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### College & University **AUDITOR**

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# The President's View

By Marsha Payne, President



On behalf of the ACUA Board of Directors, I would like to thank all of you who participated in our online survey of your thoughts about the future of ACUA. We will be using the results of this survey in our strategic planning meeting in February (which will likely be over by the time you read this!). I had a chance to review the summarized results, and was struck by a few things I wanted to share with you.

I was quite pleased that the responses were predominantly positive, and many of you had suggestions for improvements. Your ideas will be very helpful to the board as we consider our plans for the future.

I was struck by the similarity in responses. When we asked open-ended questions about how you see ACUA and how you want to see ACUA, certain words kept appearing: professionalism, learning, networking, camaraderie. A large number of you seem to think these terms either already define us, or should define us.

I was struck by the differences in responses. This reminds us that we will never be able to be all things to all people. We are all individuals, and what we want or need from an organization varies among us, as well as within us at different times.

Please remember that we on the board are just like you. We are not an elite force, we are not a clique,

and we are not a club. We are auditors like you, who volunteered to serve, or agreed to serve when asked. Most of us did not know each other when we were elected, but all became friends as we worked together. Over the years I have served on the board, we have encouraged the nominating committee to present nominees for election to represent our varied constituency - public/private, large/small, single-/multi-campus. I believe that effort has been successful. Our purpose as a board is to guide the organization into the future, to set goals that are consistent with the needs and desires of our various member institutions, and to plan actions that will enable us to achieve those goals. While the nine members of the board are the ones charged with such planning at any given time, the board itself changes over time. In fact, none of the current board members were on the board when I first was elected. Elsewhere in this issue, you will see a call for nominations for open positions next year. I encourage any of you who have an interest in determining the future of our organization, to come forward to offer your services. If you cannot make such a large commitment, volunteer to chair or serve on a committee. If you can do neither of these, then come talk to us and share your ideas. Or, just come talk to us and make a new friend.

I look forward to seeing many of you again, and meeting others of you for the first time, at the Midyear Seminar in Phoenix, April 1-4. 🍷

## From the Editor

By Victoria S. Escalera, Publications Committee Chair



It's often said that a picture tells a thousand words. In this issue, a picture inspired approximately that many words in an interview with Linda and Les Clark. They are two ACUA members from Arizona who happen to be married to one another and who spoke recently (electronically, of course) with Publications Committee member Annette Stojek of Cornell University and me. The result seems a fitting feature for a magazine published around Valentine's Day.

This issue features another type of ACUA couple, too. Seth and Susan Kornetsky teamed up years ago to marry and raise a family, but last fall saw their first joint endeavor on ACUA's behalf. Seth, Audit Director at Tufts University and an active ACUA leader, recruited Susan, the Director of Clinical Research Compliance at Children's Hospital in Boston and active in her profession's circles, to team-teach a

seminar about institutional review boards (IRBs) at the annual conference in Montreal. It was a thoroughly substantive, interesting presentation, just like their article on IRBs in this issue.

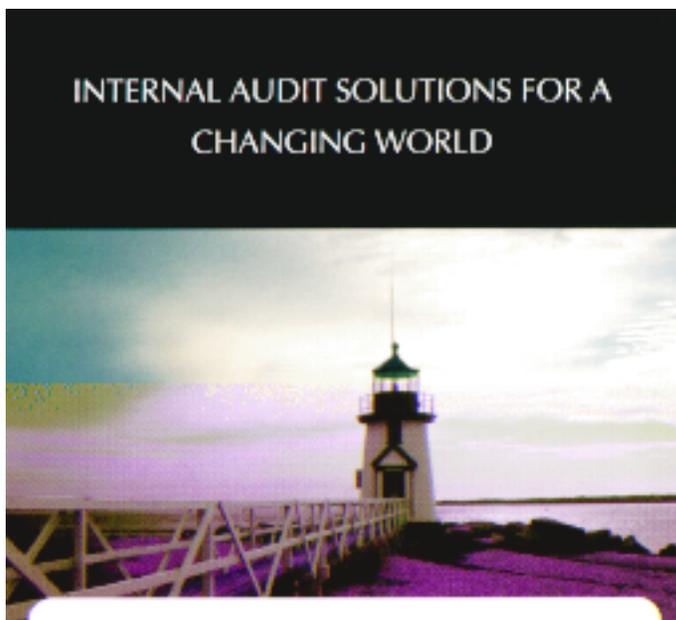
*CandU Auditor's* primary goal is to bring readers a selection of informative and well-written articles on different audit-related topics in each issue. Readers will find that Dave Swanberg of the University of California at Irvine has contributed to achieving that goal in these pages with his article about an approach UCI uses to provide audit coverage to limited risk entities. Dave is an editor's dream of what a contributing author should be, volunteering an article excellently written at its first submission, and well before the suggested deadline. I hope that other ACUA members will be inspired by his example and consider becoming *CandU Auditor* authors, too. 🍷

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# An ACUA Couple: Les and Linda Clark



Linda Clark is the Internal Auditor for the Pima County Community College District, and Les Clark is a staff auditor for the University of Arizona.

The photo taken of Les and Linda Clark at the annual ACUA conference in Montreal inspired this article. They are both auditors at educational institutions in Arizona. They have the same initials and same magnificent smiles. And from the looks of the cards on the table, they can each count to twenty-one! What else do they have in common? Let's find out...

**CandU Auditor:** How did the two of you meet?

**Linda:** We met at a mutual friend's Super Bowl party.

**Les:** Is that all you remember? I didn't make more of a first impression? I'm crushed! To say it wasn't love at first sight is pretty accurate. Our paths crossed numerous times after that. (Something about keeping an open mind.)

**CandU Auditor:** How long have you been married?

**Linda:** Nine and one-half years.

**Les:** Linda went from a sweet, never-been-married lady to a mother and grandmother

with the two little words "I do." About a year before we were married, I informed her that I had a daughter in college and a grown son who had one child. Linda told me later that at the time, her knees buckled from the news.

**CandU Auditor:** How long have you been involved in auditing, internal auditing, and higher education?

**Linda:** Twelve years in auditing altogether, ten of them in higher ed.

**Les:** It depends upon what and how you count. After graduating in '68, the first two years of my career were with the Boston office of Arthur Young & Company, followed by one year with a local CPA firm. For the six years between '75 and '81, I was employed by the controller's office of The University of Arizona, where four out of the six years I was the audit coordinator to the outside CPA firm. Between '81 and '95, I worked for a software development company, was controller for a business school and a financial analyst for a savings and loan. In '95, when the university reopened the internal audit department, I was fortunate to return to the university as a staff auditor. This works out to at least eight years of full-time audit work, five years in higher ed. Audit skills have served me very well throughout my career.

**CandU Auditor:** Les, what brought you back to higher ed and as an auditor?

**Les:** Linda kept talking about the great ACUA conferences and I couldn't take it any longer! First it was Salt Lake City ('91) shortly after we were married, then Birmingham ('92), then Oakland ('93), and by Raleigh ('94) it was too much! I just had to find a valid way to be included. There were reports of auditors that not only dance, they dance together although not married to each other with music played by a DJ whose last name is also Clark. And I heard of optional tours to places of interest in the locales and earning CPE credits as well! Could this be true? How do I get such a deal? Oh no, not back to my former employer! There's almost no one there who remembers me, so I hope my reputation is intact.

The truth is I missed the university very much, and underwriting real estate for the Resolution Trust Corporation (Savings & Loan assets) was about to end. Additionally, internal audit would bring me in contact

with individual departments with which I had little contact during my earlier stint.

**CandU Auditor:** What's it like to be married to someone in the same profession?

**Linda:** We never see each other and when we do, we can't talk about anything. We do give each other lots of permission to have "private auditor moods" when confidential or sensitive issues are going on at the office. Most of all, we make a great effort to leave work at the office and not bring it home.

**Les:** Right-on. We respect each other's "professional privacy space."

**CandU Auditor:** Do you talk shop at home?

**Linda:** Only generically until the audit report is issued. Since we both work for public institutions and audit reports are public information, sometimes we do discuss particularly interesting issues after audit reports are issued.

