



B O A R D O F T R U S T E E S



Audit Committee Meeting

Austin Peay State University

317 College Street

Clarksville, TN 37040

June 4, 2021

9:00 AM

Call to Order

Roll Call/Declaration of a Quorum

Action Items

A.Internal Audit Plan FY2022

Information Items

A.Internal Audit Reports released between February 23, 2021, and May 10, 2021

B.Client Satisfaction Surveys Calendar Year 2020

Adjourn

**Austin Peay State University
Internal Audit Plan
Fiscal Year Ended June 30, 2022**

Type	Area	Audit
Required	FM	President's Expenses
Required	AT	Athletic Affiliate
Required	IS	Quality Assurance Periodic Self Assessment
Follow Up	FM	State Audit Follow-Up
Follow-up	IS	Internal Audit Follow-up
Management's Risk	IA	Risk Assessment - Academic Affairs
Investigations	IS	Unscheduled Investigations
Consultations	IS	General Consultation
Risk Based	IA	Departmental Work Program Prep
Risk Based	FM	Payroll
Risk Based	FM	Fictitious Employees
Risk Based	IA	Enrollment Management
Risk Based	IS	Human Resources
Risk Based	IA	Provost's Office
Risk Based	SS	Residence Life
Risk Based	PP	Physical Plant Department

Functional Areas:

AD - Advancement

AT - Athletics

AX - Auxiliary

FM - Financial Management

IA - Instruction & Academic Support

IS - Institutional Support

IT - Information Technology

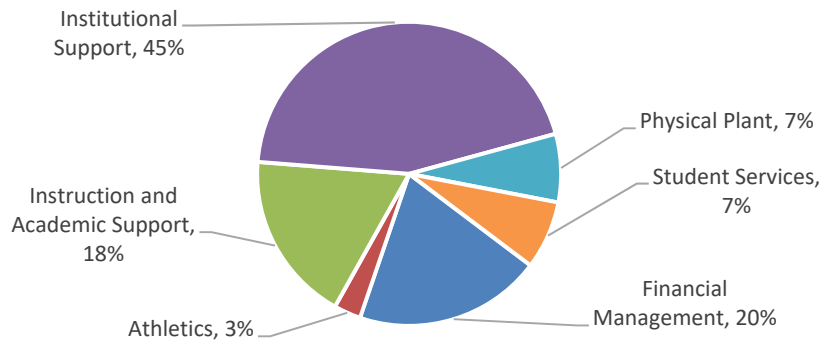
PP - Physical Plant

RS - Research

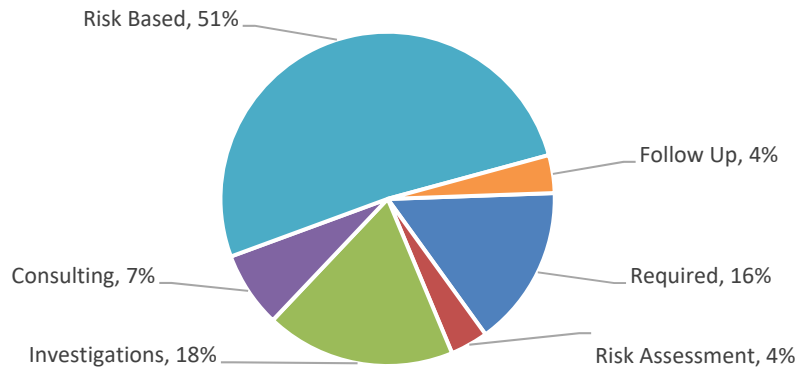
SS - Student Services

Note: The audit universe includes 99 programs, departments, or processes.

