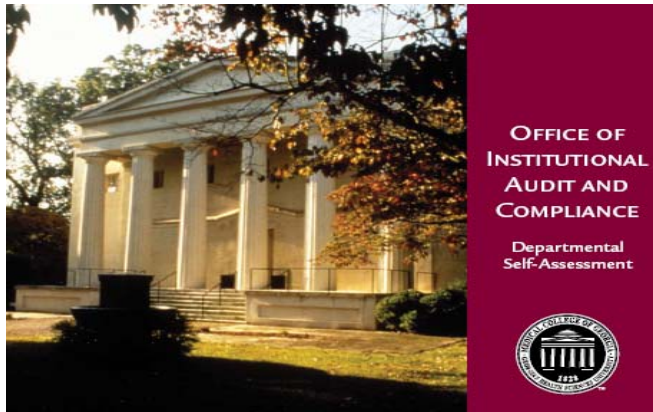


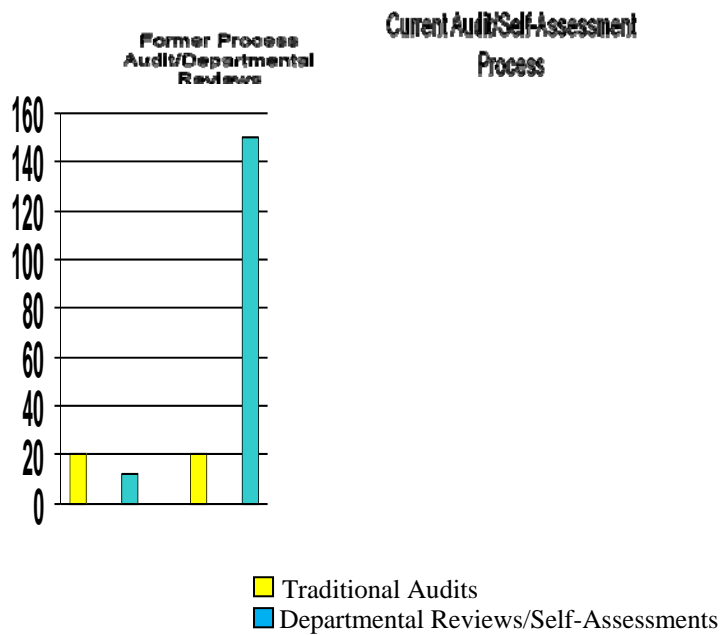
## **Departmental Self-Assessment Initiative**

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**Medical College of Georgia**

What does a campus do to increase business controls awareness with no project funding?  
**Departmental Self-Assessments**



Why would a campus and an internal audit office decide to conduct this type of initiative?  
**Audit Coverage**



## **Introduction to the Medical College of Georgia**

The Medical College of Georgia (MCG), founded in 1828, is the 13th-oldest continuously operating medical school in the United States and the third-oldest in the Southeast.

MCG, Georgia's health sciences university, has more than 2,400 students in five schools: Medicine, Allied Health Sciences, Dentistry, Graduate Studies and Nursing. Students come from most of Georgia's 159 counties. Students from other states and foreign countries comprise approximately two percent of MCG's student body.

MCG offers modern classrooms and laboratories, a 540-bed MCG Medical Center, a Children's Medical Center, extensive outpatient clinics, residence halls, a student center, a wellness center and an outstanding medical education library with more than 164,984 books and bound journals and approximately 4,000 periodicals.

With approximately 5,000 faculty, staff and residents, MCG is one of the largest employers in the Augusta area. MCG's vision is to be one of the nation's premier health sciences universities.

## **Introduction to the Office of Institution Audit and Compliance**

The Office of Institutional Audit and Compliance is responsible for the institution's internal audit function and compliance/risk management oversight activities. Our office serves the MCG community as an independent/objective function and as a management resource to:

- Ensure that the institution anticipates and manages business risks effectively and efficiently

- Ensure the integrity of operational and financial information
- Ensure management accountability at all levels
- Support the institution's compliance initiatives

At MCG, the vice president for Internal Audit, Compliance and Risk Management reports to the president, but works with all of the institution's leaders on a daily basis. This reporting structure maintains the department's independence, promotes broad audit/review coverage, and enhances consideration of audit recommendations.

The Office of Institutional Audit and Compliance staff not only includes a vice president, but also three staff auditors, a compliance/privacy coordinator, a compliance and privacy associate, and an administrative assistant.

### **Problem Statement**

Approximately five years ago, MCG's Office of Institutional Audit and Compliance was requested by the University System of Georgia's Board of Regents Internal Audit Office to begin performing departmental reviews. Departmental reviews were similar in nature to an audit, but instead of focusing on a central business process, departmental reviews focused on how a department was performing their function(s) relative to the institution's business policies and procedures/practices. The reviews focused on eight major categories broken into 38 smaller areas of review. The objective of these reviews were to determine if departments had adequate controls in place or if minor and/or major improvement(s) was necessary respective to the 38 smaller areas of review. Our office was performing four to six departmental reviews per fiscal year, accounting for approximately 40% of our available audit hours.

