



Audit Committee

Meeting Agenda

Austin Peay State University

317 College Street

Clarksville, TN 37040

June 7, 2018

Call to Order

Roll Call/Declaration of Quorum

Information Items

- A. Discussion of Internal Audit Governance – Independence and Objectivity
- B. Internal Audit Reports issued between February 13, 2018 and May 11, 2018, with list of outstanding audit recommendations
- C. Client Satisfaction Survey Results – Spring 2018

Executive Session

Information Item: A.

Date: June 7, 2018

Subject: Internal Audit Governance – Independence and Objectivity

Action Recommended: Informational Item

Background Information: The Audit Committee’s role in overseeing the activities and administration of the Office of Internal Audit is a cornerstone of the committee’s governance responsibilities. This is affirmed in the Audit Committee Charter, which documents the committee’s mission, authority and responsibilities. The concepts of organizational independence and objectivity are key elements in overseeing the internal audit function.

The Office of Internal Audit is required by state law to comply with the internal audit standards issued by the Institute of Internal Auditors. Several of these standards discuss the importance of organizational independence and objectivity.

The Audit Committee Charter speaks to the importance of the Office of Internal Audit need to be organizationally independent. Organizational independence is effectively achieved when the Chief Audit Officer reports functionally to the board and interacts directly with the board.

The Internal Audit Charter, the university’s Internal Audit Policy and the Office of Internal Audit Operational Manual, speak to this organizational independence, but also address the need for the internal audit function to be objective. Independence is the freedom to carry out responsibilities in an unbiased manner. Objectivity is having an impartial, unbiased attitude in carrying out internal audit’s responsibilities.

If independence or objectivity is impaired, in fact or appearance, the details of the impairment must be disclosed. Such impairments may include personal conflict of interest, scope limitations, restrictions on access to records, and resource limitations.

Proposed Implementation Date: NA

Item Details: NA

Information Item: B.

Date: June 7, 2018

Subject: Internal Audit Reports and Listing of Outstanding Audit Recommendations

Action Recommended: Informational Item

Background Information:

A list of audits completed between February 13, 2018 and May 11, 2018 is included below. The audit reports follow this transmittal page.

1. Review of Allegations Regarding the Department of Art + Design, April 27, 2018
2. Building Security and Key Controls Review, May 10, 2018

With all recommendations included in audit reports, management must identify what actions will be taken, who is responsible for that action and provide an expected date of completion. After the expected completion date has passed, Internal Audit will perform a follow-up review to determine what action was taken and if that action adequately addresses the issue in the report. Internal Audit generally does not issue reports for follow-up reviews; however, we do maintain a list of outstanding audit recommendations, which is also included after this transmittal.

Proposed Implementation Date: N/A

Item Details: N/A

Austin Peay State University
Review of Allegations Regarding the Department of Art + Design
Executive Summary Report
April 27, 2018

Key Staff: Various	Auditor: Blayne M. Clements CIA, CFE, CRMA
Introduction: On January 30, 2018, the Office of Internal Audit received several allegations regarding possible improper actions of an art professor. Additional allegations were received during the performance of the review. The allegations were: <ol style="list-style-type: none">1. Art supplies and equipment are used for non-university purposes.2. The art professor submitted several receipts for reimbursement for which the business purpose was not clearly evident. One item appeared to be shipped to a non-university address.3. University equipment was taken off campus without management’s knowledge.4. The art professor took a university owned wood fired kiln to his residence where students used the kiln for class work. The kiln was not returned to campus and the students did not complete the general liability waivers for the activity held off campus.5. Outside employment was not properly disclosed.	
Objectives: To determine if any actual instances of fraud, waste or abuse occurred and offer practical recommendations designed to mitigate identified risks going forward.	
Conclusion: <ol style="list-style-type: none">1. <u>Art supplies and equipment are used for non-university purposes.</u> <p>This allegation was substantiated. It appears university facilities, equipment, and supplies are used for a variety of non-university purposes.</p> <p><i>Local Charity/Service Project</i> - During the review, an employee stated in December 2017 they witnessed the art professor take boxes out an exterior door of the ceramics work area in the Trahern Building. Internal Audit reviewed video from the area recorded during December 2017. On several occasions, the art professor is seen taking items out the exterior door of the ceramics work area. The art professor was able to provide a reasonable business purpose for all but one of the videos.</p> <p>On December 29, 2017, video from 10:29am to 10:38am shows the art professor and another employee taking 13 boxes and two jugs from a cage inside the ceramics work area and exiting through an exterior door. The other employee is an administrative assistant in another department, a ceramics instructor for the university’s Community School of the Arts (CSA), and a graduate student. During the review, 50 lbs. boxes of moist clay were observed inside the cage. The boxes taken appear to be the same size as the boxes of moist clay. No camera footage was available to show what occurred once the boxes were carried outside the Trahern Building.</p> <p>The art professor agreed it looked like they were taking boxes of clay and offered two possibilities as to why he and the other employee are carrying these boxes out of the building. He stated they are taking clay to his residence to make items for a local charity or taking clay to his residence for a</p>	

service project. The other employee also stated they were taking clay to the art professor's residence for a service project.

When asked about the local charity, the art professor stated he personally purchases the clay used for the charity, but also stated that university purchased clay may have also been used. After the interview, the professor provided three personal invoices from 2011 and 2012 for 15,000 lbs. as evidence that he pays for the clay he uses personally and for the charity. The professor stated the charity reimburses him \$5 per item and he has never reimbursed the university for any clay that may have been used for the charity.