**Les:** What you're probably asking is how we relieve workplace stress if we can't come home and discuss office "problems." We take an early-morning walk of about 40 minutes through the neighborhood, using several routes for variety. This is our morning "quality time." To start out the evening, we try to be home by 6:30 p.m. to watch Vanna turn the letters on the Wheel of Fortune. This might sound silly, but it is a word puzzle instead of a number puzzle and we try to solve the word problem together before the contestant does. We also try to relieve stress and avoid feelings of being overwhelmed by sharing household duties. On an alternating basis, evening meals are cooked by one of us who also does the shopping. The other sets the table and cleans the dishes and cookware after the meal. I do windows and run a really fast vacuum cleaner, too. Oh yes, I bought a Miata last March, and that sports-car commute is a real blast. Some say I'm in my second childhood. I enjoy model trains (N-Scale), too.

**Linda:** Being married to Les who always makes me laugh is a great stress reliever. I also enjoy reading and traveling.

**CandU Auditor:** Do you have any children, and if so, are any of them auditors or thinking of becoming auditors?

**Linda:** Les has two wonderful children and three delightful grandchildren. I feel blessed to be part of their lives.

**Les:** My daughter is an intensive care nurse and my son was an executive chef at a country club but now installs home theaters for people with the big bucks needed to pay him. He once told me that he didn't want to be an accountant because of the long hours. He worked more hours as a chef than I ever did as an accountant, except during tax season.

**CandU Auditor:** How are your respective schools different?

**Linda:** I work for the Pima County Community College District, the fifth-largest multi-campus community college in the country. We have six campuses, serving a student headcount of 74,079, which translates to 17,819 FTEs. I am the internal auditor and I have a half-time staff auditor. Additional auditor resources are added when we need them.

**Les:** I work for the University of Arizona. It's a single-campus, Research I Institution (ranked about 13th) that includes a medical center and a law school. The university employs roughly 12,000 and has an FTE in the neighborhood of 34,000 students. Our office includes a chief auditor, an administrative assistant, and two staff auditors, of which I am one.

**CandU Auditor:** Do your schools' audit departments follow similar approaches?

**Les:** I cannot say with any kind of certainty (we don't talk a lot about this either), but I would guess they do as we both follow IIA's Standards for the Professional Practice of Internal Auditing and strive to audit for the benefit of our respective institutions. This means that our audit work is typically oriented to assisting departments comply with policies and good business practices, operate more efficiently and effectively, and better serve their customers.

**Linda:** We both attend ACUA training sessions, so our similarities are probably from that training. Lots of good information on successful communication styles and collaborative audit approaches have served my institution well.

*continued...*

**CandU Auditor:** Do you follow similar audit approaches personally?

**Linda:** I believe we both listen carefully and respectfully to our auditees. We also try to instill a sense of humor into the proceedings or otherwise make some human connection. My tendency is to listen to the managerial/supervisory explanation and then involve the lowest level technical staff in the fieldwork so audit testing is valid all along the reporting line. Unless a fraud issue is involved, technicians typically receive verbal feedback during the fieldwork. Draft reports are fluid until the Chancellor blesses them. My findings are not negotiable but the language sometimes is.

**Les:** Yep! (Who said I couldn't be brief.) The only refinement I would make is that at the University of Arizona, Chancellor-level management (president and various level vice presidents) does not typically participate in findings and report wording. But as in Linda's shop, the senior manager over the audited area is provided with a draft copy of the audit report to review for factual accuracy and language choices.

**CandU Auditor:** Any strong differences of opinion between you in the audit arena?

**Linda:** No, because Les doesn't work for me. He works for a fine chief auditor named Fran Foy and can go to her for advice and direction.

**Les:** I can't think of any at this point. I feel very fortunate to have a strong and knowledgeable supervisor to discuss approaches to audit engagements with.

**CandU Auditor:** Are you both operational auditors, or do you have different specialties from each other?

**Linda:** My background is operational and compliance auditing. I am also a certified fraud examiner, so some of my fieldwork is done with evidentiary rules in mind. Once or twice a year I give "heads up" presentations to our campus executive teams on such topics as the COSO framework and supervisory survival tips to whistleblower complaints.

**Les:** My background includes financial auditing as well as operational and compliance. Since coming back to the university in '95, I have not been faced with a financial auditing engagement, per se.

**CandU Auditor:** Are you on the same daily schedules? Are your institutions close enough that you can commute together?

**Linda:** We work similar daily schedules, however, unless one of our cars is in for repairs, we drive separately. Les can walk across campus or use the U of A shuttle, but my territory covers a 30-square mile area. I use my car to travel between campuses and never know for sure just when I may need to do that.

**Les:** In addition, our base offices are approximately six miles apart. If we commuted together, we would have to dovetail work schedules with each other—especially the travel time between offices. One might have to wait for the other to finish work, in which case one of us would feel rushed while the other would be waiting. Then there are stops for groceries or other errands. Wow! A daily commute together would be a real stress contributor. We don't need that!

**CandU Auditor:** Do you always attend the ACUA conferences together? When you do, do you attend the same sessions?

**Linda:** We sometimes attend the same conferences together and sometimes attend the same sessions. The last memorable session we attended together was Tom Salzman's class at the Tampa mid-year. I went to St. Louis and San Antonio on my own and Les went to the mid-year in San Diego without me. We DEFINITELY went to Norfolk, Hilton Head, and Montreal together but attended separate sessions for the most part. By the way, if you see us eating our meals separately, it's not because we are mad at each other but because we didn't happen to run into each other in the chow line or want to network with other auditors.

**Les:** I never would have believed Linda telling me that Tom Salzman throws candy and other delightful prizes to his seminar attendees had I not been there in person with her to witness this phenomenon. ACUA seminars are as enjoyable as they are informative. We both evaluate conference offerings and the subject's relevance to our separate work environments. In my case, Fran has been very supportive and super about all of us auditors from the U of A attending ACUA conferences. Our respective institutions pay only one-half the room rate, so it is economical for us both to go. 🍬

# Human Subject Research Compliance: Part of the Audit Universe

By Seth Kornetsky, CIA, CFE, and Susan Kornetsky, MPH



*Seth T. Kornetsky, CIA, CFE, is the director of audit & management advisory services at Tufts University. He has worked for the past 15 years as an internal auditor, first at Brown University, then Boston College, and now at*

*Tufts. Seth is responsible for audit coverage of three separate campuses that provide programs in undergraduate studies, medicine, dentistry, and veterinary medicine. Seth has been an annual conference presenter and midyear seminar chair for ACUA. He currently co-chairs the professional education committee. He also serves as an ACUA Board Member-At-Large. Seth's interest in the area of human subject research issues developed over the dinner table with his wife Susan, and resulted in a commitment to include this area as part of Tufts' audit universe. Seth received his Bachelor's Degree in Economics and Psychology from Brandeis University and earned a Master of Business Administration at Babson College.*

*Susan Kornetsky, MPH, is the director of clinical research compliance at Children's Hospital in Boston. Her responsibilities include directing an IRB administrative office, educating principal investigators regarding IRB regulations, assisting investigators with protocol development, assuring institutional compliance with all federal and state regulations pertaining to human research, and establishing appropriate policies and procedures. She is the immediate past president of the Applied Research Ethics National Association and has participated in many national conferences and task forces dedicated to protection of human subjects. She is co-chair of the Council for Certification of IRB Professionals. Susan is also on the Board of Directors of the Association for the Accreditation of Human Research Protection Programs, a newly formed organization that is establishing an accreditation program for institutions with human subjects protection programs. She is faculty for IRB 101, an educational effort established to bring IRB training to individual institutions. She is a current member on the Dana Farber Cancer Institute IRB and New England Research Institute IRB. Susan received her Bachelor's Degree in Biology from Brandeis University and earned her Master of Public Health at Boston University.*

## Introduction

Human subject research in the United States has become increasingly regulated over the past thirty years. Since auditors are charged with the responsibility of identifying and, if possible, mitigating risk, human subject research compliance should not be excluded from the audit universe.

