

BREWTON-PARKER COLLEGE

INTERNAL AUDIT DEPARTMENT SIX-YEAR STRATEGIC PLAN 2002-03 THROUGH 2007-08

DEPARTMENT PURPOSE

The purpose of the Internal Audit Department is to advance the mission of the college and the Division of Finance and Administration of upholding strong academic standards in a nurturing Christian environment by safe-guarding and accounting for the financial, physical and technological assets of the college.

OBJECTIVE 1

To assist the college in its goal of securing financial stability and institutional viability by improving operational efficiency.

ACTION PLAN

1. Select departments to be audited
2. Prepare audit program for each department using sample data selected from activities performed by department being reviewed
3. Perform audit
4. Report findings and recommendations to auditee
5. Incorporate auditee's responses into final audit report
6. Present final audit report to department director, President, Vice-President for Finance and Administration, and Board of Trustees

ASSESSMENT

Quarterly audit summary

RESPONSIBILITY

Internal Auditor, Vice-President for Finance and Administration, and President

TIME FRAME

Annually

RESOURCES REQUIRED

Time

RELATED TO

Institutional Goal No. 1

BREWTON-PARKER COLLEGE

INTERNAL AUDIT DEPARTMENT SIX-YEAR STRATEGIC PLAN 2002-03 THROUGH 2007-08

RESULTS & RESPONSES—2002-03

OBJECTIVE 1

To assist the college in its goal of securing financial stability and institutional viability by improving operational efficiency.

RESULTS

The departments audited were selected from an annual audit plan submitted by the Internal Auditor to the Board of Trustees at the October 2002 quarterly trustee meeting. An engagement letter was sent to clients selected for audit stating the beginning/estimated completion date of the audit and the information needed for the audit. Information requested included:

- Financial data, if applicable,
- Internal policy and procedure manuals,
- Applicable laws, rules and regulations,
- Prior audit reports,
- Job descriptions,
- Organization charts,
- Internal department reports,
- Catalogs,
- Forms,
- And department goals and objectives.

A client interview was conducted and responses were documented on interview worksheets. Interview questions included how knowledgeable the staff is on job responsibilities and activities; how the activities are carried out; what documentation is maintained relating to job activities, etc. Data received and documented interview responses were reviewed. A walkthrough of each activity was performed. These walkthroughs were compared to both verbal and written data to verify efficiency and completeness. Surveys of strengths and weaknesses of each activity were performed. The audit program was prepared from data received from interviews, surveys, walkthroughs, and written documents. Audit objectives were established and audit steps were created to obtain audit objectives. Audit was performed from audit objective steps. Audit findings and recommendations were communicated to the client immediately. Working papers are indexed at the completion of the audit. An exit interview was held if requested. A findings memo including auditor recommendations was distributed to the client. The client responded in writing within 30 days. A preliminary draft of the final audit report was prepared. Once the client responses were received, they were

incorporated into the final audit report. This final report was presented to the President of the College for review. After a verification of review was received from the President, a copy of the final report was sent to the client.

An audit report summary was created and presented to the Property and Finance Committee of the Board of Trustees at the quarterly trustee meeting. These summary listed audits completed along with information on the scope of the audits and whether or not findings were acted upon by management of the client.

RESPONSE

Three departments were selected for audit and changes were made in each department as a result of the audit findings.

Summer Camp Audit

- No written policies and procedures existed for Summer Camp Administration. *[Changes made] → The Director of Student Activities along with a summer assistant are working on putting the policies and procedures into writing. The College's policies and procedures concerning facilities, rules, regulations, and administration will be incorporated into the Summer Camp Policies and Procedures.*
- No liability waiver existed. *[Changes made] → A liability waiver has been created and is now being utilized.*
- No medical treatment authorization form existed for camp participants. *[Changes made] → A Medical Treatment Authorization Form has been created and is now being utilized.*
- Outside camps were not providing certificate of insurance for the camp entity. *[Changes made] → Certificates of insurance are now a requirement before camp reservations can be made.*