When asked about the service project, he discussed a university project related to honoring the victims and responders to the 9/11 tragedy through art therapy. He stated the project had ended in the fall of 2017 and the 13 boxes of clay might be leftover materials from the project. Even though the project had ended, he stated that he and the other employee in the video intended to continue the activity, to satisfy his community service requirements as a tenured professor.

The day after being interviewed by Internal Audit, the art professor returned 13 boxes of moist clay to the university.

Former Students and Others Using Facilities, Equipment and Supplies - The art professor stated he occasionally allowed a few former students to use university facilities and equipment, but not supplies. The review noted the university Community School of the Arts (CSA) used clay purchased by the Department of Art + Design. However, due to a clerical error and a change in leadership, the CSA has not reimbursed the department for the cost of the clay used. It appears management is working with CSA to address this issue

University Employees - Art professors are expected to create and exhibit their art, much like other faculty must perform research or publish. However, management has no documented policy or standard setting a bright line as to when using university facilities, equipment or supplies is acceptable in making personal creations.

Recommendation: Management should ensure university facilities, equipment and supplies are only used by authorized individuals and for university purposes. If the Department of Art + Design purchases art supplies which are used by other groups, those groups should reimburse the cost of the supplies they used. Management should ensure a bright line exists and is communicated to employees about the acceptable use of university facilities, equipment and supplies when fulfilling tenure requirements.

Management's Comment: We concur and are considering possible disciplinary action. The budget for the studio area will be reassigned from the art professor to the department's studio technician. The studio technician in consultation with the art professor will place all purchase orders. Access to the inventory of the studio area will be restricted to reduce the possibility that a surplus of material could be ordered and be used for non-university purposes. On April 20, 2018, the Department of Art + Design faculty were briefed on pending departmental guidelines regarding access to and the acceptable use of departmental facilities, equipment and supplies. These departmental guidelines are expected to be finalized by August 2018. To better monitor access,

management is considering the installation of swipe card access to the studio classrooms on the first floor of the Trahern Building.

2. The art professor submitted several receipts for reimbursement for which the business purpose was not clearly evident. One item appeared to be shipped to a non-university address.

This allegation was substantiated in part. Although, the art professor could explain the business purpose for the items in question, the review located one invoice which appeared to be altered.

Internal Audit was provided two copies of the same invoice for art supplies. Both invoices were in the amount of \$94.02 and dated November 17, 2015. The first showed the billing address as the art professor's residence and the art professor's non-university email address as the contact information. Internal Audit was told the art professor submitted this invoice for reimbursement, later withdrew the invoice and then submitted the second invoice for reimbursement. The second invoice mirrors the first in every way, except the billing address has been changed to the university address and the personal email address has been changed to a university email address. The university address is a different font from the rest of the invoice. The address is slanted, i.e. not aligned with other information on the invoice. The different font and misalignment of the address indicates it may have been cut and pasted on top of the original invoice.

The professor stated these supplies were purchased for the university's ceramics program. He stated when he received the invoice, it incorrectly listed his personal residence and personal email address and he contacted the company. He stated the company provided the second invoice, suggesting the company altered the document. Internal Audit contacted the company to corroborate this explanation. However, due to the age of the invoice and employee turnover at the company, the review could not corroborate the professor's explanation. Every university reimbursement to the art professor since fiscal year 2011 was reviewed. No other documents submitted for reimbursement appeared to be altered.

Recommendation: Management should ensure all items purchased for the university with university funds are shipped to the university.

Management's Comment: We concur and are considering possible disciplinary action. As noted in our response to Issue 1, the art professor is no longer in charge of the ceramic studio's budget. The departmental guidelines mentioned in our response to Issue 1 will require a brief justification of the purchased item and how it will be used and all purchases will be approved by the chair. The department will not reimburse or approve any purchase shipped to a non-university address.

3. University equipment was taken off campus without management's knowledge.

This allegation was substantiated. The review determined the art professor had a university owned wood splitter at his residence. He stated several years ago the wood splitter was located outside the Trahern Building in a fenced in area. The art professor stated he became concerned the wood splitter would be stolen, so he chained the wood splitter to a pole. Still fearing the wood splitter would be stolen, he took it to his residence for safe keeping. He stated he would bring it back as it was needed for class work. Based on discussions with management, no one we discussed the matter

with was aware the university owned a wood splitter. The day after being interviewed, the art professor returned the wood splitter to the university, stating it did not work.

Additionally, the art professor stated approximately two years ago, the Trahern Building was getting a new HVAC system. Employees moved equipment around to make room for the HVAC installation. During this time, the art professor allowed a student to take a pug mill off campus. A pug mill is a piece of equipment used in the ceramics program. The professor stated the pug mill needed to be repaired and the student offered to repair it. The art professor stated the student repaired it and had a local high school build a stand for the pug mill. The former department chair stated he was unaware the pug mill was in the possession of a student. The student returned the pug mill during the review.

Recommendation: Management should ensure university equipment is kept on campus, unless otherwise approved by management. Management should also ensure equipment is properly maintained or surplused when it no longer becomes cost beneficial to maintain.

Management's Comment: We concur and are considering possible disciplinary action. In August 2017, the department hired a studio technician to address this and other issues. The departmental guidelines mentioned in our response to Issue 1 will require permission of the department chair before any equipment is taken off campus.

