance.
  - o Creation of a bi-monthly campus newsletter to update Principal Investigators and Research Foundation staff on important policy and process changes.

**Audits are performed annually by independent auditors on the following operations or organizations:**

- Alumni Association of State University College at Buffalo.
- BSCF Housing Corporation
- Buffalo State College Campus House Club, Inc.
- Buffalo State College Foundation, Inc.
- Burchfield Penney Art Center
- Faculty-Student Association of State University College at Buffalo, Inc.
- State University College at Buffalo Child Day Care Developmental Facility, Inc.
- United Students' Government Service Group, Inc.

All were audited for balance sheet, income and expense activity; all received clean audit opinions complete through 2014.

**Audits planned for the period April 1, 2014 to March 31, 2015:**
- Disaster Planning and Recovery
- Personnel and Payroll
- Financial Aid

**Independent internal control reviews, actions, or improvements during 2014-2015:**

- **Cash Collections**
  - Program managers were surveyed as to cash collections activity for their respective programs.
  - For 174 programs cited, responses indicated deposits were made: 50% to campus foundation accounts; 35% to state appropriated accounts; 11% to Research Foundation accounts; and 4% other.
  - Responses were circulated among campus entity business officers to review for any information which warranted follow-up.

- **Armored Car Services**
  - Campus contract for armored car services broadened to include cash collection sites previously administering the activity independently. Goal was to attain greater efficiencies, increase internal controls and, in some cases, lessen cost.
  - Current offices participating include: Student Accounts, Performing Arts Center, University Police, Sponsored Program Operations, and campus Foundation Accounting.

- **Buffalo State College Foundation Audit Committee**
  - Per the requirements of the NY Non-Profit Revitalization Act of 2013, the Buffalo State College Foundation created an Audit Committee.

- **Student Accounts Transaction Processing**
  - Using an electronic web billing and payment system, the campus has improved efficiency and strengthened internal controls considerably by having fewer financial transactions handled by staff.
  - Over the past four completed years the percentage of transactions administered in person has reduced by almost two thirds: 2010/11, 68%; 2011/12, 56%; 2012/13, 35%; 2013/14, 25%.

- **Residence Life Billing Procedures**
  - Review of housing billing procedures initiated in 2011/12 by the Internal Control Working Committee to formalize documentation for procedures and include key controls.
  - Primary concerns were addressed by creating detailed, automated, reporting mechanisms and/or altering the frequency of reporting; reviews and evaluations occurred after the start of a successive semester.
  - Meetings concluded in 2014/15 as original issues had been addressed.

Any item identified in an audit or review as needing corrective action is addressed and reviewed subsequently within an appropriate timeframe. During 2014/15 this schedule of reviews was accomplished via the carryforward agenda maintained by the Internal Control Working Committee.

**C. Make available to each officer and employee of the campus a clear and concise statement of the generally applicable management policies and standards with which the officer or employee of such campus shall be expected to comply along with detailed policies and procedures the employees are expected to adhere to in completing their work.** The statement should set the tone at the top. It should be issued periodically and emphasize the importance of effective internal controls to the campus and the responsibility of each officer and employee for effective internal controls.

Managerial policies and procedures for the performance of specific functions are articulated in administrative manuals, employee handbooks, job descriptions and applicable policy and procedure manuals. While it is not necessary for all employees to possess all manuals, employees should be provided with, or have access to, applicable policies and procedures for their position.

**For this requirement, the campus is:**

☒ **Fully Compliant**    ☐ **Partially Compliant**    ☐ **Not Compliant**

**Provide a thorough explanation of the specific actions your campus has taken, or are needed, to comply with this requirement.**

- **Tone at the Top** - The president issues a standing communication to all staff stating clearly and concisely the generally applicable management policies and standards with which employees are expected to comply. Access to the Internal Control Program brochure is provided concurrently; both institutional communications are available continuously at the Internal Control Program web site: http://internalcontrol.buffalostate.edu/

- **Policies and Procedures** - Detailed policies and procedures applicable to employees are maintained by campus, division, and/or department, available via web site, electronic, and/or print format(s). The campus utilizes the Directory of Policy Statements (DOPS) for academic policies, and the Human Resource Management web site as primary web site locations for many current policies affecting employees. Additional or corollary policy statements are located or reiterated via departmental web sites.

  A significant initiative was launched during 2014/15 to establish an online administrative policy library. The library will formalize the process for the introduction, development, review and approval of new administrative policies, and the updating of existing policies. It will also allow for expansion of the online library to other non-academic divisions. Planned launch date is June 1, 2015.