Payroll

- No written policies and procedures existed for the payroll function. *[Changes made] → Payroll policies and procedures will be written by June 30, 2003.*
- Memos were accepted from employees to request changes to withholding taxes. *[Changes made] → Only proper documents, i.e., W-4, G-4, will be accepted for requesting withholding tax changes.*
- An international student was paid for employment during a period of time when he/she was not eligible to work in the United States. *[Changes made] → Payroll Coordinator will communicate with Admission Support Services Director to ensure that review of proper documentation is administered to determine if international students are eligible to work in the United States.*
- No backup documentation was found in an employee's file to verify employee's consent to the payroll deduction. *[Changes*

made] → Payroll Coordinator will ensure that proper deduction backup documentation is retained in employee's files.

Financial Aid

- Information in Financial Aid Policy and Procedure Manual in reference to the zero basis for Expected Family Contribution used for financial aid calculations was not the same as the amount in the Federal Student Aid Handbook. *[Changes made] → The Financial Aid Policy and Procedure Manual was immediately updated.*
- No backup documentation was found for an athletic scholarship awarded to a student athlete. *[Changes made] → A policy was written that requires the Athletic Department to provide to the Financial Aid office a written award list of all athletic scholarships and amounts. This list must be provided prior to any athletic awards being added to the student's financial aid awards.*

These reports show that the departments of Brewton-Parker College are in compliance/non-compliance with any institutional, Federal, State, or other laws and regulations. Current applications of this audit plan along with future risk assessments will be adequate in ensuring the safe-guarding and accounting for the financial, physical, and technological assets of the college by improving operational efficiency.

BREWTON-PARKER COLLEGE

INTERNAL AUDIT DEPARTMENT SIX-YEAR STRATEGIC PLAN 2002-03 THROUGH 2007-08

RESULTS & RESPONSES—2003-04

OBJECTIVE 1

To assist the college in its goal of securing financial stability and institutional viability by improving operational efficiency.

RESULTS

The departments audited were selected upon request of management to 1) assist in gathering information for a cost analysis and 2) to follow up from findings found in and external audit performed by BKR Metcalf Davis for year ended June 30, 2003. An engagement letter was sent to clients selected for audit stating the beginning/estimated completion date of the audit and the information needed for the audit. Information requested included:

- Financial data, if applicable
- Internal policy and procedure manuals
- Applicable laws, rules and regulations
- Prior audit reports
- Job descriptions
- Organization charts
- Internal department reports
- Catalogs
- Forms
- Department goals and objectives.

A client interview was conducted and responses were documented on interview worksheets. Interview questions included how knowledgeable the staff is on job responsibilities and activities; how the activities are carried out; what documentation is maintained relating to job activities, etc. Data received and documented interview responses were reviewed. A walkthrough of each activity was performed. These walkthroughs were compared to both verbal and written data to verify efficiency and completeness. Surveys of strengths and weaknesses of each activity were performed. The audit program was prepared from data received from interviews, surveys, walkthroughs and written documents. Audit objectives were established and audit steps were created to obtain audit objectives. Audit was performed from audit objective steps. Audit findings and recommendations were communicated to the client immediately. Working papers are indexed at the completion of the audit. An exit interview was held if requested. A findings memo including auditor recommendations was distributed to the client. The client responded in writing within 30 days. A preliminary draft of the final

audit report was prepared. Once the client responses were received, they were incorporated into the final audit report. This final report was presented to the President of the College for review. After a verification of review was received from the President, a copy of the final report was sent to the client.

An audit report summary was created and presented to the Property and Finance Committee of the Board of Trustees at the quarterly trustee meeting. This summary listed audits completed along with information on the scope of the audits and whether or not findings were acted upon by management of the client.

Two departments were selected for audit and changes were made in the department in which findings were found.