Internal Audit Plan
FY2022
Audit Time By Area



Internal Audit Plan
FY2022
Audit Time by Audit Type



Austin Peay State University
Purchasing Card Review
Internal Audit Report
April 12, 2021

Key Staff: Assistant Director of Procurement and Contract Services	Auditor: Beth Chancellor, CFE
<p>Introduction: The university procurement card program allows employees to request a university procurement card to make allowable business purchases. The cardholder must follow all applicable state and university policies. The cardholder and their assigned approver must approve the transactions monthly and maintain itemized receipts and other relevant documentation for each transaction.</p> <p>Procurement/Travel Card was included in the fiscal year 2021 Internal Audit Plan for the following reasons:</p> <ul style="list-style-type: none">• recent audit investigations that involved procurement card activity;• the university has a new vendor to assist in monitoring procurement card activity;• the inherent risk profile of procurement card use; and• a full internal audit of university credit cards had not occurred since 2016. <p>The original plan listed “Procurement/Travel Card”. COVID-19 caused a drastic reduction in university travel, therefore, Internal Audit separated the two areas. Travel Cards will be reviewed at a later date.</p> <p>When the review began, 230 employees had an active purchasing card. During the three month period under review,</p> <ul style="list-style-type: none">• 139 cardholders had at least one transaction;• 1,050 transactions occurred totaling \$285,484.71; and• two departments (Athletics and Service-Learning & Community Engagement*) accounted for more than 45% of the total expenses. <p><i>* Service-Learning & Community Engagement operates the university’s food pantry. During the scope of the review, the Austin Peay State University Foundation received a grant from the Tennessee Community CARES program to help students and their families with the health and economic hardships caused by COVID-19. A portion of this grant was used to expand the university’s food pantry resulting in a significant and temporary increase in the department’s use of procurement cards.</i></p>	
Objective: To provide assurance that management has effective controls in place to ensure procurement card transactions are compliant with university policies and procedures.	
Scope: The review focused on current policies and procedures related to procurement cards. Testwork was performed on transactions from October 1 – December 31, 2020.	
Field Work: The audit included interviews with key staff, review of various documentation, and detailed transactional testwork to determine compliance with university policies and procedures.	
Audit Results: The audit objective was achieved. Based on audit tests performed, discussions with key employees, and review of various documents, it appears management has adequate controls in place to ensure procurement card transactions are compliant with university policies and procedures.	

Austin Peay State University
Follow-up to the Comptroller of the Treasury's Performance Audit (Sunset Audit)
Internal Audit Report
April 23, 2021

Key Staff: Chief of Police	Auditor: Blayne M. Clements CIA, CFE, CRMA
Introduction: The Comptroller of the Treasury's performance audit report, commonly referred to as a sunset audit, was issued November 3, 2020 and contained two findings. As required by the Comptroller's Office, the Office of Internal Audit performed a follow-up review to determine if management has taken adequate corrective action to address the issues noted in the report.	
Objective: To determine if management has implemented corrective actions to adequately address the issues noted in the two findings included in the Comptroller of the Treasury's performance audit report issued November 3, 2020.	
Comptroller's Findings: <ol style="list-style-type: none">1. University management did not design and implement internal controls to ensure the Annual Security and Fire Safety Report included all required components. Management did not ensure staff included all required components in the report. The performance audit discovered 9 of the 84 required components were not included in the 2019 report.2. University management did not design and implement internal controls to ensure the Clery daily crime log was complete and accurate. Management did not ensure staff included all required components in the daily crime log. The performance audit discovered 12 of the 60 daily crime log entries reviewed did not accurately reflect the supporting documentation.	
Field Work: The audit included interviews with key staff, review of various documents, and the performance of detailed audit testwork to determine if management has taken appropriate corrective action to address the issues in the findings. The employees responsible for the Annual Security and Fire Safety Report and creating the daily crime log obtained appropriate training on related compliance issues. The Office of Internal Audit reviewed a sample of recent daily crime log entries and determined the entries appeared to be complete and accurate.	
Audit Results: Based on the audit tests performed, it appears management has taken adequate corrective action to adequately address the issues noted in the Comptroller's report.	

