



BUFFALO STATE
The State University of New York

**Finance and Management
Office**

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March 25, 2022

Mr. Jeffrey McGrath
University Controller
University Controller's Office
SUNY System Administration
State University Plaza
Albany, NY 12246

Dear Mr. McGrath,

For your review and considerations, enclosed is Buffalo State College's 2021-22 Internal Control Summary and Certification package. Also included is Attachment D.

Should you have any questions or concerns, please do not hesitate to contact me, or Lisa H. Krieger at (716) 878-4311.

Sincerely,

Laura J. Barnum
Vice President for Finance & Management

2021-22 INTERNAL CONTROL CERTIFICATION

INSTRUCTIONS

The Budget Policy and Reporting Manual B-0350 is issued by DOB and outlines the requirements for completing the Internal Control Certification.

The Internal Control Certification represents the justification for a campus' level of compliance with the requirements of the Internal Control Act as outlined below.

In the responses to the six requirements, campuses must:

- Provide a thorough explanation of the specific actions the campus has taken to comply with each requirement and use as much space as needed to respond;
- Indicate the campus' level of compliance with each requirement and include justification for this assertion; and
- For each requirement that is not fully compliant, include an action plan and estimated date of completion. Also, please indicate if the requirement was previously identified as not being fully compliant as part of the campuses 2020-21 certification submission.

A completed and signed Internal Control Certification Form should be submitted via e-mail as an attached PDF file and sent to the State University's internal control reporting mailbox at sunyiccert@sysadm.suny.edu by April 1, 2022.

Suny Buffalo State College

Campus Name

Date

1. Establish and maintain guidelines for a system of internal controls for the campus.

- State the campus President's support of internal controls
- Define responsibilities of campus management and staff
- Describe the process for evaluating internal controls

For this requirement, the campus is:

Fully Compliant **Partially Compliant** **Not Compliant**

➤ **State the campus President's support of internal controls**

Dr. Conway-Turner (President) supports the college's internal control program through the issuance of her annual "Tone at the Top" memorandum which is made available to all faculty and staff. The memorandum signifies the campus commitment to an ongoing Enterprise Risk Management (ERM) framework and internal control review processes and charges every employee with the responsibility for good internal controls. This document also specifies the objectives of the institution in supporting and meeting its mission. The College's Internal Control Program is designed to monitor the attainment of the College's goals and protect its resources. Since good internal controls depend heavily on the participation of all faculty, staff, and administrative personnel, the broad

understanding of the College's goals and the roles and responsibilities of employees in attaining those goals is essential.

➤ **Define responsibilities of campus management and staff**

Executive management: is responsible for establishing and communicating the expectations and duties of staff as part of control environment through the internal controls framework. The executive team is responsible for monitoring the College's policies and procedures for the existence of risks and opportunities in either the internal or external environment that might indicate the need for a change in the College's plans. Finally, they are responsible for assuring that the other major areas of an internal control framework are promptly addressed.

Mid-level managers and directors: are responsible for assessing how well controls are functioning in multiple units within the college, and how well supervisors are monitoring their respective units. They are also responsible for maintaining an adequate system of internal control.

All employees are responsible for:

- Fulfilling duties and responsibilities in their job description and satisfying applicable performance standards.
- Monitoring their work to be sure it is done properly.
- Correcting errors before work is referred to higher levels for review.
- Taking all reasonable steps to safeguard College assets and resources against waste, loss, damage, unauthorized use, or misappropriation.
- Identifying issues in internal control systems or suggesting areas of improvements to their supervisor.
- Not using their position to secure unwarranted privileges.
- Attending training and educational programs when appropriate to increase awareness and understanding.
- Carrying out the internal control activities as set forth by the executive branch of the College.

