BUFFALO STATE
The State University of New York

Vice President for
Finance and
Management
Cleveland Hall 505
1300 Elmwood Avenue
Buffalo, NY 14222-1095
Tel: (716) 878-4311
Fax: (716) 878-4350

April 8, 2016

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 2015-16 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 J. Schenk

2015-16 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 11, 2016.

SUNY Buffalo State	4/1/16	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 2015-16 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 division. 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 2015-16 the Committee met on March 14, 2016.

- **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 2015-16)*;

6. Assess the risks and consequences associated with controls failing to promote the objectives of major functions. *(Identify the significant deficiencies revealed during the 2015-16 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 2015-16 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.

<u>Items 1 - 4</u>

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; it currently includes administrative policies for two divisions. The site went live on March 30, 2016.

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

<u>Items 5 - 8</u>

Buffalo State does not have an internal audit function. The university engages an external certified public accounting firm to perform specified audits, reviews, and testing of key controls. This includes a systematic approach to review and validation of key process controls for the eight high-risk areas as specified by SUNY. After a period of establishing revised process

narratives for each of the areas, audit cycles for each of the areas now place 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, 2015 to March 31, 2016:

- **Financial Aid**
  - o SUNY-engaged auditor, KPMG, conducted New York Single Audit A-133 of Federal Programs for the State Fiscal Year Ended March 31, 2015.
  - o There were no findings.

- **Financial Aid (TAP)**
  - o Last conducted for Financial Aid during 2012-2013.
  - o Campus-engaged review for the Tuition Assistance Program (TAP) completed January 14, 2016.
  - o A total of 22 key controls were tested, with 3 recommendations for improvements addressing the need for: campus-specific procedures documentation; increased efforts to ensure accurate student status in pursuit of program and satisfactory academic progress; and formal reconciliation of remittance advices.
  - o Preparation of a corrective action plan is in process.

- **Personnel and Payroll**
  - o Last conducted during 2012-2013.
  - o Campus-engaged review completed February 26, 2016.
  - o A total of 63 key controls were tested, with 9 recommendations for improvements, addressing the need for: procedures documentation; performance programs and annual evaluations for all professional employees; written communications for instances of overpayments.
  - o Preparation of a corrective action plan is in process.

- **Disaster Planning and Recovery**
  - o Last conducted during 2010-2011.
  - o Campus-engaged review completed March 16, 2016.
  - o A total of 22 key controls were tested, with 10 recommendations for improvements. Additional detail is not included here due to the confidential nature of the activity.
  - o 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.
  - o Last conducted during 2014-2015 for the components of: 1) Payment Process and 2) Purchasing Process.
  - o Campus-engaged review completed February 26, 2016, for the components of: 1) Payment Process and 2) Employee Expenses.
  - o Review of controls over the Payment Process was deemed satisfactory. Review of controls over Employee Expenses was deemed satisfactory with weaknesses.

- o Action taken: procedure written for reimbursement of miscellaneous expenses; advisories written that prior approval for expenditures are employee responsibility; and travel vouchers must be submitted timely.

- **University Pass Program**
    - o Last conducted by Niagara Frontier Transit Authority (NFTA) for the academic year 2013-2014.
    - o NFTA internal audit for the academic year 2014-15 in draft; campus has responded.

- **Siena Study Abroad Program**
    - o Review performed by SUNY Office of University Audit on international study abroad program located in Siena, Italy.
    - o Multiple recommendations made to improve business procedures, with emphasis on moving as many functions to the United States as possible to lessen risks in Italy.
    - o Action taken: steps have been taken to close activity in Italy and/or transfer it to the United States; additional actions in process.

- **Research Foundation Audit** – The annual A-133 audit was performed in May 2015 by KPMG on fiscal year 2014-2015. No findings were reported for Buffalo State.

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 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 2015.

The following campus-related entity does not require an annual audit; it was last reviewed during the 2012-2013 cycle:

- Buffalo State College Campus House Club, Inc.

Independent internal control reviews, actions, or improvements during 2015-2016:

- **Mail and Print Assessment** – Initiated in 2015-16, the campus has taken advantage of the SUNY initiative to review managed print services and mail processing. The first phase will review for and recommend efficiencies in the configuration of campus print services. This is timely as the campus seeks to combine two separate operations. The second phase will review campus-wide use of print services and recommend efficiencies in both equipment and deployment of services.