Austin Peay State University
Review of the Police Department Evidence Room
Internal Audit Report
April 28, 2021

Key Staff: Chief of Police	Auditor: Beth Chancellor, CFE
<p>Introduction: The APSU Police Department is accredited by the Tennessee Association of Chiefs of Police (TACP) through its Tennessee Law Enforcement Accreditation Program. In order to maintain this accreditation, a documented audit of high-risk items must be conducted once every three years by personnel who are not directly involved with the evidence function. The Chief of Police requested this review to satisfy the accreditation requirement.</p> <p>In addition to the TACP accreditation standards regarding the collection and preservation of evidence, the APSU Police Department also follows the International Association for Property and Evidence, Inc. (IAPE) Professional Standards. The IAPE is a non-profit organization that provides education and training on all aspects of handling, storage, and disposal of property and evidence. These standards state that “adhering to these standards should assure any agency that reasonable steps have been taken to obtain a secure and efficient property and evidence management system”. Since the police department follows these standards, Internal Audit considered them when assessing the evidence function.</p> <p>The APSU Police Department is located in the Shasteen Building on main campus and it operates 24 hours a day. The department currently employs 17 certified full-time police officers as well as a team of dispatchers, security guards, and administrative employees. The evidence room is located in a secure area in the Shasteen Building. Access to the room is appropriately limited and under video surveillance. The items received into the evidence room are classified as high risk or low risk. Examples of high risk items are drugs, guns and cash. Examples of low risks items are knives and drug paraphernalia.</p>	
<p>Objective: To determine if the APSU Police Department is in compliance with the Tennessee Association of Chiefs of Police accreditation standards regarding the collection and preservation of evidence.</p>	
<p>Scope: The review focused on internal controls in place over the evidence room at the time of the review. The scope also included verification that all high-risk items were properly recorded and stored.</p>	
<p>Audit Results: Based on discussions with management, review of various documentation and the audit tests performed, the APSU Police Department appears in compliance with the Tennessee Association of Chiefs of Police accreditation standards regarding the collection and preservation of evidence.</p>	

APSU - Status Report on Outstanding Internal Audit Recommendations as of May 10, 2021

Date of report	Recommendation	Responsible Staff	Date Management's Actions to be Implemented	Status of Internal Audit Follow-up	Internal Audit's Conclusion on Management's Actions
2/12/2021	<p>Social Media</p> <p>Management should consider developing a university policy to formally establish expectations on how university related social media accounts should be managed. Management should consider creating a committee of stakeholders to develop this policy.</p>	Executive Director of Public Relations and Marketing	8/31/2021	Not Due Yet	NA

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.