➤ **Describe the process for evaluating internal controls**

The College evaluates its internal controls activities by:

- Identifying the internal control objectives relevant to the College's strategic missions and goals with SUNY's established IC processes.
- Reviewing all applicable policies and procedures and the documentation standards in accordance with SUNY's IC program compliance requirements.
- Communicating the College's internal controls program with appropriate stakeholders.
- Implementing proper controls over payment process; organizational reporting structures; segregation of duties; personnel; authorization and approval processes; security and safety activities; and communication processes.
- Annual reviews and testing of various high-risk control environment as specified by SUNY to determine if current control system is functioning as intended.

2. Establish and maintain a system of internal controls and a program of internal control review for the campus. Please include a description of your campus' process for reviewing and testing controls and monitoring corrective actions. Also, list all high-risk activities which were reviewed during the past year, and the results of those reviews.

- Evaluate effectiveness of internal control system
- Incorporate COSO Internal Control Framework into the system
- Institute policy for documenting and reporting deficiencies in system

For this requirement, the campus is:

Fully Compliant **Partially Compliant** **Not Compliant**

The College's Enterprise Risk Management (ERM) and Internal Control Program provides for a formal evaluation of the effectiveness of our major systems and their individual control mechanisms. Where gaps or ineffective controls exist, they are identified and addressed in a reasonable timetable. The status of all recommendations is monitored and updated on a regular basis by the College's Internal Control Officer (Vice President for Finance and Management) and the Internal Control Coordinator (AVP for Administrative Services). The College uses its internal control program and activities relating to policies and procedures to help ensure management directives are carried out. This includes a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, staff performance, evaluation standards, security of assets and segregation of duties. The College recently completed the first year of a comprehensive Strategic Resource Planning Process (SRPP), which was spearheaded by the Division of Finance and Management. From an ERM and IC standpoint, each VP, Dean, and their respective functional units were asked to conduct a holistic review and/or lookback of their department and provide recommendations related to the following:

- strategic priorities.
- departmental risk contingencies.
- innovation and optimization of operations.
- staffing needs; and
- procurement and facilities need.

Each divisional findings and proposed recommendations were presented to the President's Cabinet, the Bengal Business Forum (which provides updates on the college budget and administrative matters, including the outcome of the Strategic Resource Planning Process (SRPP), and report on Buffalo State College's governmental advocacy efforts), and the College Senate. The final documentation was then sent to the President's Office for further considerations and funding determination.

The campus incorporates COSO's framework which consists of five (5) integrated components as a guiding principle to establish its internal controls risk management system. These five interrelated components have a total of seventeen (17) principles which represents the fundamental concepts associated with each component. Collectively, these controls provide reasonable assurance that the college is operating ethically, transparently and in accordance with established COSO and SUNY's standards.

The five (5) components include the following concepts:

Control environment: establishes standards, structures, and procedures which provides the basis for carrying out internal control activities across the College. This

component is driven by the President's annual "Tone at the Top" memorandum that establishes the importance of the College's internal control program and layout a clear expectation of standards of conduct by senior management, faculty, and staff.

Information and Communication is crucial in helping the college achieve its stated mission, goals, and objective. The College leadership team effectively collaborate with its mid-level managers to identify, capture, review and exchange relevant information related to both internal and external customers (faculty, staff, students, etc.) to ensure these communication processes adhere to ethical values, legal requirements, and SUNY and industry standards. The college administration ensures that pertinent information relating to risk and assessment protocols are communicated to the campus community in an accurate and timely manner using vetted and reliable data source.

Risk Assessment: is used by college administration to assess areas in which the greatest threat or risk of inaccuracies or loss exist on campus. The college's annual Strategic Resource Planning Process (SRPP) is used to identify and analyze possible risk in relations to stated goals and objectives, to determine the likelihood of such risk occurring and its impact on campus operations, and how to respond.

Monitoring and Reviewing: process involves the review of various policies, procedures, and processes across campus. Through the college's administrative policy library committee, various operational and procedural policies are periodically reviewing recommendations for applicable compliance of rules and regulations. Also, the annual internal control audit review, along with the annual SRPP process ensure proper control of the college's stewardship over its personnel and financial resources.