Revenue/Expense Audit of Off-Campus Sites

- Inconsistencies were found in regards to the allocation of expenses to individual off campus sites. *[Changes made]-> Dean of External Programs will work with the Business Office to set up new accounts where they do not currently exist and to discuss ways to make sure these expenses are properly and consistently allocated.*

Financial Aid/Exit Interview Documentation

- No instances of non-compliance were found. *[Changes made]->Financial Aid will continue with current monitoring procedures.*
- These reports show that the departments of Brewton-Parker College are in compliance/non-compliance with any institutional, Federal, State, or other laws and regulations.

RESPONSES

Current applications and revisions of this audit plan along with future risk assessments for audits requested by management or randomly chosen by the audit department will be adequate in ensuring the safe-guarding and accounting for the financial, physical, and technological assets of the college by improving operational efficiency.

BREWTON-PARKER COLLEGE

INTERNAL AUDIT SIX-YEAR STRATEGIC PLAN 2002-03 THROUGH 2007-08

RESULTS & RESPONSES—2004-05

OBJECTIVE 1

To assist the college in its goal of securing financial stability and institutional viability by improving operational efficiency.

RESULTS

The departments audited were selected from an annual audit plan submitted by the Internal Auditor to the Board of Trustees at the October 2004 quarterly trustee meeting. An engagement letter was sent to clients selected for audit stating the beginning/estimated completion date of the audit and the information needed for the audit. Information requested included:

- Financial date, if applicable
- Internal policy and procedure manuals
- Applicable laws, rules and regulations
- Prior audit reports
- Job descriptions
- Organization charts
- Internal department reports
- Catalogs
- Forms
- Department goals and objectives

A client interview was conducted and responses were documented on interview worksheets. Interview questions included how knowledgeable the staffs are on job responsibilities and activities, etc. Date received and documented interview responses were reviewed. A walkthrough of each activity was performed. These walkthroughs were compared to both verbal and written data to verify efficiency and completeness. Surveys of strengths and weaknesses of each activity were performed. The audit program was prepared from data received from interviews, surveys, walkthroughs, and written documents. Audit objectives were established and audit steps were created to obtain audit objectives. Audit was performed from audit objective steps. Audit findings and recommendations were communicated to the client immediately. Working papers are indexed at the completion of the audit. An exit interview was held if requested. A findings memo including auditor recommendations was distributed to the client. The client responded in writing within 30 days. A preliminary draft of the final audit report was prepared. Once the client responses were received, they were incorporated into the final audit report. This final report was presented to the President of the College for

review. After a verification of review was received from the President, a copy of the final report was sent to the client.

An audit report summary was created and presented to the Property and Finance Committee of the Board of Trustees at the quarterly trustee meeting. This summary listed audits completed along with information on the scope of the audits and whether or not management of the client acted upon findings.

RESPONSES

Two departments were selected for audit; there were no findings in one of the audits and changes were made in another department as a result of audit findings.

Bookstore Charges

- Signature on charge slip different from student items was charged to. *[Changes made] → The staff member or student worker will sign for the customer with the following statement: **staff member/student worker for customer.***
- Two separate charge slips on different days were found for the same items and charged to the student's account twice. *[Changes made] → Store staff will verify daily that no duplicate charges occur. Staff will address duplicate charges immediately.*
- Bookstore charges not posted to student's account. *[Changes made] → Procedure created to verify all student charges. Deibold system report from bookstore will be verified against the AIMS system.*
- Total amounts on book charge slips did not equal total amounts posted to student's accounts. *[Changes made] → Procedure created to verify all student charges.*
- No written procedures found for Baron Bucks. *[Changes made] → A proposed policy statement for Baron Bucks has been submitted to the Business Office for clarification and approval.*

Financial Aid

No instances of non-compliance/risk issues were found in this audit. Current procedures are being continued.

These reports show that the departments of Brewton Parker College are in compliance/non-compliance with any institutional, Federal, State, or other laws and regulations. Current applications of this audit plan along with future risk assessments will be adequate in ensuring the safe-guarding and accounting for the financial, physical, and technological assets of the college by improving operational efficiency.