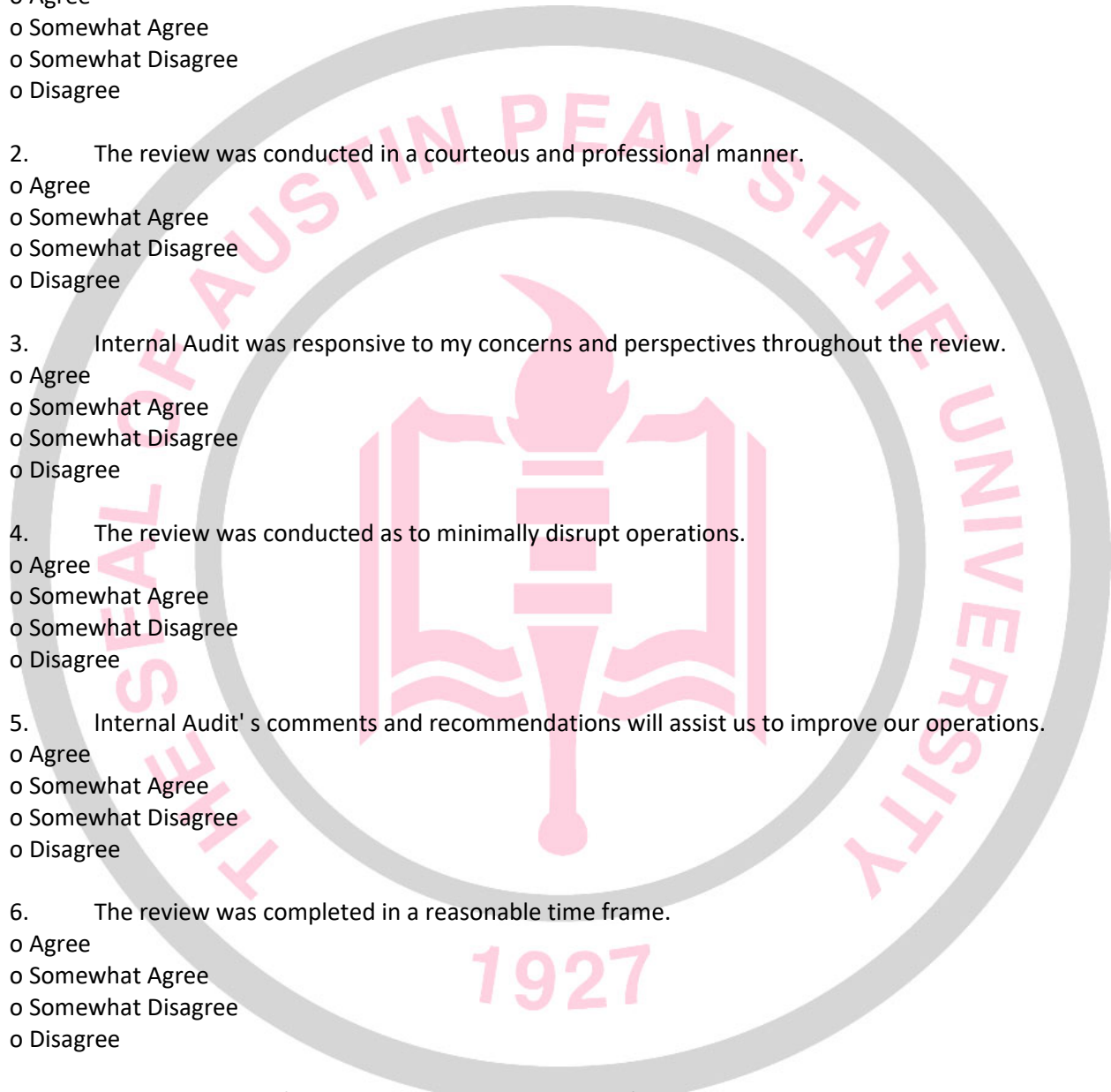
- Agree
- Somewhat Agree
- Somewhat Disagree
- Disagree

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

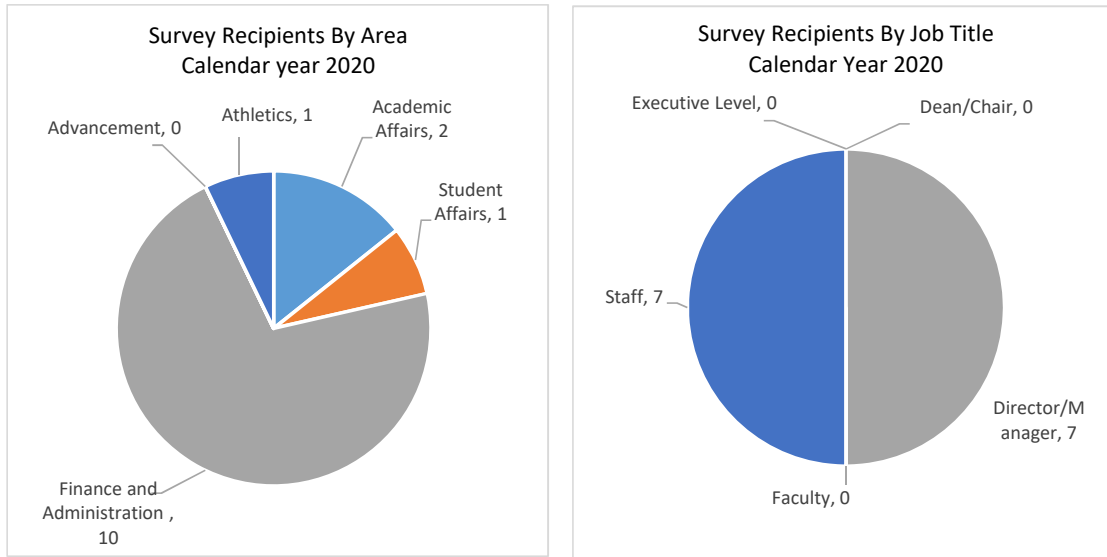
10. What suggestions do you have for improving the audit process? What did you especially like or dislike?