Even though our reviews were finding that departments were performing good business practices in most of the review areas, improvement was needed in areas where management really had not considered potential problems/risks, i.e. records retention, information technology back-ups, reconciling departmental accounts. After three plus years of performing this type of review and repeated findings, the president, Dr. Dan Rahn, requested our office develop a tool that every business unit on campus could utilize to self-assess their own business unit controls.

### **Design of MCG's Departmental Self-Assessment Initiative**

Our office dedicated one internal auditor who had performed a majority of the departmental reviews to this project. Our first step was to take our departmental review audit program and develop it into review area control questionnaires. These questionnaires contain questions regarding the respective area and are designed so that "No" answers indicate an internal control weakness may exist and the process/practice may need to be examined in greater detail. This type of identification may require: a change in the process; implementation of a compensating control; or identifying the compensating control already in place.

To assist employees in understanding the importance of each area and to serve as a reference, we included a text page that describes the: objective, risk level, criteria, frequently observed weaknesses, helpful tools, resource contact information, and best business practice examples. For some areas, we also included a case scenario with correct answer.

Our office benefited from having MCG's Office of Instructional Design assist us in putting our text pages and questionnaires into more of a textbook type format. Not only were they able to assist in the format/layout, this office also worked with the printing company as well. Our

efforts produced a professional looking booklet titled, *Departmental Self-Assessment*. Because this product is a living document (processes change resulting in controls changing, etc.), it was also produced in an electronic version with the questionnaires being in a fillable/writeable format. Since SACUBO's "Best Practices" guidelines require electronic submission, an electronic version of the *Department Self-Assessment* is attached. Total cost of the 250 printed booklets, electronic versions, and instructional design charges was \$5,000. Our office had experienced a position vacancy, so the funding for this initiative was provided through this position's salary savings.

Once the booklet was completed, it was decided that all business units would participate in a campus-wide initiative focused on performing departmental self-assessments using the *Departmental Self-Assessment*. As a part of the initiative, our office would not only shepherd the project, but also validate each self-assessment.

Due to the magnitude of this project for the campus, the individual business unit, as well as our office, we decided that we would divide the project over nine quarters. Dividing the project over nine quarters meant that a business unit would only be responsible for assessing/completing the questionnaires scheduled for the respective quarter. As with most government entities the last quarter of the fiscal year can be busy, so we decided not to schedule any questionnaires for that quarter. This would also allow our office time to catch up on any paperwork and validations.

### **Implementation Phase of the Departmental Self-Assessment Initiative**

First, our office presented each member of the President's Leadership Cabinet with a copy of the *Departmental Self-Assessment*, training dates, and a schedule for the initiative. During this

presentation, the president endorsed this initiative and explained that he expected 100% participation from all campus business units.

To promote the initiative, our office: published an article in our campus paper; placed a posting on MCG's "Need to Know" campus announcements; and sent emails to business manager type positions on campus. These promotional notices explained the departmental self-assessment initiative, who needed to be involved, and that training opportunities would be available.

We conducted two training sessions discussing the booklet, the questionnaires, the schedule, and what was expected from the business unit when our office visited their respective areas to validate their submissions. The training sessions lasted approximately two and a half hours and were attended by over 120 employees. Due to schedule conflicts, etc., several business managers were not able to attend either of the two training sessions, so we conducted a third session for these individuals. Approximately a total of 150 employees have received training regarding the departmental self-assessment booklet and initiative.

For each quarterly submission, there is a due date. Our office also developed a risk matrix which allows each unit to self-assess their control levels as adequate or needing minor or significant improvement. So for each quarterly submission, not only does the business unit submit the completed electronic questionnaires, they also submit the risk matrix, along with any corrective action plans. Our office immediately acknowledges the receipt of the information. Upon review of the electronic information (prior to being officially validated in the field), our office will inform the respective business unit of any obvious submission deficiencies or that the information appears to be complete.

At the beginning of each quarter, our office will provide electronic versions of the risk matrix and scheduled area questionnaires. We do this because the scheduled area's respective questionnaire may have been revised to reflect process changes or controls concerns. If major revisions occur to the questionnaire(s) or if scheduled areas need to be discussed, our office conducts training sessions prior to the quarter.

### **Benefits Experienced from the Departmental Self-Assessment Initiative**

MCG has and will experience several benefits from the departmental self-assessment initiative. As I stated in the **Problem Statement** section of this proposal, the Office of Institutional Audit and Compliance was annually performing, on average, five departmental reviews. So for the time that our office dedicated to designing/implementing/leading this project, three years, our office would have performed approximately 15 departmental reviews. When this initiative is complete, our office will have validated approximately 150 business units' departmental self-assessments. Our office would not come close to obtaining this amount of campus audit coverage in a three-year period.

The biggest benefit from this project has possibly been realized by the department business managers, as well as other staff members in the participating units. While performing the self-assessments, business managers are being educated on: why certain processes have particular requirements; that controls existed for a reason; and the potential risk(s) if controls are absent or deficient.

This initiative has increased campus awareness regarding internal controls and risk management using limited funding and resources.