Implementing the New COSO Framework at SUNY

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Overview

Background and Structure

- SUNY's mission, facts, and initiatives
- Structure of SUNY's Internal Control Program

Approach

- How we identified gaps

Addressing the new COSO Principles

- Control Environment
- Risk Assessment
- Control Activities
- Information and communication
- Monitoring activities

Future Direction

Questions/Discussion

Background and Structure

SUNY's mission:

"…to provide to the people of New York educational services of the highest quality, with the broadest possible access, fully representative of all segments of the population in a complete range of academic, professional and vocational postsecondary programs including such additional activities in pursuit of these objectives as are necessary or customary."

Background and Structure

State University of New York
- 64 campuses
- 3 hospitals
- Numerous affiliated organizations
- Over 460,000 students enrolled
- Nearly 90,000 employees
- Over $10 billion in expenses and $15 billion in assets
- Governed by the Board of Trustees
  - 18 members, 9 committees

Strategic Initiatives
- Shared Services
- OpenSUNY
- Start-Up NY
- Master Teacher Program

Background and Structure

SUNY Internal Control Program

- State-operated campuses, contract colleges and System Administration

- Designated Internal Control Officer (SUNY-wide and individual campuses)

- Policies and procedures
  - SUNY-wide Internal Control guidelines

- Evaluation of controls
  - 8 pre-determined high-risk areas
  - 3-year cycle
  - Additional areas identified at the campus level

- Internal Control Certifications
  - Campuses certify to SUNY ICO
  - Chancellor certifies to DOB/OSC

Approach

Determine what's different
- Side-by-side comparison
- Review presentations (IIA, KPMG, etc.)

Evaluate the principles
- How SUNY's ICP matches up
- Document strengths
- Identify gaps

Address the gaps
- Update internal control policies, procedures and processes
- Develop and update evaluation templates and training programs
- Increase Board of Trustees' awareness and involvement
- Collaborate with campuses/solicit feedback
- Disseminate new guidance

Control Environment

Principles:

1. Demonstrates a commitment to integrity and ethical values

2. Exercises oversight responsibility

3. Establishes structure, authority and responsibility

4. Demonstrates commitment to competence

5. Enforces accountability

Risk Assessment

Principles:

6. Specifies suitable objectives

7. Identifies and analyzes risk

8. Assesses fraud risk

9. Identifies and analyzes significant change

Control Activities

Principles:

10. Selects and develops control activities

11. Selects and develops general controls over technology

12. Deploys through policies and procedures

Information and Communication

Principles:

13. Uses relevant information

14. Communicates internally

15. Communicates externally

Monitoring Activities

Principles:

16. Conducts ongoing and/or separate evaluations

17. Evaluates and communicates deficiencies

Future Direction

Increased collaboration:

With Campuses

- Solicit input from campus internal control staff
- Create a sense of ownership
- Bi-monthly teleconferences/Internal Control listserv
- Provide support

Across System Administration

- Cross functional
- Compliance Committee
- Enterprise Risk Management

Develop guidance

- Policies, procedures and guidelines
- Evaluation and assessment templates
- System-wide training tools

Future Direction

Continuous Assessment of the Internal Control Program

- Certification Process
    - Program structured to address DOB and OSC requirements
    - Campus certifies to System Administration
    - SUNY certification reflects internal controls across the system

- Modified to Address Changes in Environment
    - New Technologies
    - New business processes/functions
    - Strategic initiatives
    - Heightened risk areas

Questions?

Christian Mullin
Internal Control Coordinator
518-320-1132
Christian.Mullin@suny.edu