Control Activities: ties in with the President's annual "Tone at the Top" memorandum which helps to ensure risk responses and administration directives are effectively carried out. These can include a set margin by which senior management can carry out governance oversight and responsibility, promotes organizational and reporting structures; establishes commitment to recruiting competent personnel; and sets clear standards for annual performance matrix and evaluation (including segregation of duties, etc.). The memorandum ensures these activities occur across the campus, at all levels and in all functions, and are designed to help prevent or reduce risk.

3. Make available to each officer and employee of the campus a clear and concise statement of the generally applicable management policies and standards with which the officer or employee of such campus shall be expected to comply, along with detailed policies and procedures the employees are expected to adhere to in completing their work.

- Set clear expectations from campus management in the statement
- Issue periodically and emphasize the importance of effective internal controls
- Provide employees with applicable policies and procedures for their position

For this requirement, the campus is:

Fully Compliant **Partially Compliant** **Not Compliant**

The President's annual "Tone at the Top" memorandum sets the overall standards by which the campus operational and procedural processes are carried out. This memo emphasizes the importance of maintaining a good, active, and continuous internal control review over personnel, communication, asset and data security, proper management of financial resources, operational, and procedural processes. The memo sets and promotes a risk adverse-aware culture throughout the campus community, and encourages senior

management, faculty, and staff to practice good internal controls over the college's resources. This memo helps to demonstrate management commitment to uphold integrity and ethical values; recruit, develop and retain competent personnel; internal control system; organizational structures and reporting authority; throughout the campus community. The President and senior cabinet members also work with mid-level managers/directors to develop, regularly review, and update various policies that address:

- Expectations regarding business practices and ethical behavior (includes theft, computer use, sexual harassment, pay scales, promotions, probationary period, evaluations, conflict of interest issues, etc.)
- Disciplinary policies and procedures.
- Methods of reporting fraud, other misconduct, sexual harassment, etc.
- Oversight of the design, implementation, and operations of the College's internal control systems.
- Establishment of responsibility and delegation of authority within the organizational structure.
- Job skills requirements (job descriptions, annual performance evaluations, segregation of duties, certifications, continuing professional education, etc.).
- Regular review and update of organizational charts to address the assignment of authority and responsibility.
- Employee benefits (leave, flex plans, health insurance, 401k, pension, other postemployment benefits, etc.).
- A business continuity plan for succession and emergencies.

Faculty and staff also have access to the College's Administrative Policy Library online catalog for all administrative related policies.

4. Designate an Internal Control Officer (ICO), who shall report to the campus president, to implement and review the internal control responsibilities established pursuant to BPRM Item B-0350. The designation of the ICO should be communicated to all employees.

- Coordinates internal control activities
- Ensures activities meet requirements of the B-0350
- Evaluates adequacy of internal control reviews

For this requirement, the campus is:

Fully Compliant **Partially Compliant** **Not Compliant**

The campus has designated the Vice President for Finance and Management as Buffalo State's Internal Control Officer. This individual reports to the President and possesses a broad knowledge of campus operations, personnel, and policy objectives. The ICO has authority on behalf of the President to effectively administer and guide the Campus Internal Control Program at Buffalo State.

The ICO directs the Internal Control Program Coordinator and the Enterprise Risk Management Committee (ERMC) to ensure that the internal control program satisfies the requirements established by BPRM Item B-350. This includes communications with employees, as needed, to ensure internal control standards are met. Information in support of internal control activities is communicated to all employees via the President's message, periodically via supplemental communications during the year, and

continuously via the Internal Control Program web site: [Enterprise Risk Management | SUNY Buffalo State College](#).

5. Implement education and training efforts to ensure that officers and employees have achieved adequate awareness and understanding of internal control standards and, as appropriate, evaluation techniques.

- Identify staff requiring internal control training
- Implement on-going and specific training to campus staff

For this requirement, the campus is:

Fully Compliant **Partially Compliant** **Not Compliant**

Buffalo State College understands an effective and successful internal controls system requires competent staff equipped with the necessary knowledge and skill sets to achieve the overall goals and objectives of their respective duties. With that in mind, a link to the IC program and the IC policy is provided on the College's Human Resource Management website. The policy manual provides a foundation for all employees to ensure that they are familiar with internal control concepts and the College's internal control related programs, policies, and procedures.