- **Weigel Health Center Accreditation** – Campus student health center received re-accreditation from the Accreditation Association for Ambulatory Health Care, Inc., for the term January 27, 2016 to January 26, 2019.

Audits planned for the period April 1, 2016 to March 31, 2017:

- Property Control
- Revenue and Cash Management
- OSC Accounts Payable Advisory 28

Any item identified in an audit or review as needing corrective action is addressed and reviewed subsequently within an appropriate timeframe. During 2015-16 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 has issued 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 in 2014/15 to establish an online administrative policy library. These efforts continued throughout 2015-16, and expanded to include the division of Information Services and Systems in addition to Finance and Management. 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. Site went live on March 30, 2016. http://adminpolicylibrary.buffalostate.edu/

- **New Policies and Procedures** – The following policies were newly-approved and/or added to the Administrative Policy Library during 2015-2016:

  - Policy on Policies
  - Campus-Supported Learning Management System Policy
  - Technology for Electronic Payments Policy

- o Approval Authorization Policy for Transactions in Sponsored Programs
- o Cost Transfer Policy for Sponsored Programs
- o Residual Balance Policy for Sponsored Programs

The following procedure was developed with input from the Internal Control Working Committee at the time a new course fee was established for HTR 335 Wine Essentials:

- o Inventory Control Procedures for Managing Wine Stock

- **Buffalo State Data Governance Committee** – This new committee will provide leadership for the creation, implementation, and oversight of institution-wide information and data management standards and practices in support of the college's strategic plan while eliminating barriers to the access and legitimate use of data. The Data Governance Committee will serve to foster data governance and information management in the form of best-practice policies, guidelines, procedures, and standards for the institution.

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 2015-16 training occurred in the following areas (selected):

- **Travel Card, Procurement Card Procedures** – Throughout 2015-16 the Accounts Payable and Travel Services Office offered a series of trainings covering travel, travel card, NET card, procurement card, and its new web-certification process. The trainings are offered periodically throughout the fall and spring semesters as requested or as cards may be issued.

- **Procurement Policies and Procedures** – During 2015-16 the assistant to the comptroller visited more than a dozen different groups on campus to provide updates on the current status of procurement policies and procedures.

- **Credit Card Fraud Prevention** – A session on Foundation Corporate Card Fraud Prevention was offered on October 7, 2015. Fourteen (14) individuals attended.

- **Financial Business Intelligence** – First introduced to the campus community in 2014-15, only individual trainings continued in 2015-16 while campus security was applied. During 2015-16 Business Intelligence training occurred in 1:1 sessions with select senor administrators, while the SUNY Management Resource Tool (SMRT) application training continued to be provided to new account managers and department chairpersons. (Business Intelligence at Buffalo State: http://bifinancial.buffalostate.edu/business-intelligence-buffalo-state.)

- **Commerce Manager** – Training initiated in 2015-16 to familiarize campus staff, where applicable, with this campus-designated technology application for managing funds. The application creates a secure, managed, environment for receipt and disbursement of electronic payments and supports the campus policy, "Technology for Electronic Payments Policy."

- **Records Retention and Disposition** – Available on a continuing basis, multiple sessions and 1:1 trainings were offered. Guidance was provided regarding how to properly manage and maintain records under applicable laws and SUNY policies.

- **Active Shooter Preparedness – Table Top Exercise**
  On August 10, 2015, members of the Emergency Response Resource Group and key administrators participated in an active shooter simulation table-top exercise to strengthen emergency preparedness. Participants included members of the President's Cabinet and representatives from multiple areas including communications, public and facilities safety, and student housing and welfare.

- **Active Shooter Preparedness** – Additional active shooter preparedness training was conducted with 32 staff of the Enrollment Management unit during sessions on October 16, 19, 22, and 23, 2015.

- **Internal Control Steering Committee** – The committee convened on March 14, 2016 as part of its routine schedule. The agenda included introduction to SUNY's Enterprise Risk Management Program, recognition of internal control efforts to the success of the program, and a discussion of campus-specific risks.

- **Research Foundation Ethics Training** – During March 21-23, 2016, senior compliance staff from The Research Foundation for SUNY presented ethics training for Buffalo State's Research Foundation staff. This training is part of an RF initiative to provide ethics training to RF personnel at campuses. Directed primarily to principal investigators and RF administrative employees, Buffalo State's managerial employees were also invited to participate.