The genesis of the regulatory environment for human subject research can be traced to three significant events. The first is the Nuremberg Code that resulted from the 1946-47 Nazi Doctor Trial. The Nuremberg Code established the principle of informed consent for individuals who wished to volunteer as participants in human subject research. The Nuremberg Code was followed by the Helsinki Declaration which, in 1964, called for increased oversight of human subject research. The last major influencing event was a federally funded study begun in 1932 that followed 300 poor rural black syphilitic males and the natural course of their disease. When penicillin became widely available in 1951, a decision was made to deny this drug to these men, and they were not told of its availability. In 1970, an investigative report made this decision public, and finally in 1998, President Clinton offered an official apology.

The Office for Human Research Protections (OHRP), formerly known as the Office for the Protection of Research Risks (OPRR), reports under the Department of Health and Human Services (DHHS). OHRP is responsible for the general administration and coordination of policies involving the protection of human research subjects as outlined in the DHHS 45 Code of Federal Regulations (CFR) Part 46. The CFR covers institutional responsibilities for reviewing proposed projects that will involve human subjects, evaluating programs, inspecting facilities, record keeping, and reporting. In addition, the regulations outline specific criteria for institutional review board (IRB) protocol reviews, including the frequency, methodology, and requirements for informed consent. Any institution engaged in federally funded human subject research must have an established IRB and have filed an assurance document with OHRP that describes its human subject research program and related policies and procedures for ensuring compliance with CFR Part 46.

In addition to establishing policies for the protection of human research subjects, OHRP is responsible for evaluating compliance. It has recently been stepping up compliance reviews at universities and academic medical centers throughout the United States concerning the activities of IRBs and documentation supporting protocol reviews and educational outreach efforts. The outcome of some OHRP reviews has been the immediate, temporary suspension of human subject research activities at certain major research institutions due to issues of noncompliance. Human subject research compliance has therefore become a hot topic at many ACUA member institutions. When a university or academic medical center's human subject research is suspended, the news usually reaches the media and adverse publicity results.

*continued...*

### What Can Trigger an OHRP Investigation?

Complaints to OHRP concerning how human subject research is being conducted can originate from the subjects themselves, family members, whistleblowers, and colleagues of the principal investigators conducting the research. These complaints may be due to undisclosed adverse physical (or psychological) reactions that resulted from the experimental treatments. They could also be due to assertions that a subject was not sufficiently informed of his or her rights as a participant in the research. Other complaints could result if a subject population is viewed as particularly vulnerable (e.g. prisoners, children, the disabled) and not sufficiently informed of their rights and the details concerning the course of an experimental treatment. Reactions based on peer reviews of published research and press releases resulting from an adverse event could also prompt OHRP to launch investigations. If the results of an investigation are sufficiently serious, OHRP is empowered to suspend all federally funded human subject research at the institution until the issues of noncompliance are addressed.

### What Causes Suspensions to Occur?

In addition to providing a slow response to OHRP inquiries, the findings that most commonly prompt suspensions of human subject research are the following:

- absence of written IRB policies and procedures,
- failure to maintain sufficiently detailed minutes of IRB meetings,
- poorly maintained IRB files,
- failure to review continuing research protocols at least annually,
- lack of formal training for both researchers and committee members on regulations covering human subjects in research,
- failure to obtain required informed consent for research involving children and other compromised individuals,
- inadequate IRB resources, and
- overburdened IRBs.

Once a suspension occurs, all federal research funding involving human subjects is suspended, including related payroll, operational support, and indirect cost recovery. All activities related to this research are halted except treating enrolled subjects whose health would be placed in

significant jeopardy if certain procedures were discontinued. (These instances must be negotiated on a case-by-case basis.) The institution's IRB must once again review all protocols that fall under the suspension. Some costs to the institution are measurable; a sudden investment in IRB resources and training typically results. Other adverse results are less tangible but just as significant: a loss of public trust, adverse publicity, and more difficulty in recruiting human subject volunteers and notable research faculty who bring significant grant dollars with them.

### Necessary Components of a Human Subject Protection Program

The management team of a human subject protection program comprises several players. The Institutional Official is the "CEO" who is responsible for signing the assurance document and takes responsibility for program compliance. This individual must set the proper tone and establish the institutional culture necessary to ensure sufficient regulatory compliance. To maintain objectivity, the Institutional Official should not be included as a voting member of the IRB. However, the Institutional Official should understand the protocol review process, have an appreciation for resource and staffing needs, and understand the ramifications of noncompliance since he or she is the main contact for OHRP.

Next in line in the chain-of-command are the IRB Chairperson and members. Representation on the IRB should result from peer recognition of each member's accomplishments and understanding of the regulations that apply to the human subject research protocol review process. The chairperson has ultimate authority in reviewing, approving, and suspending each research protocol. Assisting the IRB are several professionals and administrators who are responsible for the day-to-day operations of the IRB office. These individuals maintain records, act as liaisons between principal investigators and the IRB, and are instrumental in assisting with regulatory compliance and responding to inquiries by investigators. Education and training programs for investigators and IRB members are also typically provided by IRB Office personnel.

Ultimately, however, it is the researchers themselves who must be held accountable for regulatory compliance as they provide

the direct interaction with the human subject research participants. Therefore, it is important that an institution provide sufficient resources to ensure these individuals are well-versed in the federal regulations and understand IRB office expectations concerning documenting protocol procedures and interactions with their subjects.

### **The Ten Commandments of a Human Subject Protection Program That Auditors Should Evaluate During Performance Reviews**

1. The IRB must be appropriately constituted and understand its role. The committee must have at least five members, include men and women, and represent varied scientific and nonscientific professions. One member should not be affiliated with the institution. The IRB together should have the requisite knowledge of regulations and applicable laws and sensitivity to attitudes of the community from which research participants are being drawn. Auditors should review the composition of the IRB to ensure the adequacy of representation and knowledge base of the committee. In addition to relying on their own judgment, auditors can meet with institutional officials and highly regarded principal investigators to obtain their opinions.
2. The IRB and principal investigators must recognize which activities constitute research with human subjects. Human subject data can be gleaned through direct interaction with study volunteers or by being provided access to identifiable private information. Both activities are subject to IRB review. It is also important to recognize that research subjects are not limited to patients but can include staff and medical students. Certain data originating from non-medical environments such as anthropology and sociology may fall under the definition of human subject research if it meets the aforementioned criteria. Auditors should review a sample of research projects that involve human subjects to determine if all populations have been included under IRB review.
3. The IRB must comply with applicable federal and state regulations and other compliance policies. The regulation that provides primary governance over human subject research was issued in

August 1991 by the Department of Health and Human Services and has been adopted by 16 federal agencies. It is listed as DHHS 45 CFR 46 and is also known as the "Common Rule." DHHS 45 CFR 46 is divided into four subparts that individually address core requirements and special rules for research protocol administration involving fetuses/pregnant women, prisoners, and children. Auditors contemplating a review of their institution's IRB process should obtain and become familiar with this document. Any time human subject research involves the use of experimental drugs, FDA jurisdiction must also be considered. FDA regulations that address clinical trial drug studies are 21 CFR's 50, 56, 312, and 812. They respectively address issues of informed consent, the IRB, investigational drugs, and investigational devices. Individual states may also have their own guidelines governing human subject research that must be considered during an audit review.

4. The IRB must know and apply the appropriate methods of protocol review.

There exist three categories of protocol review: exempt, expedited and full IRB review. The DHHS 45 CFR 46 document defines several types of research that would be considered exempt from IRB review. A proposed research protocol must fall into one or more of these categories to be considered exempt. Procedures to evaluate and categorize a submitted protocol as exempt must be clear and not left up to the responsible principal investigator. Only the IRB chairperson or a designated IRB member conducts expedited reviews. These reviews must involve minimal risk and must also fall into one or more of the federally specified categories outlined for expedited reviews. Minor changes in previously approved research can also follow an expedited review process.