4. The art professor took a university owned wood fired kiln to his residence where students used the kiln for class work. The kiln was not returned to campus and the students did not complete the general liability waivers for the activity held off campus.

This allegation was partly substantiated. In the fall of 2017, the art professor taught a class about kilns and the class syllabus mentioned the possibility of using a wood fired kiln. Wood fired kilns are constructed from individual fire bricks and can reach temperatures of 2,000 degrees. The number of fire bricks needed can vary greatly depending on the size of the kiln.

The art professor stated fire bricks were kept outside the Trahern Building, and these bricks were a mix of bricks purchased by the university and bricks that he and the previous ceramics instructor purchased personally. The professor estimated the university had paid for approximately 100 bricks since 2002. The review could not locate any documentation to corroborate the university had purchased approximately 100 fire bricks.

Approximately three years ago, when the construction started on the new Art + Design Building, the art professor became concerned the bricks would be discarded. The professor stated he took all fire bricks to his residence, except the 100 he believed to have been purchased by university. The art professor stated the former department chair approved this; however, when interviewed the former department chair stated he did not recall the discussion. The art professor stated the bricks he took to his house were used in the construction of the wood fired kiln for the class.

The art professor stated students came to his residence in their own vehicles to use a wood fired kiln as part of the class, but participation was not mandatory. The Office of Legal Affairs stated

students should have signed general liability waivers for this activity. The art professor stated he did not obtain waivers from the students for this activity.

Recommendation: Before students travel off-site for a university sponsored activity, management should ensure all the proper liability paperwork is completed. Management should ensure if employees bring or donate materials to the university, proper procedure is followed and procedures are in place to ensure university assets and employee owned assets are distinguishable.

Management's Comment: We concur and are considering possible disciplinary action. The departmental guidelines mentioned in our response to Issue 1 will require permission of the department chair before any equipment is taken off campus. The departmental guidelines will also specifically state that any faculty member who takes students off campus must complete the liability waiver forms 24 hours in advance and failure to do so will be acknowledged in the faculty member's annual review.

5. Outside employment was not properly disclosed.

This allegation was partly substantiated. University policy 5:014, *Outside Employment and Extra Compensation*, states "Prior to engaging in outside employment, the faculty or staff member shall notify appropriate supervisors and the president, or his or her designee, of the nature of the employment and the expected commitment of time". At the time of this review, management sends a "policy memo" email at the beginning of each semester to all faculty and staff. Within this email is a link to the university's policy, reminding faculty or staff to report certain outside employment.

The review determined the art professor had several outside employment relationships, most occurring during the summer. Being a nine month faculty member, the art professor does not have to report any obligations during the summer to the university. However, one outside employment relationship with an art supplies business should have been disclosed but was not properly disclosed. The audit reviewed all the transactions between the university and the art supplies vendor between July 1, 2015 through the time of the review and no issues were noted.

Recommendation: To ensure compliance with university policy, management should revisit how it informs the university community that certain outside employment relationships need to be disclosed.

Management's Comment: We concur and are considering possible disciplinary action. In March 2018, the Interim Dean of the College of Arts and Letters (CoAL) contacted all the CoAL department chairs reminding them of the importance of complying with this policy. The departmental guidelines mentioned in our response to Issue 1 will address compliance with this policy.

Austin Peay State University
Building Security and Key Controls Review
Executive Summary Report
May 10, 2018

Key Staff: Director of Physical Plant	Auditor: Beth Chancellor, CFE
<p>Introduction: The Vice President for Finance and Administration requested this review in response to the Chief Audit Executive at the Tennessee Board of Regents sending out “Best Practices for Physical Access Control” in May 2017. This document prompted some other public higher education institutions to perform a similar review which allowed them to address various challenges with the physical access control process.</p> <p>At the time the review began, the university had more than 7,000 locking doors and approximately 4,600 keys issued to employees, vendors, and contractors. The keys issued to students for student housing were not part of this review. The last major rekey began in 2009 and took approximately six years to complete. The initial cost of the rekey was approximately \$200,000 but that amount increased as new buildings were added to campus.</p>	
<p>Objectives: The objective of this review was to assess internal controls over building security, the issuance of keys, and the authorization of electronic access to buildings and facilities.</p>	
<p>Scope: The review focused on processes in place between December 2017 and April 2018.</p>	
<p>Observation: The review identified several instances where internal controls over key and card access could be strengthened. Management should consider the following:</p> <ol style="list-style-type: none">1. <u>The university is not in compliance with TCA 49-7-149, Kristen Azevedo Act – Criminal history check for employees of student housing.</u> <p>TCA 49-7-149 requires higher education institutions to obtain a fingerprint sample and perform a criminal history records check to be conducted by the Tennessee bureau of investigation (TBI) and the federal bureau of investigation (FBI) for all persons who will have access to student rooms or apartments, before they are employed. This includes students applying to become resident assistants or resident directors. The legislation also requires verification that the individual is not listed on any state’s sex offender registry. This legislation went into effect on July 1, 2011 and applies to all employees with access to student housing hired since that date.</p> <p>Internal Audit reviewed the personnel files of twenty-three employees issued grand master keys to student housing and hired after July 1, 2011. Twenty-two of the twenty-three employees (96%) did not have fingerprint documentation in their personnel file. Nine (39%) of these employees had background checks performed after their date of hire and seven of the background checks (30%) did not include the “housing package” which verifies that the individual is not on the sex offender registry.</p>	

In addition, Internal Audit also reviewed the personnel files of ten Housing employees with access to master keys for student housing. Four (40%) were missing fingerprint documentation in their personnel file and three (30%) were missing background check documentation in their personnel file.

