

# Board of Governors

## State University System of Florida

*Best Practices for Audit Committees  
and Internal Auditors*

Board of Governors Audit Committee Meeting  
March 29, 2007  
Gainesville, Florida



# Background

- BOG Audit Committee Workshop of November 29, 2006, among other things, initiated discussions on:
  - Role of BOG Audit Committee
  - Role of BOT Audit Committees
  - Role of University Auditor/Inspector General
- Subsequent to this meeting, State Universities Audit Council (SUAC) was invited to present a white paper with regards to “best practices” in audit and compliance issues and processes



# State Universities Audit Council (SUAC)

- Established in 2002 (subsequent to devolution).
- An informal organization focusing on common issues and learning.
- All 10 State Universities' audit functions are represented.
- Two meetings a year.
- Governor's Audit Director and the DOE Inspector General attend all SUAC meetings.



# SUAC

- FAMU-Division of Compliance and Audit-Rufus R. Little, III, Vice President
- FAU-Office of Inspector General-Morley Barnett, Inspector General
- FGCU-Office of Internal Audit-Carol Slade, Director
- FIU-Office of Internal Audit-Ted Guba, Audit Director
- FSU-Office of Audit Services-David Coury, Chief Audit Officer
- UCF-University Audit- Amy S. Voelker, Director
- UF-Office of Audit and Compliance Review- Nur Erenguc, Chief Audit Executive
- UNF-Office of Internal Auditing-Marty Khan, Director
- USF-University Audit and Compliance-Debbie Gula, Director
- UWF-Internal Auditing and Management Consulting-Betsy Bowers, Associate Vice President



# SUAC

- Differences/Similarities
- Tenure and Recognized Leadership shared among the SUAC members



# Introduction

- The white paper has been authored by Amy Voelker, Betsy Bowers, and Debbie Gula (UCF, UWF, USF) and reviewed and edited by SUAC members.
- It is a compilation using publications by a number of standard setting bodies including IIA, AICPA, and NACUBO.
- It has two sections addressing Audit Committees and Internal Auditors.
- It provides in depth reference to key publications addressing these topics.



# Audit Committees

- The role of the audit committee and its responsibilities.
  - Oversight over
    - Financial reporting
    - Risk management and internal control
    - Compliance and ethics
  - These duties naturally necessitate close and direct communication with the external auditors and oversight over the internal audit function.



# Audit Committees

- The characteristics of effective audit committees
  - Audit Committee Charter
  - Financial expertise and independence
  - Properly Resourced and Trained
  - Meeting Effectiveness





# Internal Auditors

- The objectives of an internal audit function
  - Assurance and advisory activities over internal controls for the achievement of financial, operational and compliance objectives of the Institution
  - Contribution to effective organizational governance



# Internal Auditors

- Best practices of the internal auditing activity addressing:
  - Organization and reporting structure that achieve broad scope and independence.
  - Proper sourcing and organizational access.
  - Professional Standards.
  - Internal audit charter.
  - Risk based audit plan.
  - Advisory Services and Investigations.
  - Follow-up Program.
  - Quality Assurance and Training.



# Conclusion

- The BOG has significant oversight for Florida's higher education.
- This white paper identifies best practices to achieve effective governance with regards to audit committees and internal audit.

