

# Office of the Internal Auditor 2017-18 Annual Report

Board Working Session December 13, 2018

**Internal Auditor:** Jessica Johnson

# Office of the Internal Auditor (OIA)

## Agenda

- OIA Mission & Values
- OIA Structure
- 2017-18 Final Progress Report
- Proposed 2018-19 Internal Audit Plan
- Appendix:
  - Snapshots of Proposed 2018-19 Projects

# OIA Mission & Values

## Mission

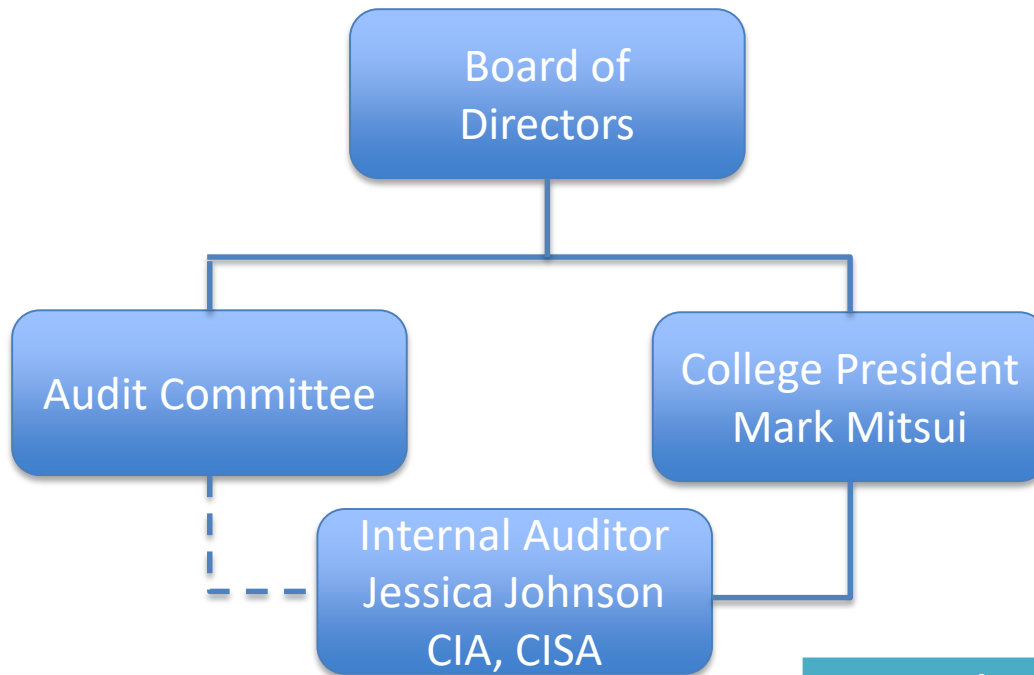
To provide an independent, objective, assurance and consulting activity designed to add value and improve college operations.

## Values

- OIA upholds the Standards and Ethics of the internal audit profession.
- OIA listens.
- OIA aligns with the strategies, objectives, and risks of PCC.
- OIA promotes organizational improvement by being insightful, proactive, and future-focused.

# OIA Structure

The OIA organizational structure provides independence in accordance with the Institute of Internal Auditors (IIA) International Professional Practices Framework.



| Current Professional Credentials |                                       |
|----------------------------------|---------------------------------------|
| CIA                              | Certified Internal Auditor            |
| CISA                             | Certified Information Systems Auditor |

# 2017-18 Final Progress Report

The prior Internal Auditor provided services as shown below.