Recommendation: Management should ensure that all employees hired since July 1, 2011, with access to student housing, have supplied a fingerprint sample and submitted to a criminal history records check which includes verification that the individual is not on the sex offender registry. Management should also consider whether it is feasible to have Campus Police fingerprint these employees to ensure the university is in compliance with this portion of the legislation. Currently, the university sends people off campus to be fingerprinted. Internal Audit believes there would be a higher compliance rate if the university performed this function internally. This process could be performed by Campus Police by sending off fingerprint cards to be compared against a database but would be more efficient if Campus Police had the proper equipment to receive immediate results.

Management's Response: We concur. We will ensure all current employees with access to student housing, no matter their hire date, are fingerprinted and have the appropriate background check completed. The necessary requirements to allow the APSU Campus Police department to collect fingerprints for employees with access to student housing will be evaluated. There will also be a process established to verify fingerprinting and appropriate background checks are complete before building master keys or grand master keys for APSU housing facilities are issued.

2. The contractor for custodial services is not in compliance with their contract.

The custodial service provider's contract, which began in July 2017, requires a fingerprint card be provided to Campus Police for each employee working at the university. At the time of the review, the contractor had not supplied any fingerprint cards. The contractor indicated that they were having difficulty making arrangements for their employees to be fingerprinted. The contract also requires the contractor to provide a roster of their employees working at the university to Campus Police and the ID Card Office on a quarterly basis or when there are personnel changes due to new hires, terminations, or reassignments. Prior to this review, the contractor had not been sending quarterly rosters. These rosters are necessary to ensure card access is removed in a timely manner for contract employees that no longer work at the university.

Recommendation: Management should ensure the contractor is in compliance with their contract. Management should use rosters provided by the contractor to remove card access for employees that no longer work at the university. Management should also consider whether it is feasible to have Campus Police fingerprint the contractor's employees to ensure this portion of the contract requirements are met. Internal Audit believes there would be a higher compliance rate if the university performed this function for the contractor. As stated above, this process could be performed by Campus Police by sending off fingerprint cards to be compared against a database but would be more efficient if Campus Police had the proper equipment to receive immediate results.

Management's Response: We concur. We will ensure that all current employees of the custodial services contractor, that have access to housing facilities, are fingerprinted and have the appropriate background check completed. An ongoing monitoring process to review the custodial services

contractor employee roster will be established. In addition, the necessary requirements to allow the APSU Campus Police department to collect fingerprints for the custodial services contract staff with access to student housing will be evaluated.

3. Policy 4:007 - Access to and Security of Facilities is not followed when issuing Grand Master keys.

The policy states that the issuance of grand master keys will be limited to the Physical Plant Director, the Chief of Campus Police and the President or their designees for use in carrying out their specialized duties. When this review began, 71 grand master keys to administration buildings and 64 grand master keys to student housing buildings were listed as “issued”. The policy further states that the issuance of grand master keys must be approved by the President or Vice President for Finance and Administration. Currently, the issuance of grand master keys goes through the same approval process as any other key with the employee’s supervisor and building coordinator being the only approvals obtained.

Recommendation: Management should ensure compliance with Policy 4:007. Management should also consider investing in an electronic key cabinet to be located in the Physical Plant area of the Shasteen Building for grand master keys to student housing buildings and/or building master keys for student housing. The electronic key cabinet should have the capability for employees to use an access card that allows them to retrieve a certain key or set of keys that they have been authorized to obtain. The electronic key cabinet should also have the capability to e-mail the appropriate individual if a key is not returned by the end of the work day.

Management’s Response: We concur. We will create a task force to review Policy 4:007 and make any necessary changes, to include any changes to the approval process for grand master keys. In addition, we will evaluate the necessary requirements to implement electronic key cabinet(s).

4. The process to return adjunct faculty, temporary employee, and student worker keys and remove card access is insufficient.

When leaving the university, adjunct faculty, temporary employees, and student workers do not go through the same “clearing process” as regular full-time employees. Therefore, the keys issued to these individuals are often not returned and their card access is not removed when their employment ends.

Recommendation: Management should develop a process to ensure that keys are returned and card access is removed from adjunct faculty, temporary employees, and student employees when these individuals leave the university. Management should consider adding a block to the key request form with a “key return date” or “employment end date” which could be used by the Operations Manager to notify these individuals prior to them leaving the university that the key(s) issued to them must be returned and card access will be removed.

Management’s Response: We concur. The key request process will be adjusted to require an expiration date for any key issued or electronic card access granted to adjunct faculty, temporary employees, and student workers. The Operations Manager will monitor expiration dates to ensure keys are returned and electronic card access is terminated timely.

5. The process to return contractor keys and building access cards to buildings is insufficient.

Policy 4:007 states “Upon completion of their need for University keys, the Director of Physical Plant or the Director of University Construction will ensure that keys are returned”. In addition, the key request form submitted to Physical Plant by University Design and Construction has a note that states that final pay will not be released until all keys are returned, however this is rarely enforced. The review determined that keys issued to contractors are not always returned when the project is completed and the Operations Manager often has to call the contractor to request that the key(s) and access card they were issued are returned.