BREWTON-PARKER COLLEGE

INTERNAL AUDIT] SIX-YEAR STRATEGIC PLAN 2002-03 THROUGH 2007-08

RESULTS & RESPONSES—2005-06

OBJECTIVE 1

To assist the college in its goal of securing financial stability and institutional viability by improving operational efficiency.

RESULTS

The departments audited were selected from an annual audit plan submitted by the Internal Auditor to the Board of Trustees at the October 2005 quarterly trustee meeting and audit requests by management and members of the Board of Trustees. An engagement letter was sent to clients selected for audit stating the beginning/estimated completion date of the audit and the information needed for the audit. Information requested included:

- Financial data, if applicable,
- Internal policy and procedure manuals,
- Applicable laws, rules and regulations,
- Prior audit reports
- Job descriptions,
- Organization charts,
- Internal department reports,
- Catalogs
- Forms
- Department goals and objectives.

A client interview was conducted and responses were documented on interview worksheets. Interview questions included how knowledgeable the staff are on job responsibilities and activities, etc. Data received and documented interview responses were reviewed. A walkthrough of each activity was performed. These walkthroughs were compared to both verbal and written data to verify efficiency and completeness. Surveys of strengths and weaknesses of each activity were performed. The audit program was prepared from data received from interviews, surveys, walkthroughs, and written documents. Audit objectives were established and audit steps were created to obtain audit objectives. Audit was performed from audit objective steps. Audit findings and recommendations were communicated to the client immediately. Working papers are indexed at the completion of the audit. An exit interview was held if requested. A findings memo including auditor recommendations was distributed to the client. The client responded in writing within 30 days. A preliminary draft of the final audit report was prepared. Once the client responses were received, they were incorporated into the

final audit report. This final report was presented to the President of the College for review. After a verification of review was received from the President, a copy of the final report was sent to the client.

An audit report summary was created and presented to the Property and Finance Committee of the Board of Trustees at the quarterly trustee meeting. This summary listed audits completed along with information on the scope of the audits and whether or not findings were acted upon by management of the client.

RESPONSES

Three departments were selected for audit; there were no findings in one of the audits and changes were made in the two other departments as a result of audit findings.

College Advancement

- Duplicate listings for single gifts. *[Changes made] → College Advancement will establish a procedure for properly recording of gifts and will combine duplicate files.*
- Donor receipt acknowledgment not found in file. *[Changes made] → Donor receipt acknowledgements were misfiled by student workers. Student workers will be instructed on the proper procedures for filing. College Advancement will be going through a review of the files this year.*
- A gift for a memorial library book reported as a restricted fund donation was deposited into the current fund cash account. *[Changes made] → A check will be issued for the donation amount from the current fund and deposited to the Restricted IMMA account. All donation information coming into the Business Office from the College Advancement Office will be carefully reviewed to ensure funds are deposited to the correct bank accounts.*
- Payroll deduction for Annual Fund donation not traced to payroll account. *[Changes made] → A procedure has been established to ensure gifts received through the College Advancement office, that are to be processed through monthly payroll deductions, will have a signed signature card placed in the file and a copy of the signature card will be forwarded to the Payroll Department..*

Board of Trustee Meeting Minutes

No instance of non-compliance/risk issues were found in this audit. Current procedures are being continued.

Financial Aid Department

- Exit interview non-compliance. *[Changes Made] → The instances of non-compliance with students who withdrew stemmed from a miscommunication regarding the procedure linked to R2T4. The problem has been addressed and corrected. Student enrollment status reports will now be run every 20 days.*
- Some budgeted scholarship funds were over-expended. *[Changes made] → The Financial Aid office will continue to hold tight to the prescribed Matrix. Only the Executive Dean and the President can override the matrix and add additional financial aid to a student's package. The FA office will continue to*

work with Noel-Levitz to develop a tool that will enable the college to better project the amount of financial aid needed for the following year. The FA office will continue to award Trigger scholarships, Baptist monies and other aid to all students who qualify. Yet, the director of Financial Aid and the Executive Dean for Enrollment Services will review the financial aid budget monthly comparing the projected number of students with the actual number of students enrolled. If additional students are recruited the Executive Dean will move monies into this line item.