**D. Designate an Internal Control Officer (ICO), who shall report to the campus president, or to their designee within the executive office, to implement and review the internal control responsibilities established pursuant to this Item. The designation of the ICO should be communicated to all employees.**

The ICO works with appropriate personnel within the campus to coordinate the internal control activities and to help ensure that the internal control program meets the requirements established by BPRM Item B-350. Although the ICO evaluates the adequacy of the internal control reviews performed by campus staff, program and line managers are primarily responsible for conducting reviews to assure adherence to controls and analyzing and improving control systems. The ICO should be an individual with sufficient authority to act on behalf of the campus president in implementing and reviewing the campus' internal control program. This individual should have a broad knowledge of campus operations, personnel and policy objectives.

**For this requirement, the campus is:**

☒ **Fully Compliant**   ☐ **Partially Compliant**   ☐ **Not Compliant**

**Provide a thorough explanation of the specific actions your campus has taken, or are needed, to comply with this requirement.**

- The campus has designated the Vice President for Finance and Management as Buffalo State's Internal Control Officer. This individual reports directly to the campus president and possesses a broad knowledge of campus operations, personnel and policy objectives. The ICO directs the Internal Control Program Coordinator, and the Internal Control Working Committee, to ensure the internal control program satisfies the requirements established by BPRM Item B-350. This includes communications with employees, as needed, to ensure internal control standards are met. Information in support of internal control activities is communicated to all employees via the president's message, periodically via supplemental communications during the year, and continuously via the Internal Control Program web site: http://internalcontrol.buffalostate.edu/

**E. Implement education and training efforts to ensure that officers and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques.**

Each campus should identify staff requiring internal control training and the depth and content of that training. Such education and training should be on-going with specific courses directed at line staff, middle managers and executive management. For organizations that have established internal audit functions, training and education should be offered on the appropriate role of the internal auditor within the organization's internal control system.

**For this requirement, the campus is:**

☒ **Fully Compliant**    ☐ **Partially Compliant**    ☐ **Not Compliant**

**Provide a thorough explanation of the specific actions your campus has taken, or are needed, to comply with this requirement.**

- **The President's "Tone at the Top" memorandum** sets initial standards and expectations for internal control behaviors for all employees.

- **The ICO presents to the President's Cabinet**, including all divisional executive officers, internal control issues of material concern or update.

- **The Internal Control Working Committee** (ICWC) provides a continuing forum for discussion with directors and managers about internal control issues. This allows for routine discussion before planned audits and follow-up afterwards regarding corrective actions.

- **Internal Control Standards** are included in the Internal Control Program brochure, as well as resident on the Internal Control Program web site.

- **A combination of training workshops and one-to-one meetings are held for new and continuing** department chairs, deans, program managers, and employees. The forums and formats seek to inform personnel appropriately about issues that reflect on professional conduct, efficiency in job performance, and compliance issues.

During 2014/15 training occurred in the following areas (selected):

- **Travel Services** – 2014/15 was the first full year of the campus' Travel Services web site (http://travelservices.buffalostate.edu/). An intensive schedule of training sessions was offered during fall 2014, with a continuing, moderated, schedule in spring 2015.

- **Financial Business Intelligence** – A new financial reporting tool, Business Intelligence, was presented to the President's Cabinet and senior leadership on May 21, 2014, and to Finance and Management managers on July 7, 2014. Additional sessions were offered to unit managers during the year, to share information on this improved capability for monitoring financial resources and activity. Individualized sessions were also offered to discrete units (e.g., Undergraduate Admissions,

Accounts Payable and Travel Services) to facilitate their familiarity with this tool; and ad hoc trainings were provided when needed.
(Business Intelligence at Buffalo State: http://bifinancial.buffalostate.edu/business-intelligence-buffalo-state.)

- **Records Management and Freedom of Information Law** – Sponsored by the interim president, an information session for campus leaders was conducted on July 18, 2014, led by SUNY Associate Counsel Seth Gilbertson. Guidance was provided regarding how to properly manage and maintain electronic information and records under applicable laws and SUNY policies.

- **Disaster Recovery and Continuity Planning**
Vice President for Finance and Management and ICO Michael LeVine sponsored a training for Finance and Management managers on Disaster Recovery and Continuity Planning. Held on August 14, 2014, and led by David Hubeny, Director of Emergency Management at Binghamton University, participants were asked to review, and update if warranted, departmental plans for continuity of operations.

- **Faculty Online Time and Attendance System**
Multiple sessions were offered during 2014/15 to inform faculty of the new online system for time and attendance record keeping. As part of SUNY's five-year technology plan, this system alleviates the need for paper records and improves efficiencies in data maintenance.

- **Internal Control Steering Committee** – The committee convened on January 29, 2015, to include Buffalo State's new president, Katherine Conway-Turner. An overview was provided of internal controls and Buffalo State's Internal Control Program.