Recommendation: Management should verify all keys and building access cards for contractors have been returned prior to approving the final invoice for payment. Management should also consider investing in an electronic key cabinet to be located in the Campus Police lobby in the Shasteen Building for contractors to access the keys and access cards they have been authorized to obtain. The electronic key cabinet should be set up to require the keys and access cards be returned on a specific date and have the capability to e-mail the appropriate person if the keys and access cards are not returned.

Management’s Response: We concur. The key request process will be adjusted to require an expiration date for any key issued or electronic card access granted to a contractor. The Operations Manager will monitor expiration dates to ensure keys are returned and electronic card access is terminated timely.

6. An annual audit of hard keys and card access is not conducted.

A key inventory has not been performed since before the last major rekey began nine years ago. Recently, the university switched from a manual key control system to a key control software program. The review discovered some discrepancies in the data uploaded into the new key control software program. While Physical Plant staff are currently working to verify and correct the data uploaded, an inventory of keys would be beneficial in detecting additional errors as well as verifying possession of keys listed as being “issued” to individuals.

Recommendation: Management should consider conducting annual audits of hard keys as well as card access which could be focused on a specific area instead of auditing every key each year.

Management’s Response: We concur. A written process for an annual key and electronic card access inventory will be developed and a complete inventory will be conducted by February 28, 2019.

Audit Conclusion: Based on audit tests performed, adequate controls are in place to ensure building security and key controls are managed appropriately, except as noted in the observation above.

APSU - Status Report on Outstanding Internal Audit Recommendations as of May 11, 2018

Date of report	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow up Completed	Internal Audit's Conclusion on Management's Action s
1 1/31/17	<p>SWIA IT Carry Forward - Management should develop a comprehensive Business Continuity Plan.</p> <p>The university does not have a Business Continuity Plan. Having such a plan would significantly enhance the ability of the university to prepare for and respond to an emergency. The task of creating a Business Continuity Plan has been delegated to the Chief of Police/Director of Public Safety, who stated that this process will be initiated in 2017. Management should develop a comprehensive Business Continuity Plan.</p>	Chief of Police	Orig. 6/1/2018 Revised 12/1/18	Not Yet Due	NA
2 4/28/17	<p>Review of Cheerleading Invoices - Agreement Needed</p> <p>No formal agreement exists between the university and the off campus gym utilized for cheerleading practice. The Office of Legal Affairs stated the university typically requests students sign waivers if they are traveling in their personal vehicles to and from a university-sponsored event. No such waivers are obtained for cheerleaders driving personal cars to the off campus gym. Additionally, the Office of Legal Affairs recommended the cheerleaders sign an agreement when they utilize the off-campus gym.</p> <p>The Athletic Director and Cheerleading Coach will work with the Office of Legal Affairs to develop an agreement between the off-campus gym and the university, as well as agreements to be used by cheerleaders using the off-campus gym and waivers for cheerleaders driving their personal vehicles to and from practices held at the off-campus gym.</p>	Athletic Director Cheerleading Coach General Counsel	Orig. 8/31/2017 Revised 12/31/17	In Progress	NA
3 8/23/2017	<p>OVC SAF 2017 - Address Timing Issues</p> <p>Internal Audit made adjustments to the FY 2016-2017 Report of Student Assistant Fund Financial Activity. Expenditures were understated by \$662.05 due to tutoring expenses that were charged to the account after the report was submitted. Due to this adjustment, the balance of funds on hand at June 30, 2017 should have been \$79,718.95. Management should report this expense to the OVC/NCAA and use the correct beginning balance (\$79,718.95) on the FY 2017-2018 Report of Student Assistance Fund Financial Activity.</p>	Director of Athletic Compliance	6/30/2018	Not Due Yet	NA

APSU - Status Report on Outstanding Internal Audit Recommendations as of May 11, 2018

Date of report	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow up Completed	Internal Audit's Conclusion on Management's Action s
4 1/31/2018	<p>Travel Card Review -Strengthen Internal Controls</p> <p>The Office of Procurement and Contract Services should: -continue their training efforts to educate the travel card holders on the programs requirements and communicate to the managers what their review should include; -continue their increased monitoring of travel card transactions for compliance with established requirements; -establish consequences for non-compliance, communicate these expectations to travel card holders, and enforce consequences as necessary.</p> <p>Additionally, management should take necessary steps to ensure the manager approving the travel/procurement card transactions and the travel claims of an employee is the same person.</p>	Various	6/30/2018	Not Yet Due	NA
5 4/27/2018	<p>APSU 18-04, Review of Allegations Regarding the Department of Art + Design</p> <p>Management should ensure university facilities, equipment and supplies are only used by authorized individuals and for university purposes. If the Department of Art + Design purchases art supplies which are used by other groups, those groups should reimburse the cost of the supplies they used. Management should ensure a bright line exists and is communicated to employees about the acceptable use of university facilities, equipment and supplies when fulfilling tenure requirements.</p>	Various	8/31/2018	Not Yet Due	NA
6 4/27/2018	<p>APSU 18-04, Review of Allegations Regarding the Department of Art + Design</p> <p>Management should ensure all items purchased for the university with university funds are shipped to the university.</p>	Various	8/31/2018	Not Yet Due	NA
7 4/27/2018	<p>APSU 18-04, Review of Allegations Regarding the Department of Art + Design</p> <p>Management should ensure university equipment is kept on campus, unless otherwise approved by management. Management should also ensure equipment is properly maintained or surplusd when it no longer becomes cost beneficial to maintain.</p>	Various	8/31/2018	Not Yet Due	NA