These reports show that the departments of Brewton Parker College are in compliance/non-compliance with any institutional, Federal, State, or other laws and regulations. Current applications of this audit plan along with future risk assessments will be adequate in ensuring the safe-guarding and accounting for the financial, physical, and technological assets of the college by improving operational efficiency.

BREWTON-PARKER COLLEGE

INTERNAL AUDIT SIX-YEAR STRATEGIC PLAN 2002-03 THROUGH 2007-08

RESULTS & RESPONSES—2006-07

OBJECTIVE 1

To assist the college in its goal of securing financial stability and institutional viability by improving operational efficiency.

RESULTS

The departments audited were selected by management and members of the Board of Trustees providing requests for departmental and procedural audits. An engagement letter was sent to clients selected for audit stating the beginning/estimated completion date of the audit and the information needed for the audit. Information requested included:

- Financial data, if applicable,
- Internal policy and procedure manuals,
- Applicable laws, rules and regulations,
- Prior audit reports
- Job descriptions,
- Organization charts,
- Internal department reports,
- Catalogs
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- Department goals and objectives.

A client interview was conducted and responses were documented on interview worksheets. Interview questions included how knowledgeable the staff are on job responsibilities and activities, etc. Data received and documented interview responses were reviewed. A walkthrough of each activity was performed. These walkthroughs were compared to both verbal and written data to verify efficiency and completeness. Surveys of strengths and weaknesses of each activity were performed. The audit program was prepared from data received from interviews, surveys, walkthroughs, and written documents. Audit objectives were established and audit steps were created to obtain audit objectives. Audit was performed from audit objective steps. Audit findings and recommendations were communicated to the client immediately. Working papers are indexed at the completion of the audit. An exit interview was held if requested. A findings memo including auditor recommendations was distributed to the client. The client responded in writing within 30 days. A preliminary draft of the final audit report was prepared. Once the client responses were received, they were incorporated into the final audit report. This final report was presented to the President of the College for

review. After a verification of review was received from the President, a copy of the final report was sent to the client.

An audit report summary was created and presented to the Property and Finance Committee of the Board of Trustees at the quarterly trustee meeting. This summary listed audits completed along with information on the scope of the audits and whether or not findings were acted upon by management of the client.

RESPONSES

Due to turnover in the audit department only one formal audit was completed in 2006/2007, as well as the standing audit of the bookstore inventory. There were no findings in either audit.

Reconciliation of Federal and State Funds

No instance of non-compliance/risk issues were found in this audit. Current procedures are being continued.

Bookstore Inventory

No instance of non-compliance/risk issues were found in this audit. Current procedures are being continued.

These reports show that the departments of Brewton Parker College are in compliance/non-compliance with any institutional, Federal, State, or other laws and regulations. Current applications of this audit plan along with future risk assessments will be adequate in ensuring the safe-guarding and accounting for the financial, physical, and technological assets of the college by improving operational efficiency.

BREWTON-PARKER COLLEGE

INTERNAL AUDIT SIX-YEAR STRATEGIC PLAN 2002-03 THROUGH 2007-08

RESULTS & RESPONSES—2007-08

OBJECTIVE 1

To assist the college in its goal of securing financial stability and institutional viability by improving operational efficiency.

RESULTS

There were only two internal audits done because of staff turn-over. The two departments were Admissions and Bookstore. The internal audit found discrepancies with cash in the Admissions department.

RESPONSES

Admissions

In response to discrepancies with cash new forms were designed, tighter approval procedures, and cash deposits from Admissions will be done weekly.

Bookstore Inventory

No instance of non-compliance/risk issues were found in this audit. Current procedures are being continued.