Calendar Year 2020- Customer Satisfaction Survey

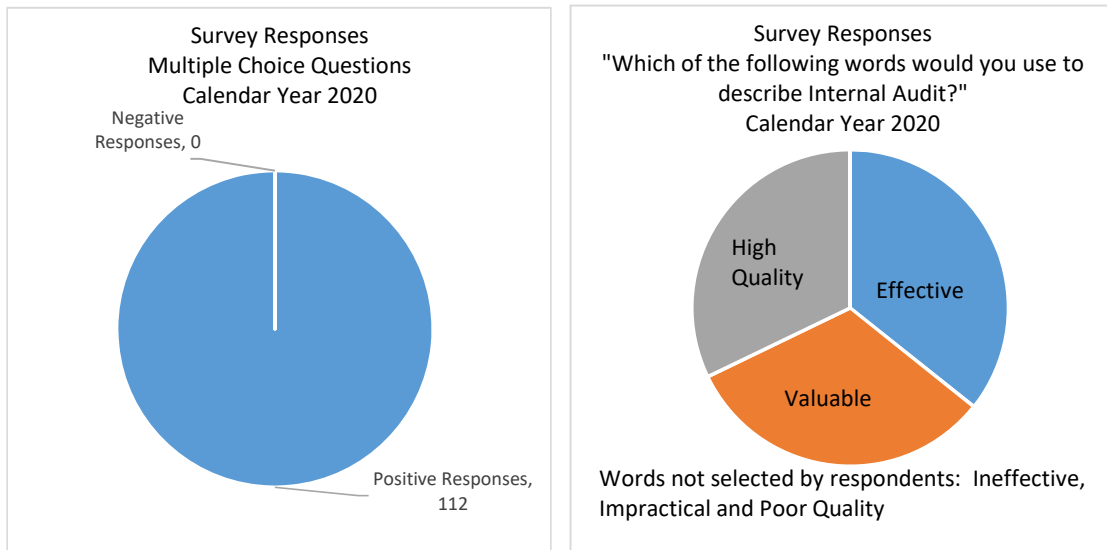
Calendar Year 2020 - Who received the Client Satisfaction Survey?

Internal Audit identified 14 key employees who had significant contact with the Office of Internal Audit for reviews completed in calendar year 2020. The demographics of the survey recipients is summarized below.



What did they say?

As of January 31, 2021 (when the survey was closed), 14 surveys had been completed (100%). Survey responses are summarized below.



Survey Comments:

The audit was conducted in a professional manner. The information received was beneficial to our department.

Blayne was very specific and concise about what would be required and expected from me during the audit. I had no problems providing the information he requested. It wasn't painful at all!

No suggestions. I liked how the office updated me as the review progressed.

I liked that there was no condemnation for things that were not exactly right, Their suggestions help us improve our compliance, Beth and Blayne are so kind and helpful.

Great customer service and great follow through on everything.