APSU - Status Report on Outstanding Internal Audit Recommendations as of May 11, 2018

Date of report	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow up Completed	Internal Audit's Conclusion on Management's Action s
8	<p>4/27/2018 APSU 18-04, Review of Allegations Regarding the Department of Art + Design</p> <p>Before students travel off-site for a university sponsored activity, management should ensure all the proper liability paperwork is completed. Management should ensure if employees bring or donate materials to the university, proper procedure is followed and procedures are in place to ensure university assets and employee owned assets are distinguishable.</p>	Various	8/31/2018	Not Due Yet	NA
9	<p>4/27/2018 APSU 18-04, Review of Allegations Regarding the Department of Art + Design</p> <p>To ensure compliance with university policy, management should revisit how it informs the university community that certain outside employment relationships need to be disclosed.</p>	Various	8/31/2018	Not Due Yet	NA
10	<p>5/10/2018 Building Security and Key Controls Review</p> <p>Management should ensure that all employees hired since July 1, 2011, with access to student housing, have supplied a fingerprint sample and submitted to a criminal history records check which includes verification that the individual is not on the sex offender registry. Management should also consider whether it is feasible to have Campus Police fingerprint these employees to ensure the university is in compliance with this portion of the legislation. Currently, the university sends people off campus to be fingerprinted. Internal Audit believes there would be a higher compliance rate if the university performed this function internally. This process could be performed by Campus Police by sending off fingerprint cards to be compared against a database but would be more efficient if Campus Police had the proper equipment to receive immediate results.</p>	Various	9/30/2018	Not Due Yet	NA
11	<p>5/10/2018 Building Security and Key Controls Review</p> <p>Management should ensure the contractor is in compliance with their contract. Management should use rosters provided by the contractor to remove card access for employees that no longer work at the university. Management should also consider whether it is feasible to have Campus Police fingerprint the contractor's employees to ensure this portion of the contract requirements are met. Internal Audit believes there would be a higher compliance rate if the university performed this function for the contractor. As stated above, this process could be performed by Campus Police by sending off fingerprint cards to be compared against a database but would be more efficient if Campus Police had the proper equipment to receive immediate results.</p>	Director of Physical Plant	9/30/2018	Not Due Yet	NA

APSU - Status Report on Outstanding Internal Audit Recommendations as of May 11, 2018

Date of report	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Date Internal Audit Follow up Completed	Internal Audit's Conclusion on Management's Action s
12 5/10/2018	<p>Building Security and Key Controls Review</p> <p>Management should ensure compliance with Policy 4:007. Management should also consider investing in an electronic key cabinet to be located in the Physical Plant area of the Shasteen Building for grand master keys to student housing buildings and/or building master keys for student housing. The electronic key cabinet should have the capability for employees to use an access card that allows them to retrieve a certain key or set of keys that they have been authorized to obtain. The electronic key cabinet should also have the capability to e-mail the appropriate individual if a key is not returned by the end of the work day.</p>	Various	10/31/2018	Not Due Yet	NA
13 5/10/2018	<p>Building Security and Key Controls Review</p> <p>Management should develop a process to ensure that keys are returned and card access is removed from adjunct faculty, temporary employees, and student employees when these individuals leave the university. Management should consider adding a block to the key request form with a "key return date" or "employment end date" which could be used by the Operations Manager to notify these individuals prior to them leaving the university that the key(s) issued to them must be returned and card access will be removed.</p>	Physical Plant Operations Manager	8/31/2018	Not Due Yet	NA
14 5/10/2018	<p>Building Security and Key Controls Review</p> <p>Management should verify all keys and building access cards for contractors have been returned prior to approving the final invoice for payment. Management should also consider investing in an electronic key cabinet to be located in the Campus Police lobby in the Shasteen Building for contractors to access the keys and access cards they have been authorized to obtain. The electronic key cabinet should be set up to require the keys and access cards be returned on a specific date and have the capability to e-mail the appropriate person if the keys and access cards are not returned.</p>	Physical Plant Operations Manager	8/31/2018	Not Due Yet	NA
15 5/10/2018	<p>Building Security and Key Controls Review</p> <p>Management should consider conducting annual audits of hard keys as well as card access which could be focused on a specific area instead of auditing every key each year.</p>	Physical Plant Operations Manager	2/28/2019	Not Due Yet	NA

Information Item: C.

Date: June 7, 2018

Subject: Customer Satisfaction Survey Results

Action Recommended: Informational Item

Background Information:

The Office of Internal Audit is committed to a continuous quality assessment and improvement program. This program includes periodically soliciting feedback directly from the clients we have served about the quality of services we have provided. Each April and October, the Office of Internal Audit sends a 10 question survey to staff who have had significant interaction with the office pursuant to internal audit engagements for the previous six months. The survey responses are anonymous to ensure candid feedback. The results of the spring 2018 survey follows this transmittal page.

Proposed Implementation Date: N/A

Item Details: N/A

Austin Peay State University
Office of Internal Audit
Client Satisfaction Survey

The Office of Internal Audit is committed to a continuous quality assessment and improvement program. This program includes soliciting feedback directly from our clients. Please take a moment and complete the brief 10 question survey by clicking the link below. Your responses are completely anonymous.