Annually, the ICO presents an ERM risk assessment presentation to the President's Cabinet that focuses on different risk factors. In 2021, the presentation focused on Cyber Security measures throughout the college.

These presentations serve as an avenue for engaging with key executive stakeholders on topics related to institutional governance, risk appetite in pursuit of the College's strategic goals and operational objectives, operational optimization, monetary, human, and reputational opportunities to aid in the decision-making process.

Additionally, the College provides several personal and professional development training programs that emphasize its commitment to fostering an engaging environment to its staff throughout the year. These values are communicated through various policies that include:

- Recruitment and placement of competent staff through use of search committees and pre-employment screenings
- Annual employee evaluations
- New employee orientations
- Professional development training program
- Individual exit interviews for terminating employees
- Professional development training programs
- College Resource and Planning Council

The College subscribes to the idea that all employees of the College are responsible for managing internal controls. Each group, business unit or department head is specifically responsible for ensuring that established enterprise risk management and internal controls processes are followed, and any inconsistencies are properly documented and routed to the appropriate reporting unit immediately. During the 2020-21 year, the campus continued a robust series of communications to ensure employees were kept abreast on matters related to policies and procedural changes, facilities alerts, upcoming trainings and events opportunities, COVID-19 alerts and updates, and systematic

offerings for professional development. This serves to create and maintain institutional expectations that support both good communications and employee engagement in organizational efforts.

During the 2021-22 academic year, the college was involved in several internal and external audit reviews related to various financial, administrative, and student financial matters, including but not limited to:

KPMG Federal Single Audit - Completed

- HEERF Student Aid
- HEERF Institutional Aid
- Student Financial Aid

Office of the University Auditors (OUA) - Ongoing

- SUNY OUA's CARES 1 audit

New York State Teacher's Retirement System (NYSTRS) Audit - Completed

- Request for information and survey questionnaire

New York State Department of Financial Services

- Examination of the Segregated Gift Annuity Fund of the Buffalo State College Foundation, Inc.

Middle States Commission on Higher Education (MSCHE) - Ongoing

- Self-Study

Research Foundation for SUNY at Buffalo State

- KPMG- Single audit
 - Audit of FY 19/20 grant activity performed virtually due to space restrictions (Covid)
- Tim Clark's (BNFC) procurement card transactions
- NYS Century 21 – site visit of program

Audits are performed annually by independent auditors on the following operations or organizations:

- Alumni Association of State University College at Buffalo.
- BSCF Housing Corporation
- Buffalo State College Foundation, Inc.
- Burchfield Penney Art Center
- Faculty-Student Association of State University College at Buffalo, Inc.
- State University College at Buffalo Child Day Care Developmental Facility, Inc.
- United Students' Government Service Group, Inc.
- All were audited for balance sheet, income, and expense activity; all received clean audit opinions complete through 2022.

The College also conducted periodic and ongoing internal reviews and trainings relating to:

- An emergency response drill and fire safety
- Active shooter training

- Ethics Training for FDS Filers, as needed
- Records Retention and Disposition
- Medical In-Service
- University Police In-Service; several UPD Educational Programs
- Environmental Health and Safety (Various trainings are offered for campus staff and students addressing fire safety, work-place safety, and emergency circumstances)
- Campus Safety, Crime Prevention, Emergency Response, and Self-Defense
- Workplace Violence Prevention
- Professional and Faculty Development
- Drupal Web editing training
- In-office functional and compliance trainings for new and continuing staff

On-line computer training for staff on internal controls is in place at the Internal Control Program web site. Prepared initially for front-line staff, this training presentation is designed for program managers to review with staff.

Campus administration is proactive in its communications with employees. Both recurring and routine communications are promulgated using the electronic campus communication, the *Daily Bulletin*.