- **New Department Chairs** – Coordinated by the Professional Development Program and Office of Equity and Diversity, new department chairs, and continuing chairs and deans where invited, were provided training on the following:

   - How to Perform Program Reviews (SUNY mandates program reviews every 5-7 yrs.)
   - Welcoming Diversity and Inclusion
   - Disability Services Overview

- SUNY Management Resource Tool (SMRT) Application

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

- **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 awaits additional development.

- **Campus administration is proactive in its communications with employees.** Both recurring and routine communications are promulgated using the electronic campus communication, *Daily Bulletin.*

During the period April 1, 2015 to March 31, 2016, 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):

2014-2015 Internal Control Summary and Certification
2015 Annual Security and Fire Safety Report Posted
2015 Summer Session B Faculty Grading Window Closes Tomorrow
2015-2016 College Senate Standing Committees
2016 Mileage Rate
Academic Obligation for 2015-2016
Annual Campus Property Audit
Appointment: Chief Information Officer
Appointment: Provost and Vice President for Academic Affairs
Beware of Supplier Scams
Buffalo State NCATE Accreditation Continued
Campus Safety Forum
Campus Strategic Planning Process
Campus-Supported Learning Management System Policy
Classroom Renovation Alert
Community Policing Advisory Committee
Ethics Reminder: Use of College Letterhead
FERPA – Sharing Concerns about Students and Privacy of Student Information Reminder
Fire Alarm System Inspection Begins Today [June 15, 2015]
Government Employee W-2 Scam
Grading Reminder: Last Date of Attendance
Handbook for Faculty and Librarians Posted
Honorarium Payment Processing
Important Airline Travel Update

July 1, 2015, Departmental Budget Allocations Now Posted
Loan of College Property Form: Renewals and Returns
Lodging and Meal Per Diem Rates Effective October 1
New Discrimination Complaint Policy
New Instructional Modality Definitions for All Courses
New Online Education Committee Structure
NYS Joint Commission on Public Ethics Newsletter
Outdoor Alert Horn Test: October 22
Paper: What Is Recyclable?
Payment Processing for Fiscal Year 2014-2015
President's Blog: Recalling the Importance of the Americans with Disabilities Act
Procurement Card Fiscal Year-End Reminder
Procurement Card: Retention of Records
Professional Development Workshop: Performance Planning and Development - September 22
Protect Yourself from Legal Action over File Sharing
Purchase Order Processing: Statewide Financial System Upgrade
Purchase Requisition Deadlines for the End of the Fiscal Year
Records Disposition: Documentation from All Offices Due by July 15
Reminder: Emergency Response Plan
Sponsored Program Operations: Electronic Distribution of Essential News
Spring 2015 Faculty Grading Information: EV, X Grades
Statewide Financial System Shutdown: March 30-April 11
Strategic Plan Open Forums: November 24, December 11
SUNY Investment Fund, SUNY Excels
SUNY P-Card Web Application System Begins February 7
Tell Students: Fall 2015 Billing Schedule
Title IX at Buffalo State
Trade-in Property Form
Travel Training Sessions
Web P-Card Training Sessions for February
Winter Weather Reminders

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 2016-17 internal audit plan.

7. Documentation pertaining to the risk-assessment utilized in formulating the 2016-17 audit plan.

8. An indication of which audits in the audit plan for FY 2015-16 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 2015-16 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 2015-16 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, 2015 and March 31, 2016 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.

2015-16 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.

Katherine Conway Turner   _4/7/16_
Signature/Campus President   Date

The State University of New York
Internal Control Review Schedule
2015-16

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	TELEPHONE NO. OF ICO

High-Risk Areas	Fiscal Year Ended March 31,			
	2016	2017	2018	2019

Predetermined:

	Tested	Planned Testing		
Revenue/Cash Management		X		
Property Control		X		
Procurement			X	
Personnel & Payroll	X			X
Computer Operations			X	
Financial Aid	X			X
Disaster Planning & Recovery	X			X
General Control Environment			X	

Campus Specific:

	2016	2017	2018	2019
OSC Advisory 28 (Annual Review):				
1 - Internal Controls over the Payment Process	X	X	X	X
2 - Internal Controls over Employee Expenses	X			
Note: Second area of review to be determined during the 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, 2016 and for planned testing for 2017-2019 periods ending March 31.

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