1. The purpose, goals, objectives, areas to be reviewed and tentative completion dates were clearly explained.

- Agree
- Somewhat Agree
- Somewhat Disagree
- Disagree

2. The review was conducted in a courteous and professional manner.

- Agree
- Somewhat Agree
- Somewhat Disagree
- Disagree

3. Internal Audit was responsive to my concerns and perspectives throughout the review.

- Agree
- Somewhat Agree
- Somewhat Disagree
- Disagree

4. The review was conducted as to minimally disrupt operations.

- Agree
- Somewhat Agree
- Somewhat Disagree
- Disagree

5. Internal Audit's comments and recommendations will assist us to improve our operations.

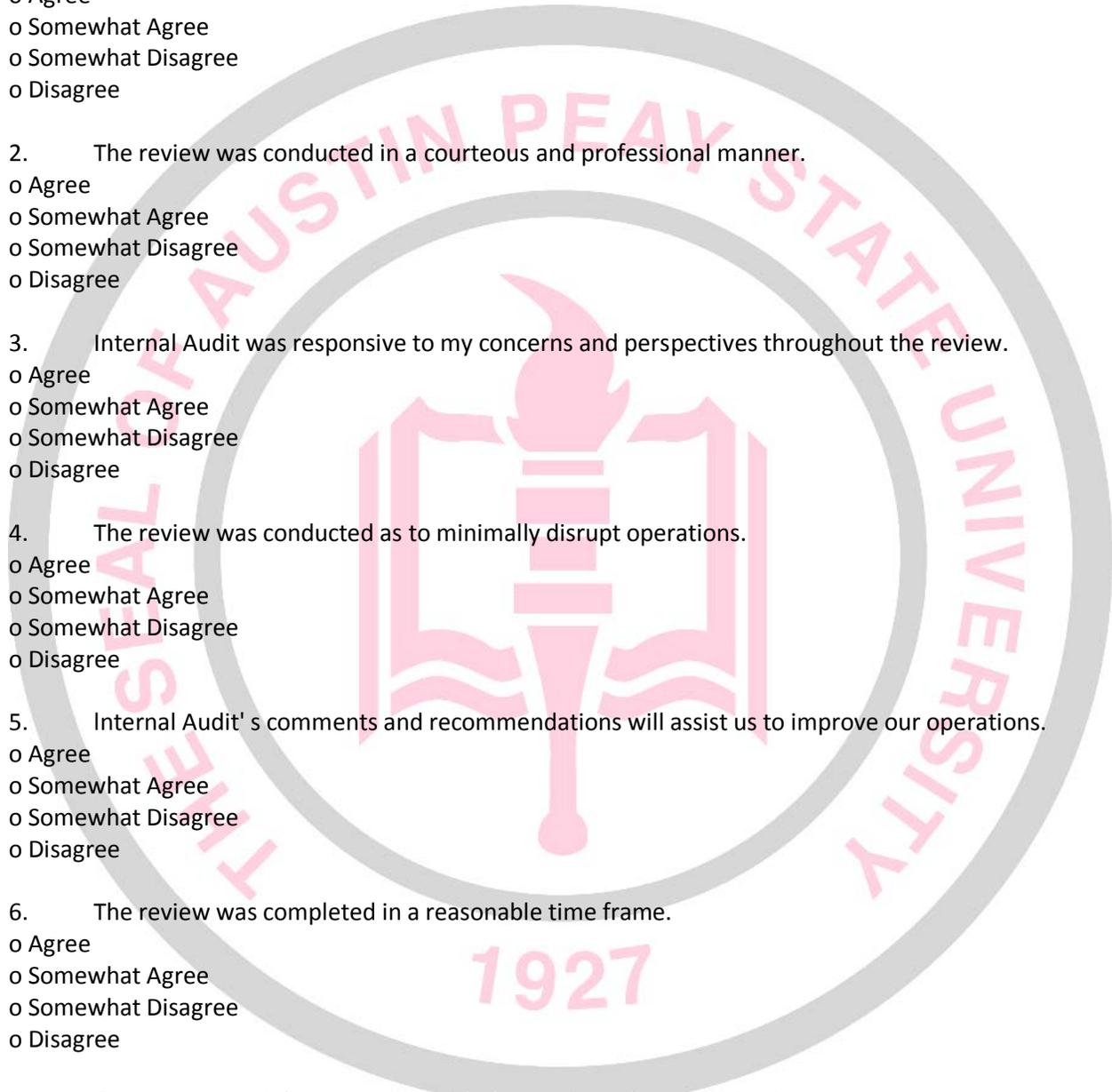
- Agree
- Somewhat Agree
- Somewhat Disagree
- Disagree