A full IRB review applies to all other categories of human subject research that do not qualify for exemption or expedited reviews. A full IRB review is conducted at a convened meeting by the IRB and requires a quorum. Majority approval rules, and any IRB members who have a conflict of interest related to a proposed study protocol must abstain from voting and leave the room. Principal investigators must be notified of the voting results in writing. To be approved, the protocol description must indicate

*continued...*

how risks to subjects will be minimized, informed consent will occur, confidentiality will be maintained, and study results will be monitored. Auditors should review a sample of human subject research projects that received an expedited review and determine if they complied with the parameters governing this process.

5. The IRB must ensure that all informed consent documents include all required elements and apply waivers and alterations appropriately.

Informed consent is a process, not just a document. Throughout performance of a protocol, informed consent remains an on-going process between the principal investigator and the human subjects participating in the study. The document that is signed by each subject must be dated, explain that the study is research, and describe its purpose, experimental procedures, risks, benefits, and duration. Issues of confidentiality and subject rights are also included. Auditors can explore this compliance issue by asking if the IRB periodically performs its own "audits" of signed consent forms to determine if (1) the forms have been properly signed by all participating subjects and (2) the signed forms agree with the IRB-approved format for them.

6. IRBs must determine that a research protocol has a favorable risk/benefit ratio.

IRBs must consider more than the risk of physical harm when considering a protocol approval. Other risks such as emotional distress, impact on personal relationships, and socio-economic effects (such as loss of health insurance) must also be addressed. Risk to data confidentiality must also be considered. Possible benefits of the protocol include the impact on society in general as well as positive outcomes for individuals, including the research subjects themselves. To determine if the rationale for a decision on each proposed protocol in a sample is evident, the auditor should review IRB committee meeting minutes. If the rationale is not clear, then the auditor can interview the IRB chair and/or committee members and ask the individuals to explain the rationale for approving or disapproving/modifying the selected protocols.

7. The IRB must review all amendments, revisions, and modifications to approved protocols prior to principal investigators implementing them.

The degree of change to an existing protocol will determine whether it qualifies for an expedited review by the IRB chair or a designate or will require full-board review. The auditor should determine if the IRB has guidelines in place for determining this. A sample review of continuing protocols that are more than 12 months old can be used by the auditor to determine if proper IRB review and approval of proposed changes occurred.

8. The IRB must conduct continuing reviews within appropriate intervals and apply appropriate criteria to the review process.

Continuing protocols must be reviewed at intervals appropriate to the degree of risk in the research, but not less than once per year. A lapse in this schedule will be construed by OHRP as no approval should they note it during an investigation. The auditor should review for compliance by sampling ongoing protocols more than 12 months old and tracing back to determine if the principal investigators and the IRB followed procedures for the renewal process.

9. The IRB and principal investigators must comply with reporting requirements.

Principal investigators are obligated to report back to the IRB any adverse or unexpected events concerning their human subject research. Any changes to a protocol that fall outside the range of IRB approval or complaints made by subjects must also be reported. Any serious or continuing noncompliance event must also be reported to OHRP along with any instance when a trial had to be suspended. The auditor should inquire of the IRB concerning any instances of adverse events and when and how they were reported and resolved. The auditor should also determine if formal policies and procedures have been established to investigate issues of noncompliance and whether or not an adequate whistleblower policy exists.

10. Document! Document! Document!

OHRP takes the view that if an IRB activity or decision-making process has not been documented, it did not occur. The adequacy of IRB minutes is a critical component of any human subject research compliance program. IRB minutes should indicate the names of members present and absent, that a quorum was achieved, and any instances of members leaving a discussion or vote due to a conflict of interest. The minutes should also reflect discussion summaries and findings and actions taken by the committee. IRB committee votes should also be documented with the numerical results. All correspondence between principal

investigators and IRB administrators, including memoranda, protocol applications and approvals, continuing reviews, and signed consent forms, should be on file somewhere within the institution.

In conclusion, internal auditors at research institutions and academic medical centers are well advised to consider including their human subject research compliance programs as one component of their risk matrices and audit plan. Once an auditor becomes familiar with the compliance and reporting issues, auditing human subject research is no different than reviewing other more traditional institutional activities. 

## Human Subject Research Program Audit Issues

Audit Item	Issue
Resources to promote compliance	<ul style="list-style-type: none"> <li>• Inadequate resources and institutional support</li> </ul>
Written procedures for IRB operations and compliance	<ul style="list-style-type: none"> <li>• No documentation of IRB office procedures</li> </ul>
IRB meeting minutes	<ul style="list-style-type: none"> <li>• Meeting minutes, votes, and discussion not properly documented</li> <li>• Grants not reviewed, waived consent not supported</li> </ul>
Continuing reviews	<ul style="list-style-type: none"> <li>• Failure to conduct annually</li> </ul>
Expedited reviews	<ul style="list-style-type: none"> <li>• Improper application of process</li> </ul>
Contingent approvals	<ul style="list-style-type: none"> <li>• No evidence of follow-up to ensure IRB-directed changes occurred</li> </ul>
Procedures for reporting non-compliance internally and externally	<ul style="list-style-type: none"> <li>• Absence of any adverse event reports in the IRB files or in IRB minutes</li> <li>• No whistleblower policy</li> </ul>
Meeting quorums	<ul style="list-style-type: none"> <li>• Meetings convened without a proper quorum, IRB member mix</li> <li>• Conflict of interest issues</li> <li>• Votes not numerically recorded</li> </ul>
Protocol files that provide a trail of IRB actions	<ul style="list-style-type: none"> <li>• Poorly maintained and organized files</li> </ul>
Database or other filing system to track submitted and approved protocols and renewal dates	<ul style="list-style-type: none"> <li>• No formal tracking and record-keeping systems for newly submitted and existing protocols</li> </ul>
Adequacy of training and expertise	<ul style="list-style-type: none"> <li>• No evidence of training programs for IRB members, principal investigators</li> <li>• Absence of IRB member-specific population expertise (children, prisoners, pregnant women, etc.)</li> </ul>

# ACUA Best Practice Aid

By *Michael Trefusis-Paynter, CPA, CIA, FCCA and Brian Bartsh, FCPA, AAIBE*



*Brian Bartsh, FCPA, AAIBF (Sen) has over 12 years experience in internal audit, half of which was at management level. He is a member of the Institute of Internal Auditors and also possesses a real estate license. He is currently an audit contractor for a Western Australia state government department called AGWEST (standing for Agriculture, Western Australia).*



*Michael Trefusis-Paynter, CPA, CIA, FCCA, heads up the Management Review and Audit Branch of Edith Cowan University (ECU) in Perth, Western Australia. Michael has worked in various*

*accounting and auditing roles in a number of countries across five continents. He co-presented with Denys Martin at the 1997 ACUA conference in Norfolk, Virginia, on "Managing the Internet as an Integral Tool of your Audit Department."*

As part of a recently completed audit entitled "IT Backup and Disaster Recovery Management," the Management Review and Audit Branch at Edith Cowan University (ECU), in Perth, Western Australia, identified the potential threats to IT operations that could cause a disaster at ECU. The Branch evaluated the internal controls aimed at mitigating those threats, and tabled all relevant details in a schedule headed Potential Threats, Probabilities and Mitigation Strategies, which was added as an appendix to the audit report. For "best practice" controls that were already in place, the auditors placed a check-tick in the last column. For controls that were not in place, a cross-mark (X) was recorded. A key recommendation that emerged from the audit was for management to ensure that mitigation strategies identified with cross-marks in the table were implemented by ECU.

How does your college or university fare against this table?