6. **Periodically evaluate the need to establish, maintain or modify an internal audit (IA) function. If an IA function exists, it should operate in accordance with generally accepted professional standards for internal auditing.**
- Internal Audit function is required to be managed by a Director of Internal Audit (DIA)

For this requirement, the campus is:

- Not Applicable – This campus does not have an IA function.**
- Fully Compliant** **Partially Compliant** **Not Compliant**

2021-22 INTERNAL CONTROL CERTIFICATION

Buffalo State College
Campus Name

Dr. Katherine Conway-Turner
Campus President

1300 Elmwood Ave, Buffalo, NY 14222
Campus Address

Telephone Number

Laura J. Barnum
Name of Internal Control Officer

7168784311
Telephone Number

barnumlj@buffalostate.edu
E-mail of Internal Control Officer

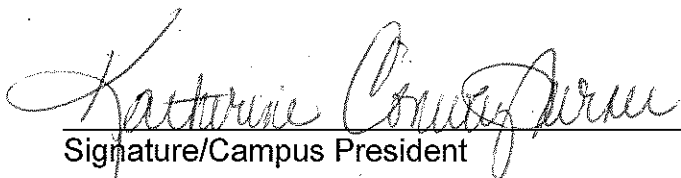
Brenda A. Ronan
Form Completed By

durfeeb@buffalostate.edu
E-mail (if different from ICO)

With the New York State Governmental Accountability, Audit and Internal Control Act, I hereby certify the campus is:

- Fully Compliant (Full compliance with all provisions)**
- Partially Compliant (Partial compliance with some provisions)**
- Not Compliant (Noncompliance with all provisions)**

This certification is supported with detailed justification of actions taken and/or outlines specific actions needed to address areas of partial compliance or noncompliance as described in the Budget Policy and Reporting Manual Item B-0350.



Signature/Campus President

3/22/22
Date

**INTERNAL CONTROLS OVER THE PAYMENT PROCESS
ANNUAL CERTIFICATION FORM**

Email this completed and signed form on or before April 1 to sunyiccert@sysadm.suny.edu.

SUNY Buffalo State College

Campus Name

Ms. Laura J. Barnum

VP for Finance and Management

Campus Contact

Title

barnumlj@buffalostate.edu

716-878-4311

Email Address

Telephone #

Please indicate the system(s) in which the campus certifies payments:

- SUNY Financial Management System (FMS)
- Other - Please List (e.g., Jaggaer)

In accordance with Title 2, Chapter I, Part 6.6 of the New York Codes, Rules and Regulations, I hereby certify that the campus' internal controls over the payment process, including the proper use of a purchase order, to support the validity of campus claim certification for processing payments is:

- Satisfactory (i.e., the campus has established controls and has determined controls are working as intended).
- Satisfactory with weaknesses (i.e., the campus established controls; however, the campus has identified some weaknesses).
- Unsatisfactory (i.e., the campus has not established controls or has identified significant control weaknesses).

The campus identified how it will address control weaknesses as follows:

Control Area Objective	Control Weaknesses Identified	Corrective Action Plan or Compensating Controls for Weaknesses

By checking this box, I certify the campus assessed the adequacy of controls over the Voucher Authorizer Designation process and that the individuals having the ability to certify vouchers and expense reports for submission to the Comptroller's Office on my behalf (i.e., Voucher Authorizers) have been granted that authority by me or my designee(s) in a manner consistent with the following statement:

In accordance with Section 110 of the State Finance Law, I may grant the authority to other agency (campus) personnel the ability to certify vouchers and expense reports on my behalf (i.e., Voucher Authorizers) or I may designate one or more officers or employees to grant such authority. I hereby designate

_____ (Include Designee(s) Title if Changed from Previous Year, if not include No Change)
to grant such authority. I authorize the Campus Security Administrator (or equivalent) to assign the appropriate role in the Statewide Financial System or our financial management system, where applicable, to those designated as Voucher Authorizers.