- **Periodic and ongoing training is provided for:**
    o Ethics Training for FDS Filers
    o Medical In-Service Training
    o Environmental Health and Safety
    o Campus Safety, Crime Prevention, Emergency Response, and Self-Defense
    o Workplace Violence Prevention Training

- **On-line computer training for staff on internal controls** is in place at the Internal Control Program web site. Prepared initially for front-line staff, this training module warrants additional development.

- **Campus administration is proactive in its communications with employees**. Both recurring and routine communications are promulgated using the intranet-based *Daily Bulletin.*

During the period April 1, 2014 to March 31, 2015, the campus continued a robust series of communications to inform employees about policies and procedures, facilities alerts, upcoming trainings, and systematic offerings for professional development. This serves to create and maintain institutional expectations that support both good communications and employee engagement in organizational efforts.

**Direct Communications - Subjects and Events (sampled):**

2013–2014 Annual Reports
2013–2014 Internal Control Summary and Certification
2014–2015 Online Catalogs Available
2014–2017 Strategic Plan: Comments Welcome
2015 Mileage Rate
Academic Obligation for 2014–2015
Campus Contracts and Agreements Signature Policy
Appointment: Procurement and Travel Card Administrator
Approaching Deadlines for SPO Deposits, HR Paperwork: April 21, 22
Authorized Signatures Form Updates
Beware of Supplier Scams
Blackboard Training Sessions for September
Buffalo State Seeks Public Comment for Teacher Education Accreditation
Campus Signage Replacement Project
Carnegie Application for Community Engagement Submitted
CERT: New Member Training, Current Member Refreshers
Citibank Procurement Card Payment Cycle June 7–July 6, 2014
Citizens' Response to Active Shooter Training: June 27
Conway-Turner Appointed President of Buffalo State
Deadline to Submit RF Transactions
Deadlines for Requesting Quotes, Requisitions for Technology Purchases
Emergency Response Drill
Emergency Response Training Exercise: Active Shooter Simulation
Examination of University Policing Model
Faculty Online Time and Attendance System
Foreign Travel Reimbursements
General Control Environment Audit
Hospitality and Tourism Department Reaccredited
Human Resources Self-Service Module
Joint Commission on Public Ethics Newsletter
July 1, 2014, Departmental Allocations Now Posted
Loan of College Property: Do You Take Your State Laptop Home?
NCATE Review Site Visit: Open Sessions March 16
New Classroom Instructional Lab Policy
New Option for Office Supply Purchases
NYS Citizen Preparedness Training
Orientation for New Faculty and Staff
Outdoor Alert Horn Test October 28
P-Card Authorization Process
Professional Development: Supervisor's Forum
Public Safety Management Study Released to Campus
Purchase Requisition Deadlines for the End of the Fiscal Year
Response to Senate Recommendation: Student Fee Increase [from President]
Sexual Violence Victim Bill of Rights
Spring 2014 Faculty Grading Information
SUNY Buffalo State's 2014 Annual Security and Fire Safety Report
Title IX at Buffalo State

**F. Periodically evaluate the need for an internal audit (IA) function. If an IA function exists, it should be maintained in compliance with generally accepted professional auditing standards.**

As outlined in BPRM Item B-350, agencies are required to periodically evaluate the need to establish, maintain or modify an IA function utilizing the *Internal Audit Evaluation Criteria.*

Pursuant to BPRM Item B-350 (see Section III. "IA Responsibilities"), the State University is required to have an internal audit unit and should comply with The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing. Therefore, IA units should comply with the guidance outlined below regarding organizational placement, independence and reporting.

1. Campus Directors of Internal Audit (DIA) should report to the campus president or designee.

2. A current organizational chart should be available that identifies the placement of the IA unit, the individual that has responsibility for overseeing the internal audit activity, and other organizations/activities under its purview.

3. The IA function should be independent of the ICO, but should work closely with the ICO. Limitations should be established on IC activities where those duties overlap. Campuses should identify impairments to the independence of the DIA that may be created where the DIA is performing the ICO function. Furthermore, IA units should not assume operating responsibilities, perform management functions, make management decisions or assume other monitoring roles (e.g., Information Security Officer).

4. Internal audit staff should complete an annual independence statement identifying actual/potential impairments to independence and notifying the DIA whenever a new actual/potential impairment arises.

5. The IA function should develop an annual risk-based audit plan, track the extent to which audit plans are achieved, and monitor implementation of audit recommendations.

6. DIAs should hold periodic meetings with campus executive management to report on audit results. Final reports should be distributed to the campus president and the University Auditor's Office.

7. The DIA should assure that campus audit staff have the skills, knowledge and ability to perform the audit work required, and that the size of the audit staff is appropriate given the size and complexity of the organization.