## Information Technology Backup and Disaster Recovery Management Schedule of Potential Threats, Probabilities and Mitigation Strategies

POTENTIAL THREATS	PROBABILITY	MITIGATION STRATEGIES	
		BEST PRACTICE	YOUR PRACTICE
Poor management practices	High	Service Level Agreements Key Performance Indicators Clear policies & procedures Adequate resources (staffing levels/training) Regular testing, monitoring and review Effective record keeping (asset register/logs/changes made)	
Fire	Moderate	No smoking policy Adequate sprinkler systems or equivalent Regular testing of fire fighting equipment and smoke/heat detectors Ensure no build up of rubbish Daily removal of backup to remote site - critical systems - other systems	
Flood	Moderate	Adequate drainage Uncluttered access to exits Environmental safeguards	
Hardware failure	Low	Documented procedures to access and restore Multiple vendors that stock mission critical hardware Backup or test server for all critical systems Maintenance of adequate hardware records (location of assets)	
Software failure	High	Documented procedures to access and restore Daily automated backup of all data files Copy available of latest version held at remote site Regular restoration testing from backup Software change control Maintenance of adequate software records (what applications reside on which host)	
Power disruption	High	Uninterrupted Power Supply (UPS) - battery operated on some servers	
Disgruntled employees Sabotage/vandalism	Moderate	Independent external testing to ensure tight access controls Tight security measures Ensure no unsupervised access to sensitive areas Personnel policy - employee indemnity declaration Regular management supervision of duties	
Fraudulent input or use of information	Moderate	Access limited to job responsibilities Review physical security, especially after hours Personnel policy - employee indemnity declaration	
Hacking	Moderate	Tight access controls Effective firewalls	
Viruses	High	Monitor and enforce computer virus policies Maintain latest effective virus prevention and elimination software on all University hardware Ensure regular backup to the Network Regular communication with all staff on latest virus developments	
Physical loss	High	Tight physical security Regular stocktakes Maintain up-to-date records of assets and location details Maintain and review access log to computer room Use of video surveillance cameras Use of alarms	

# An Approach to Limited Scope Audits

By David Swanberg, CPA, CFE

## Overview

The University of California, Irvine (UCI) initiated a program of limited-scope audits for lower risk auditable entities in 1998 to accomplish the following objectives:

- Expand internal audit coverage to entities seldom audited
- Provide recommendations addressing risk related issues
- Conclude on overall sufficiency of compliance with UCI policy

The purpose of this article is to share our experience in the development and implementation of this well-received program.

## Background

UCI has identified approximately 340 separate auditable entities on the campus and at the UCI Medical Center for risk ranking. Under the direction of the University of California's (UC) Office of the President, every two years the UC's nine campuses, of which Irvine is one, perform a detailed risk assessment of the auditable entities. At the time the program was developed, risk assessment at the UC addressed the following five predictive factors:

- Management control and accountability structure
- Public and political sensitivity
- Regulatory compliance
- Dollar amount, materiality, and liquidity of resources
- Organizational change and growth trends

The risk assessment is used as a guide in selecting entities for audit plans in the following two years.

After performing the risk assessment process over several two-year periods, we noted that a pattern existed. Some of the units consistently fell in the lower one-half of the risk rankings. Two examples follow:

- Department of English and Comparative Literature – This is a nationally acclaimed department in the School of Humanities, with approximately \$5,200,000 in expenditures. It scored as a low-risk unit in the ranking for four of the five criteria: management control, public and political sensitivity, regulatory compliance, and organizational changes.

- Office of Academic Personnel – This well-respected administrative office incurred expenditures of approximately \$600,000, of which 95% were payroll related. The experienced staff in 11 full-time positions had an overall average of 17 years experience at UCI and 11 years in Academic Personnel.

As we examined the prior risk assessment history, we realized that some of the units had never experienced the pleasure of an internal audit (not that they were demonstrating in front of the administration building, demanding one). Implementing the limited-scope audit concept enabled Internal Audit Services at the University of California to expand audit coverage so that more auditable entities realize the possibility of an audit.

## Program Development

UCI's first challenge was to develop a standardized questionnaire that would address critical issues universal to many of the university's operating units. UCI's office of internal audit services assigned a task force of three experienced auditors to develop a questionnaire, which was segmented into the five previously mentioned predictive risk factors: (1) management control and accountability structure; (2) public and political sensitivity; (3) regulatory compliance; (4) dollar amount, materiality, and liquidity of resources; and (5) organizational change and growth trends.

The task force initially obtained limited-scope audit questionnaires from several other universities, including the University of Texas and the University of California, San Diego, that proved useful in developing a program for UCI.

The task force process went relatively well, but not without some heated input. For example, one of the members who had a strong background in contracts and grants was continually advocating the importance of proper handling of hazardous materials and wastes. These issues were addressed in our audit questionnaire, and their importance was acknowledged.

The program development culminated with a questionnaire of 108 different questions that were organized by predictive risk factor. Some of the questions led to limited audit



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*operational audits at both the campus and UCI Medical Center. His email address is: dswanber@uci.edu*

tests. For example, the question "What is your process for time and attendance reporting?" led to a limited audit test that examined a small sample of documents. A representative sample of additional questions for the five predictive factors follows:

- **Management Control and Accountability Structure**
  - Who reviews the general ledger? What other financial reports are there, and who receives them?
  - How do you evaluate significant budget variances and unusual items?
  - What are the procedures for procuring low-value items (under \$2,500 at UCI)?
  - Does your unit have any "private" bank accounts?
  - Does your unit have a documented mission statement? Obtain a copy of the statement.
  - Are there documented internal policies and procedures unique to the unit?
- **Public and Political Sensitivity**
  - What is the approval process that must be followed before research on humans or animals can occur?
  - What controls are in place to ensure that each principal investigator follows the research on humans or animals approval process?
  - What are the special rules associated with hazardous materials?
  - What controls are in place to ensure that sensitive or confidential information is safeguarded from unauthorized disclosure?
  - How do you ensure that each faculty and staff member has a working knowledge of the conflict of interest policies at the university?
- **Regulatory Compliance**
  - How do you ensure that supervisors in the department are aware of and in compliance with union policies and procedures if they have union employees?
  - How do you ensure compliance with the sponsor's contract or grant regulations concerning the submitting of financial and program reports to the sponsoring agency?
- **Dollar Amount, Materiality, and Liquidity of Resources**
  - Do you have any cash or cash equivalents in the office?

- Where and how is cash stored?
- Does the department have any theft-sensitive items, and what is their total value?
- What precautions are taken to safeguard theft-sensitive assets?

- **Organizational Changes and Growth Trends**
  - Has there been a change in the reporting structure?
  - Have there been any changes in the organizational structure?

In addition to the questionnaire, the taskforce also developed a "Separation of Duties Matrix." This internal-control evaluation form listed key duties for departmental budgeting, accounting, payroll/personnel administration, procurement, asset control, and oversight of federal contracts and grants. It also provided space to identify the primary and secondary employees responsible for the function and the reviewing/approving employees. The resulting grid facilitated an easily understood method of identifying internal control weaknesses.

A copy of the complete questionnaire and internal control matrix is presented in the UCI Internal Audit Services' web site at <http://www.audit.uci.edu> under Limited Scope Audits.

### Departmental Review

The director of internal audit services would first send an announcement letter to the audit entity's department head and business manager about two weeks before the scheduled fieldwork. The letter explained the audit objectives, identified the assigned auditor, discussed the proposed audit time frame, and highlighted the limited-scope audit process.

At the assigned auditor's first meeting with the entity's business manager, the auditor further discussed the limited-scope audit process and then started working through the questionnaire. Frequently, the business manager requested that other staff members, e.g. payroll or purchasing assistants, join in the meeting to ensure accurate responses. Additional meetings of two-hour duration were scheduled in weekly intervals until the process was completed. After each meeting, we completed audit tests on-site that were

*continued...*

related to specific questions that were addressed in that meeting. The above scheduling arrangement allowed the auditor to work on other projects simultaneously and not completely consume a business manager's time in one very long session.

At the completion of the audit fieldwork, the auditor rated each of the five predictive risk factors on a scale of one to five, with five representing high-risk areas. The ratings helped the auditor develop an overall conclusion about adverse exposure for the university within the unit.

### Audit Report

We address a five-to-six-page report in letter format to the department head with copies to other appropriate senior management. At UCI, copies of audit reports are also sent to members of the Audit Committee. The audit report includes the following sections:

- Scope and Objectives of the Limited Scope Audit
- Background of the Audit Entity
- Audit Comments (including areas of strength, as well as recommendations)
- Conclusion

Some examples of recommendations developed during limited scope audits at UCI are:

- Closing a "private" bank account in an academic unit that was used for essay contest awards
- Securing theft-sensitive inventory stored in an open storage area in a research unit
- Re-evaluating the separation of duties between the placing, approving, and receiving of orders, as well as maintenance of the departmental accounting system
- Reminding principal investigators in a research unit before required project status reports are due to the sponsoring party
- Issuing comparative monthly revenue tracking reports for the Library Copy Center

### Estimated Hours

The entire process, including planning, interviewing, substantive testing, and report writing, consumed approximately 60 to 80 direct audit hours per entity.