| Service Area                | Activity  |
|-----------------------------|---|
| Assurance                   | <ul style="list-style-type: none"><li>• Conducted procurement card/purchase orders audit and made recommendations for improving documentation, training, procedures, and monitoring.</li></ul>  |
| Consulting                  | <ul style="list-style-type: none"><li>• Provided advisory services such as counsel, advice, facilitation, training, and participation on committees.</li><li>• Issued management and advisory letters related to hiring practices and information security.</li></ul> |
| Investigative               | <ul style="list-style-type: none"><li>• Administered the PCC EthicsPoint (Navex) reporting system, and responded to complaints and hotline reports.</li><li>• Updated investigation procedures.</li></ul>   |
| External Audit Coordination | <ul style="list-style-type: none"><li>• Served as liaison to the financial statement audit.</li></ul>   |
| Internal Audit Management   | <ul style="list-style-type: none"><li>• Performed activities required to manage the internal audit function.</li></ul>  |

# Proposed 2018-19 Internal Audit Plan

The proposed 2018-19 Internal Audit Plan is based on the college-wide risk assessment, and is in accordance with the existing OIA charter approved by the Audit Committee in September 2015.

| Service Area                | Activity  |
|-----------------------------|---|
| Assurance                   | <ul style="list-style-type: none"><li>• No specific assurance engagements planned. Focus for the remainder of the year to be placed on other service areas.</li></ul>   |
| Consulting                  | <ul style="list-style-type: none"><li>• Emergency Management Program Consultation<sup>1</sup></li><li>• Gramm-Leach-Bliley Act (GLBA) Consultation<sup>1</sup></li><li>• Serve on various committees in an advisory capacity.</li><li>• Respond to ad hoc questions and requests as needed.</li></ul> |
| Investigative               | <ul style="list-style-type: none"><li>• Administer the PCC EthicsPoint (Navex) reporting system.</li><li>• Serve as liaison and resource for external investigations.</li></ul>   |
| Follow-Up                   | <ul style="list-style-type: none"><li>• Follow up on open audit recommendations.</li></ul>  |
| External Audit Coordination | <ul style="list-style-type: none"><li>• Serve as liaison for external audit services.</li><li>• Serve in a consultative role for external financial audit RFP.</li></ul>  |
| Internal Audit Management   | <ul style="list-style-type: none"><li>• Perform activities required to manage the internal audit function.</li></ul>  |

**Note 1:** See snapshots in Appendix for project descriptions.

# Appendix

# Snapshots of Proposed 2018-19 Projects

## Emergency Management Program

**Vice President:** Eric Blumenthal (Acting)

**Clients:** Derrick Foxworth, Brooke Loyd

A new consulting engagement to provide counsel and advice on the design of the emergency management program.

**Project Timing:**

December 2018-  
February 2019

**Prior ratings:** N/A

**Background:** In Q1 2018 PCC hired an Emergency Manager who, under the direction of the Public Safety Director, is responsible for managing the development, implementation and oversight of a college-wide, comprehensive, all hazards emergency management program to prepare for, respond to, and assist in directing the actions of the college community in the event of an emergency and to assist in guiding the continuity of operations and recovery.

**Objectives/Scope:** To determine how the emergency management program is currently designed and identify opportunities for improvement by comparing to best practices.

## Gramm-Leach-Bliley Act (GLBA)

**Chief Information Officer:** Michael Northover

**Vice President:** Eric Blumenthal (Acting)

**Clients:** Terry Nickerson, Dee Wilson

A new consulting engagement to provide counsel and advice regarding the sufficiency of documentation for demonstrating compliance with GLBA.

**Project Timing:**

March-May 2019  
(Preliminary work  
November-February)

**Prior ratings:** N/A

**Background:** The Program Participation Agreement between PCC and the Department of Education states that PCC agrees to comply with the GLBA as outlined in 16 CFR Part 314. GLBA is designed to help ensure the security and confidentiality of customer records and information. Compliance with GLBA may be subject to audit during the 2019-20 fiscal year.

**Objectives/Scope:** To provide feedback on the sufficiency of documentation for demonstrating compliance with GLBA, including documentation of a risk assessment and safeguards. Feedback may include information on best practices, as well as documentation methods used by other colleges.