8. IA units should take steps to ensure sufficient audit resources are available given the size and complexity of the organization. This can be accomplished by exploring in-sourcing, outsourcing and sharing audit services.

Campuses should specifically provide the following information when presenting their explanation:

1. A current organizational chart identifying the placement of the IA unit, the name and title of the IA director, other organizations/activities under the IA function's purview and the name and title of the person to whom the IA director reports.

2. A description of how the internal audit director's credentials, education and experience meets the minimum qualifications established in BPRM Item B-350.

3. A description of how continuing professional education requirements are met by the director and each staff member.

4. A description of how quality assurance review requirements are being met.

5. A description of how the IA function ensures that it does not compromise its independence if it is also responsible for other functions (i.e., internal control, information security or other duties).

6. A copy of your 2014-15 internal audit plan.

7. Documentation pertaining to the risk-assessment utilized in formulating the 2014-15 audit plan.

8. An indication of which audits in the audit plan for FY 2014-15 were not conducted, and an explanation as to why they were not conducted.

9. An estimate of the cost savings to be achieved by virtue of implementing the recommendations contained in each conducted audit described in the FY 2014-15 audit plans and any audits that were conducted during that time period that were not in the audit plan. If it is not feasible to provide a cost estimate for savings, please identify process improvements, risk mitigation, fraud prevention or cost avoidance measures that result from implementation of such recommendations.

10. Identify the recommendations contained in the audits described in the FY 2014-15 audit plans that were not implemented, if any, and provide a full explanation why they were not implemented.

11. Identify the recommendations contained in final audits issued by the Office of State Comptroller between April 1, 2012 and March 31, 2013 that were not implemented, if any, and provide a full explanation why they are not implemented.

**For this requirement, the campus is:**

☒ **Not Applicable – This campus does not have an IA function.**

☐ **Fully Compliant**      ☐ **Partially Compliant**      ☐ **Not Compliant**

**Provide a thorough explanation of the specific actions your campus has taken, or are needed, to comply with this requirement.**

## 2014-15 INTERNAL CONTROL CERTIFICATION

SUNY Buffalo State
Campus Name

Dr. Katherine Conway-Turner
Campus President

1300 Elmwood Avenue, Buffalo, NY, 14222-1095          (716) 878-4101
Campus Address                                        Telephone Number

Mr. Michael F. LeVine                                 (716) 878-4311
Name of Internal Control Officer                      Telephone Number

levinemf@buffalostate.edu
E-mail Address of Internal Control Officer

I hereby certify the campus is:

☒ **Fully Compliant (Full compliance with all provisions)**

☐ **Partially Compliant (Partial compliance with some or all provisions)**

☐ **Not Compliant (Noncompliance with all provisions)**

With the New York State Governmental Accountability, Audit and Internal Control Act.

This certification is supported with detailed justification of actions taken and/or outlines specific actions needed to address areas of partial compliance or noncompliance as described in the preceding Internal Control Summary.

_____          4/8/15
Signature/Campus President                        Date

# The State University of New York
## Internal Control Review Schedule
## 2014-15

| SUNY Buffalo State (28160) | Mr. Michael F. LeVine |
|---|---|
| CAMPUS NAME | INTERNAL CONTROL OFFICER'S NAME (ICO) |
| levinemf@buffalostate.edu | (716) 878-4311 |
| E-MAIL OF ICO | |

| High-Risk Areas | Fiscal Year Ended March 31, | | | |
|---|---|---|---|---|
| | 2015 | 2016 | 2017 | 2018 |
| **Predetermined:** | Tested | Planned Testing | | |
| Revenue/Cash Management | | | X | |
| Property Control | | | X | |
| Procurement, Accounts Payable and Travel | | | X | |
| Personnel & Payroll | | X | | |
| Computer Operations | X | | | X |
| Financial Aid | | X | | |
| Disaster Planning & Recovery | | X | | |
| General Control Environment | X | | | X |

**Campus Specific:**

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| OSC Advisory 28 (Annual Review): | | | | |
| 1 - Internal Controls over the Payment Process | X | X | X | X |
| 2 - Internal Controls over the Purchasing Process | X | | | |
| Note: Second area of review to be determined during | | | | |
| annual cycle. | | | | |

**NOTE:** The annual reporting requirement is on an April 1 to March 31 reporting cycle to coincide with the State's fiscal year and the annual reporting for the State's Internal Control Program requirements.

Utilize an "X" to mark the designated area that an internal control review was conducted for the year ended March 31, 2015 and for planned testing for 2016-2018 periods ending March 31.

Please e-mail this completed schedule to: sunyiccert@sysadm.suny.edu