### Audited Entity Response

We requested a written response to the audit report from the department head and included it in final distribution of the audit report. Departmental response to the limited-scope audit concept was very favorable at

UCI, as shown in the following representative remarks.

- From a UCI Medical Center support department:

*This is the first internal audit that I have had the opportunity to participate in, and it was an enlightening experience. The exercise reinforced the need to assure that adequate audit controls are in place and uniformly followed in daily operations. I appreciated the structured approach to the audit process as well as the free exchange of information and feel that I benefited as a department manager from this experience.*

- From a UCI Medical Center clinical department:

*Thank you for the limited-scope audit of our department. The auditor was very professional and the entire auditing process was helpful. It gave us a chance to validate what we are doing right and gave us an opportunity to improve our performance.*

*The recommendation to reconcile cash receipts with the appointment logs is a good one, and we have implemented the recommendation.*

- From a campus administrative department:

*I have read and concur with the findings of the Limited Scope Audit of our Office.*

*I appreciate the time and effort your Office put into the audit process as well as the preparation of the report. The process has been a useful tool for assessing our current management practices and has helped identify an area where improvement is possible. Thank you.*

- From a UCI Medical Center support department:

*The process gave us the opportunity to step back and view our procedures and performance in an objective non-biased manner. We are very encouraged by the outcome.*

### Conclusion

Limited-scope audits accomplish the originally stated objectives of increasing internal audit coverage, developing risk-related recommendations, and concluding on sufficiency of policy compliance. The concept of limited-scope audits for low-risk auditable entities has been well received at UCI. 

# Call For Nominations

Identifying and electing future volunteer leaders is critical to ACUA's future and maintaining our position as the leading professional association representing college and university internal auditors. As chairperson of the ACUA nominating committee, I solicit your input to identify "regular members' representatives" as nominees for the two board member at-large positions; and the secretary/treasurer position, which will be open as of September 2001. Nominees will be presented to the board for approval and recommended to the members for election. To allow the nominating committee time to consider nominee qualifications, confirm their commitment to volunteer service, and meet the timelines prescribed by Article V (Nominations and Elections) of the Bylaws, all submissions must be received by Friday, March 2, 2001.

A board member at-large serves for a term of three years and shall perform duties and tasks assigned by the president as deemed necessary in the administration of ACUA. Current members at-large are overseeing and/or chairing standing committees, analyzing and drafting ACUA position responses to exposure drafts from other professional and regulatory authorities,

assessing the content and quality of materials in the ACUA library, providing oversight and monitoring of advance planning, and providing strategic input at board meetings on how ACUA can improve its member services. Members at-large are voting board members. ACUA reimburses expenses incurred while conducting ACUA volunteer efforts and when attending mid-year and annual board meetings (ACUA has reasonable restrictions which apply to such travel expenses).

The secretary/treasurer is expected to:

- a) maintain accurate membership records of ACUA;
- b) maintain accurate minutes of the annual conference business meetings and all board meetings;
- c) assure the fulfillment of approved operational and fiscal reporting requirements and the adherence to appropriate fiscal policy;
- d) prepare a budget for submission to the board;
- e) assure the preparation of the annual financial statements; and
- f) chair the investment committee.

Along with the nominee's name and statement about the nominee's qualifications, please include the nominee's email address, phone number, and fax number. Additionally, if you have

personally spoken to the nominee about serving and have confirmed their willingness to serve, please indicate this in your submission. Please include your name and contact information.

The nominating committee will make its recommendations to the board in April at its midyear meeting. The nominating committee consists of Ray Cochran, Chair and Past President of ACUA (Columbia University), Mary Lee Brown (University of Pennsylvania), Steve Jung (Stanford University), and Tom Salzman (Illinois State University).

Please let us know of your nominees by contacting Ray Cochran, Chair, either via email, fax, phone, or letter. The official rules for nominations are printed below from the ACUA Bylaws.

Raymond M. Cochran  
Director of Internal Audit  
Columbia University  
475 Riverside Drive, Room 510  
Mail Code 7712  
New York, NY 10115 USA  
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## Extract from the ACUA Bylaws:

### ARTICLE V - NOMINATIONS AND ELECTIONS

**Section 1.** An annual mail ballot shall be held to elect officers who have been nominated in accord with these bylaws.

**Section 2.** Only regular members' representatives shall be eligible to hold office. No representative shall hold more than one elective office at a time.

**Section 3.** Nominating procedures shall be as follows:

- a) The nominating committee shall solicit the membership for nominations of eligible members to serve on the board as board member at-large, and for the office of secretary/treasurer. A minimum slate of one or more names shall be approved by the board and recommended to the members for each open position.
- b) The nominating committee shall propose one or more nominees for vice-president to the board for approval and recommendation to the membership. The position of president will automatically be filled by the preceding year's vice-president.
- c) Nominations may also be made by signature petition of 25 regular members' official representatives. The petition must be presented to the chair of the nominating committee by a date determined by the board.

d) After approval by the board, the membership shall be notified.

**Section 4.** Ballots and information about the candidates shall be mailed to all official representatives of regular members in good standing no later than 90 days prior to the annual business meeting of ACUA. The official representative of each regular member shall be entitled to cast one vote for each open position. Mail ballots shall be valid and counted only if received within 30 days after the date of the mailing of the ballot.

**Section 5.** Officers shall be elected by a plurality of votes cast.

**Section 6.** The membership shall be notified of the election results 45 days prior to the annual business meeting.

**Section 7.** Any challenge to the final vote count must be presented to ACUA's president no later than 30 days following the announcement of the election results and must be accompanied by a petition bearing the signatures of 25 ACUA regular member official representatives. In the event of such a challenge, the board shall retain an independent referee to conduct an investigation and recount the ballots, if necessary. The results of such an investigation and/or recount shall be considered conclusive and final.

# Member News

## Wright State University's Auditing Class Receives National Award

It was a calculated risk. Wright State University teamed up an accountancy professor with two auditors to come up with an award-winning combination that turns accounting students into auditors. For its innovative program combining academic information with hands-on experience, the university received a national award in November from the American Institute of Certified Public Accountants (AICPA) and the American Accounting Association (AAA).

The Joint AICPA/AAA Collaboration Award was presented to Susan Lightle, Associate Professor of Accountancy in the Raj Sooin College of Business, Peter Cheng, Director of WSU's Department of Internal Controls and Audit Services (ICAS), and Carol Vuckovich, Internal Auditor for the program they designed and administer. More than 80 students have taken their class, Auditing II, a senior level auditing class offered during the spring quarter, in the last five years.

The students in Auditing II perform actual audits for the university, giving them the opportunity to develop auditing skills such as interviewing audit customers, flowcharting a system, and presenting an audit report in a teamwork environment. Thirty audit projects have been completed, including a financial audit of Wright State's student newspaper, a review of the university's excess and surplus property management operation, and a follow-up review of the university's pharmacy inventory control and operation. One student commented that "the hands-on experience should be implemented in more accounting courses. This course was an excellent way to give us a chance to actually do a real-life audit."

Accepting the award in Atlanta, Lightle, Cheng and Vuckovich presented the format of the Auditing II class to over 300 university faculty, staff, and CPA practitioners. Along with the award, the three accepted a check for \$3,000, presented to them by the AICPA/AAA. With it, they have established a scholarship that will pay the professional certification fees of Auditing II students.

Congratulations to **Peter Cheng** and **Carol Vuckovich** of **Wright State University** (WSU) for their recent recognition as recipients of a national award from the American Institute of Certified Public Accountants and the American Accounting Association. (See sidebar article about this award, provided to *CandU Auditor* courtesy of Stephanie James Ely, Communications Manager, WSU.)