6. The review was completed in a reasonable time frame.

- Agree
- Somewhat Agree
- Somewhat Disagree
- Disagree

7. Overall, how satisfied were you with the services of Internal Audit.

- Satisfied
- Somewhat Satisfied
- Somewhat Dissatisfied
- Dissatisfied



Austin Peay State University
Office of Internal Audit
Client Satisfaction Survey

8. Which of the following words would you use to describe Internal Audit services. Check all that apply.

- High Quality
- Valuable
- Effective
- Ineffective
- Impractical
- Poor Quality

9. Internal Audit is a resource I would use in the future.

- Agree
- Somewhat Agree
- Somewhat Disagree
- Disagree

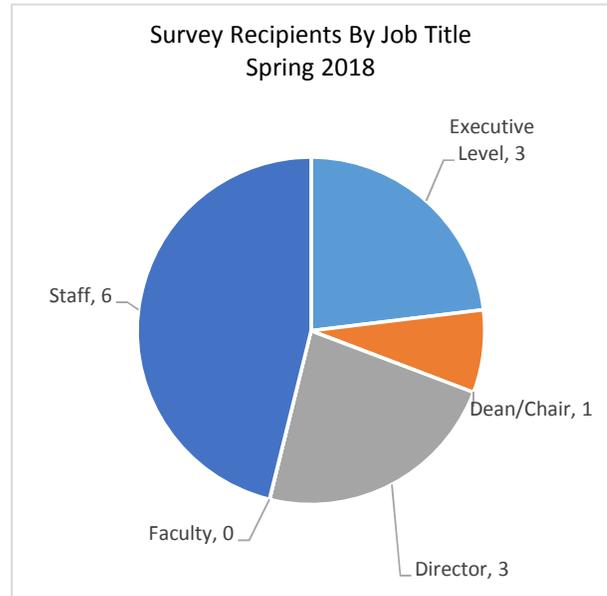
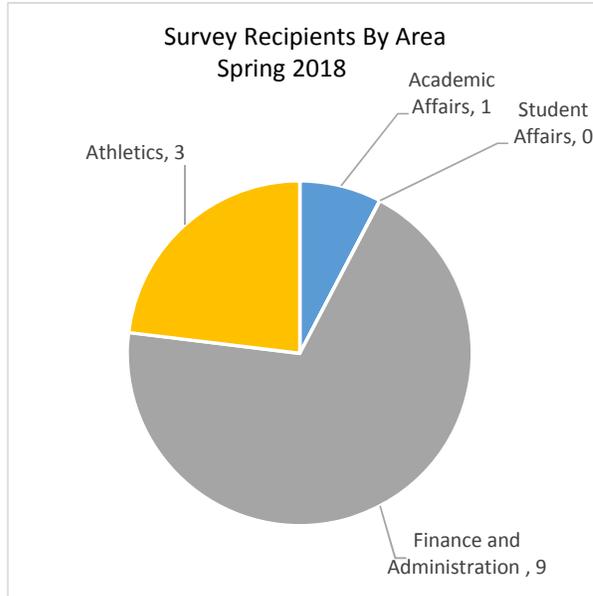
10. What suggestions do you have for improving the audit process? What did you especially like or dislike?



Spring 2018 - Customer Satisfaction Survey

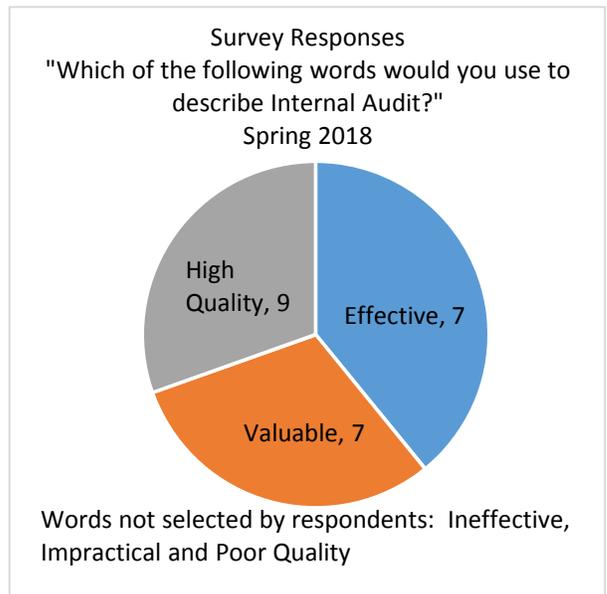
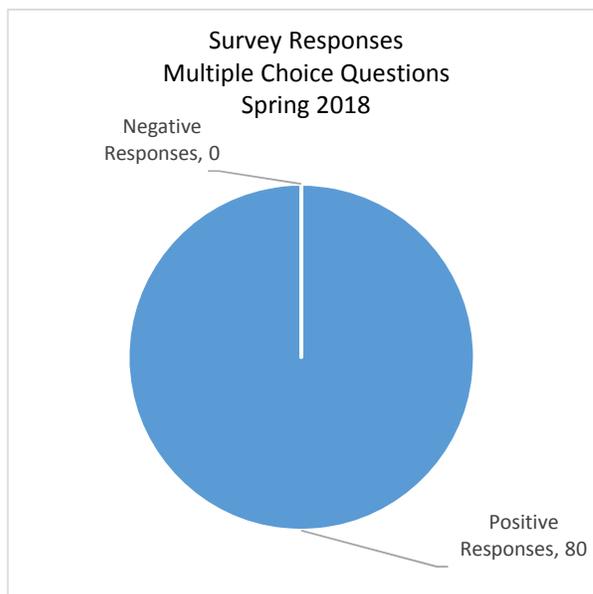
Spring 2018 - Who received the Client Satisfaction Survey?

Internal Audit identified 13 employees who had significant contact with the Office of Internal Audit for reviews completed between October 2017 and March 2018. The demographics of the survey recipients is summarized below.



What did they say?

As of April 30, 2018 (when the survey was closed), 10 surveys had been completed (77%). Survey responses are summarized below.



Survey Comments:

I am always impressed with his professionalism. He has great ideas on how to improve our cash handling process. He has a lot of experience, and he is an asset to the university.

I think internal audit does a very thorough job and they are very nice to work with.

No suggestions.