**Brooke Afsah-Mohallatee** of **Eastern Kentucky University** passed the final two parts of the Certified Internal Auditor examination in November 2000, to complete all requirements for the Institute of Internal Auditors' primary professional certification. Brooke has been the senior staff auditor at Eastern Kentucky University in Richmond, Kentucky, since June 1998. She is a graduate of Temple University, where she earned a Bachelor's degree in German and Spanish with certification in multilingual business & government and a Master in Business Administration with a concentration in accounting. She currently serves as the president of the Central Kentucky Chapter of the IIA.

**J. Betsy Bowers**, Inspector General of the **University of West Florida**, was elected secretary of the newly formed Northwest Florida Chapter of the Association of Certified Fraud Examiners. She was also appointed to serve on the Board of Governors for the Northwest Florida Chapter of the Institute of Internal Auditors.

**Michelle A. Cocco**, Internal Auditor at the **University of West Florida**, was elected treasurer of the Northwest Florida Chapter of the Institute of Internal Auditors. Michelle was also one of the recipients of the ACUA Scholarship in 2000.

**Brian Ford** of the **University of Maryland** recently passed the Certified Government Auditor Professional (CGAP) exam, which is a new professional designation administered by the Institute of Internal Auditors. A pilot exam was conducted last fall, and Brian successfully passed it to earn this new designation.

According to **Randy Ross** of the **University of North Carolina-Charlotte**, the following ACUA members were named in October as new officers of the North Carolina University Auditors Association (NCUAA), an organization of internal

auditors within the UNC System that holds an annual conference and provides training opportunities for its members on an "as needed" basis: **Phyllis Petree** of the **University of North Carolina at Chapel Hill** was named president; **Nikki Howard** of the **University of North Carolina at Wilmington** was named vice president; the secretary is **Lisa Stallings** of **East Carolina University**; and the treasurer is **Monique Taylor-Broome** of **Winston-Salem State University**.

At **The University of Alabama in Huntsville** (UAH), **Rhonda Saylor** was promoted from internal audit assistant to internal auditor in November 2000. Rhonda, a graduate of Mississippi State University, served three years as a board of education accountant before joining the UAH audit staff in March 1999.

**Pamela Jerskey** of **Boston College** was promoted to assistant director of internal audit as of January 1, 2001.

## Comings and Goings

**Lennox Brown** has joined the internal audit staff of the **University of Maryland System** as manager of audits, information systems. He holds seven professional certifications, including CA, CIA, CISA, and CFE, and he earned a Master of Science degree in accounting from the University of West Indies. He has worked previously for an IT banking service provider in Wisconsin and a research institute in Trinidad.

The **University of Maryland** system has also recently welcomed two new members of the University's traditional audit staff. **Natalie Beckwith** joins the department after working as an auditor with the Federal Elections Commission, and **Margaret Duggan**, CPA, CFE, and a very recent CIA, has experience as an internal auditor for both the Maryland Judiciary and the State Comptroller and as a committee reporter for the State General Assembly. She has also worked in the real estate industry.

**Lara Mitchell**, CPA, CIA, started work at **The University of Alabama in Huntsville** (UAH) as an internal auditor in January 2001. Before joining the UAH audit staff, Lara compiled over five years of external auditing and accounting experience,

covering both business and nonprofit organizations. She also served two years as an internal auditor in the insurance industry.

**Dezie W. Peters**, Assistant Inspector General of the **University of West Florida**, has been promoted to budget specialist for the university. Dezie had been with the UWF Office of Inspector General for seven years prior to this promotion.

**Bernie Trinne of Northern Territory University** in Australia recently announced, "It is with great regret that I tender my resignation from ACUA effective from 22 December 2000. My wife and I have bought a business that we will be taking over around the end of February. ... I thank you all for your support and assistance over the years, and wish you all, all the best for the future." 

## In Memorium

ACUA received word in late November that one of its former presidents, Frank Parks, passed away on November 4, 2000, at the age of 72. Frank was ACUA's president in 1986 when he was the director of internal audit at the University of North Texas. According to Tim Edwards of the University of North Texas System, Frank worked at the University of North Texas for 26 years, and at the time of his retirement in 1990, was the first internal auditor and the only director of internal audit that UNT had ever had. Frank had also served in the U.S. Air Force and the Naval Reserve.

Frank's wife, Dorothy, thanked ACUA for her husband's honorary membership in the association. She stated that he had enjoyed being president of such a fine organization and that they made many life-long friends through ACUA. According to one of those friends, Rick Whitfield of the University of Pennsylvania, "For those of you who did not cross paths with Frank,

you missed meeting and knowing a truly wonderful and caring human being." He recently recalled that Frank had been ACUA's vice president and program chair for the 1984 ACUA conference in Nashville – a year when Vanderbilt University hosted the conference; the group "Alabama" performed at the Grand Ole Opry on the Saturday night that many ACUA members happened to attend; and the conference's keynote speakers included both a former Miss America from Texas that Frank had lined up for the event, and Larry Sawyer, the reputed "father of internal auditing." Fred Chavez of the University of Maryland remembered one of his first experiences as an ACUA committee chair when he sat down with Frank in San Diego, and Frank explained the ACUA "way" to him. Fred said, "It was in just such ways that the traditions we still follow were developed and handed down, and Frank was unequalled in that respect. I will miss him."

# Welcome to the Newest Members of ACUA

## November, 2000 through January, 2001

James D'Arcangelo  
D'Arcangelo & Co., LLP  
3020 Westchester Avenue  
Purchase, NY 10577-2538

Michael Gardner  
Hillenbrand Industries  
968 Santa Maria Drive  
Indianapolis, IN 46143

Christin Tan  
The Hong Kong Institute of Education  
10 Lo Ping Road  
Tai Po, New Territories, Hong Kong

Daniel Wickeham  
Medical College of Wisconsin  
8701 W. Watertown Plank Road  
Milwaukee, WI 53226

Keith Windsor  
College of the North Atlantic  
1 Prince Philip Drive  
P.O. Box 1693  
St. John's, New Foundland, Canada A1C  
5P7

## Heard on ACUA-L

"Great Auditor, Great Man."

– *Tim Edwards of the University of North Texas System, about Frank Parks, former ACUA President and UNT's first audit director, who passed away in early November.*

"Take arms against a sea of troubles, and in so doing, end them."

– *Slemo Warigon of Gallaudet University, quoting Shakespeare when complimenting Sterling Roth of the University of Alabama in Huntsville on the latter's "mea culpa" message about a computer virus that affected the ACUA list in early December.*

# Position Announcements

## Associate Audit Director

The Cornell University Audit Office is seeking an individual to join our audit management team. The audit office is responsible for auditing a large, complex institution with approximately \$1.9 billion in revenues and \$5.5 billion in assets.

This individual will plan, supervise, monitor and execute financial, compliance, operational, and special project audits of all university's central administration and operating units.

Requirements: Candidates should have a minimum five years experience in a financial/compliance audit environment. Minimum 2 years supervisory experience and CPA required. CIA and MBA preferred. Must demonstrate strong interpersonal and communication skills as well as provide creative solutions and be a self-motivated, organized, and an effective team member.

Interested applicants should submit a cover letter and resume to: Michael B. Dickinson, University Audit Office, Toboggan Lodge, Cornell University, Ithaca, NY 14853-1702.

### CORNELL UNIVERSITY

Cornell University is an Equal Opportunity, Affirmative Action Employer & Educator.

## East Tennessee State University Assistant Director of Internal Audit

Responsible to the director of internal audit for planning and performing audits (financial, compliance, and operational) on all phases of university operations, including the College of Medicine. Provide management with analyses, appraisals, recommendations, and special reviews as requested. Direct the activities of others assigned to audits. Audit activities consist of determining accuracy of financial transactions, adequacy of internal controls, and degree of compliance with policies, procedures, laws, and regulations. Must be able to develop and revise audit programs and internal control questionnaires, and prepare written audit reports. Qualifications: Bachelor's degree in accounting (or equivalent) required with CPA or CIA certification, three years experience in public accounting, internal auditing, or governmental accounting, and experience with computer-based information systems. Successful candidate must possess strong communication (oral and written), analytical, and computer skills. Submit applications by February 15, 2001 to: East Tennessee State University, Director of Internal Audit, Box 70566, Johnson City, TN 37614-1707. ETSU is an AA/EOE

## Internal Audit Manager

The Medical College of Wisconsin (MCW) is seeking a manager to develop and lead a newly created internal audit office. This position will be responsible for all aspects of

internal audit at MCW including hiring/supervising staff, developing a strategic plan, identifying risk and opportunity areas, and coordinating all audit activities. The scope of internal audit will include identifying and recommending improvements in procedures, processes and operation across multiple departments and areas including administrative, operational, clinical, educational, and research.

A Bachelor's degree in business or a related field is required. A Masters in business administration, healthcare administration, and a CIA is preferred. Additional requirements include strong analytical, audit and communication skills, and a minimum of six years progressive responsibility. Experience in a group practice, hospital or other healthcare environment is preferred.

The Medical College of Wisconsin, a teaching institution with a practice of over 650 physicians, is located in Milwaukee, Wisconsin. For confidential consideration, please fax resume to (414) 805-6372 or mail to:

Compliance Office  
Medical College of Wisconsin  
9200 W. Wisconsin Ave.  
Milwaukee, WI 53226

## Texas A&M University System Internal Audit

### *Internal Auditor, Posting #01008*

Prefer some experience in governmental, higher education, or commercial accounting or auditing. Also, prefer candidate certified (or actively pursuing) CPA, CIA, or CISA. Other requirements: Strong oral and written communication skills. Minimal travel on audit assignments is required.

### *Senior Internal Auditor, Posting #00043*

One to three years in governmental or commercial accounting or auditing, including supervisory experience. Also, prefer candidate certified (or actively pursuing) CPA, CIA, or CISA. Other requirements: Strong oral and written communication skills. Minimal travel on audit assignments is required.

### *Information Systems Analyst, Posting #01021*

Perform complex computer systems analysis work. Work involves analyzing information system needs for the department, developing IT plans and budgets, developing and/or modifying, implementing, maintaining and monitoring departmental information systems and databases. Develops computer applications and analyzes and documents overall system concepts/operations. Provide guidance and support for the department's hardware and software needs. Provide and/or oversee administrative support for department computers and software applications. Develop and maintain web page. Supervise one or more assistants in the accomplishment of assigned responsibilities. Education required:

Graduation from an accredited four-year college or university with major course work in computer science, data processing, or management information systems; or any equivalent combination of training and experience. Experience required: Two or more years in information system operations or analysis; and operation and support of microcomputers. Prefer some experience with Novell networks, web page development and support, and application support. Programming/analysis skills are required and knowledge working with connectivity issues associated with remote network access preferred.

All applicants must complete a Texas A&M University System application, available online in PDF form at

<http://sago.tamu.edu/shro/jobs/jobs.HTM> or e-mail us at [employment@sagomail.tamu.edu](mailto:employment@sagomail.tamu.edu) to have an application mailed to you. You can pick up an application in person at the Human Resource Services Office, John B. Connally Bldg., 301 Tarrow, Room 531, College Station, TX 77840-7896, (979) 458-6160.

The Texas A&M University System is an Affirmative Action/Equal Employment Opportunity Employer committed to excellence through diversity.

## Information Systems Auditors

The University of Massachusetts is seeking three information systems auditors from entry to supervisor manager level for the university auditor's office. The university consists of five campuses and a central office and is in the process of implementing financial, human resources and student systems.

Successful candidates will perform challenging reviews throughout the university and play key roles in the PeopleSoft project. In addition, the IS auditors will provide technical support to the professional staff.

Positions require Bachelor's degrees, and certification as CIA, CISA or related is preferred. One to five years of related experience is desirable. The university offers full state benefits, including dental insurance and tuition waivers.

Salary commensurate with experience. Please send cover letter and resume to:

Human Resources Office  
The University of Massachusetts  
President's Office, 26th Floor  
One Beacon Street  
Boston, MA 02108  
Attn: Anna Petrillo

The University is an equal opportunity/affirmative action employer.

For information about the University, visit our web site at [www.massachusetts.edu](http://www.massachusetts.edu).

# Spotlight on ABACUS

By Steve Jung, Chair, Best Practices Committee

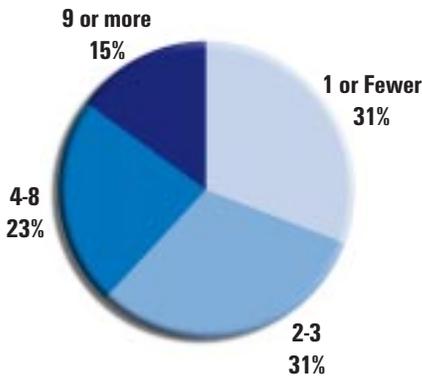


All but the newest ACUA members will recall that since 1995, ACUA's best practices committee has carried out a voluntary benchmarking service for college and university auditors called ABACUS: Analytical Benchmarking for Auditors in the College and University Sector. Comprehensive results were published in 1996 and again in 1999, with the results of a separate electronic "best practices" survey published last year. ACUA members who wish to get a copy of the 1999 comprehensive report

may do so by contacting the ACUA executive office. The best practices report remains available on the University of Florida web site <http://oig.ufl.edu/abacus/reports.html>

This periodic column will highlight some of the more interesting findings from the 1999 ABACUS survey. In addition, in future columns we will discuss the plans ACUA is making to provide future benchmarking services to its members.

## Staff Size



## Who are the ACUA members?

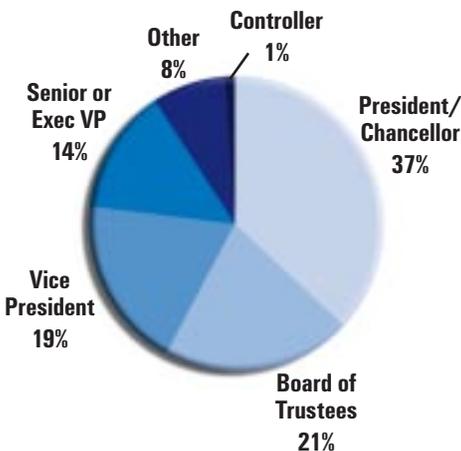
Based on 1999 responses by 259 member institutions, we know that the bulk of ACUA's member internal audit departments serve public institutions (72%), and on average are relatively small (62% had three or fewer professional staff).

whose schools do have audit committees (96%) have a direct reporting relationship to that committee.

Departmental budgets averaged \$287,000 per year, although this number was skewed to the high side by a few large departments, as demonstrated by the fact that the median annual budget was \$186,000. Eighty-six percent of budgeted funds went toward staff salaries.

In terms of location within our institutions, 70% of us report to the president or chancellor, executive vice president, or vice president. Many of our institutions (64%) have some sort of audit committee, and almost all of us

## Reporting Relationship



### Next time: Audit staff experience, credentialing, and training.

The chair of the Best Practices Committee is soliciting both input and assistance from the ACUA membership in planning for and offering future benchmarking services. In particular, if you have participated in the most recent IIA GAIN program and have thoughts about the usefulness of GAIN's online survey model for ACUA, please contact Steve Jung via email at [sjung@stanford.edu](mailto:sjung@stanford.edu).

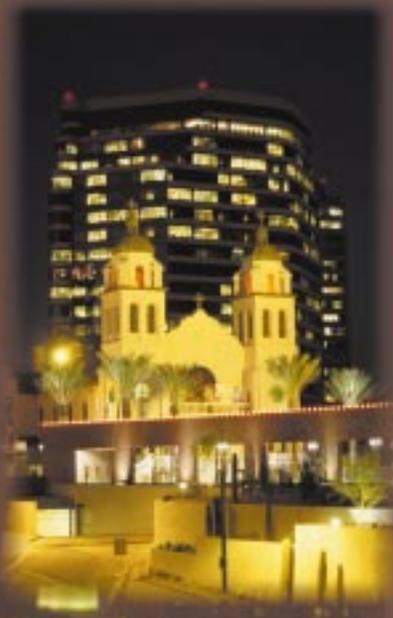


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