Katherine Conway Jervis

3/22/22

Signature of Campus President

Date



BUFFALO STATE
The State University of New York

Katherine Conway-Turner, Ph.D.
President
Cleveland Hall 517
1300 Elmwood Avenue
Buffalo, NY 14222-1095
Tel: (716) 878-4101
Fax: (716) 878-6527

TO: All Faculty and Staff

FROM: Katherine Conway-Turner, Ph.D.
President

DATE: March 22, 2022

SUBJECT: Internal Control Program at Buffalo State

As an agency of New York State, Buffalo State is required to fulfill the mandates of The New York State Governmental Accountability, Audit, and Internal Control Act of 1999. This legislation requires all state agencies to establish a system of internal controls designed to minimize the possibility of loss of assets, operational failure, or violation of law. The College is also mandated by the Division of Budget (DOB) to submit an annual internal control certification under the Budget Policy and Reporting Manual Item B-350, Governmental Internal Control and Internal Audit Requirements.

Internal control, or an internal control system, integrates activities, plans, attitudes, policies, and the efforts of those within the organization working together, to provide reasonable assurance that the organization will achieve its mission, goals, and objectives. Buffalo State College internal control program helps to ensure that the College can continue to safeguard its assets from accidental loss or loss from fraud; promote the reliability and integrity of its financial information; ensures compliance of all federal, state, and local laws and regulations affecting its operations; and continuously promotes efficient and effective operations to accomplish its strategic goals and objectives. Following a recent guidance from SUNY, the College's IC program will morph into an Enterprise Risk Management (ERM) program.

The College's new ERM program will offer additional compliance mitigation avenues to promote and strengthen an ongoing, risk-aware culture to assist key leadership stakeholders in performing a risk-reward analysis of opportunities and drive the decision-making process. This process is intended to be an ongoing, continuous tool that administration will use to manage existing and emerging risks and opportunities, within the College's various portfolio of activities.

The objectives of Buffalo State's ERM and IC Program are:

- Successful achievement of the college's mission
- Accurate recording, preservation, and reporting of institutional data
- Efficient and effective use of program resources
- Appropriate safeguarding and authorized use of assets
- College's compliance with laws, regulations, policies, procedures, and guidelines

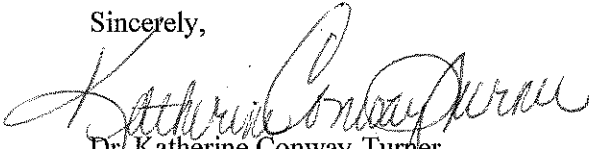
The College's ERM and IC Program will function only with the cooperation and involvement of all employees. Competence and professional integrity are essential components of a sound internal control program. I consider an effective internal control system to be a high priority and ask that you cooperate fully in this endeavor. Working together, I know that we can continue to foster an environment conducive to accomplishing the College's mission, goals, and objectives.

Buffalo State's ERM and IC Program is guided by an Enterprise Risk Management Committee (ERMC) whose members bring executive and organizational expertise to the program. If you are contacted by the Committee, please keep in mind the significance of this program. We appreciate your support.

If you have questions regarding the IC and ERM Program, please contact Lisa Krieger, Associate Vice President of Finance and Management and Enterprise Risk Management/Internal Control, at (716) 878-4311.

Thank you for your continued service and participation.

Sincerely,



Dr. Katherine Conway-Turner
President

The State University of New York
Internal Control Review Schedule
2021-22

Buffalo State College

CAMPUS NAME

barnumlj@buffalostate.edu

E-MAIL OF ICO

Laura J. Barnum

INTERNAL CONTROL OFFICER'S NAME (ICO)

716-878-4311

TELEPHONE NO. OF ICO

High-Risk Areas

Fiscal Year Ended March 31,			
2022	2023	2024	2025

Predetermined:

- Revenue/Cash Management
- Property Control
- Procurement
- Personnel & Payroll
- Computer Operations
- Financial Aid
- Disaster Planning & Recovery
- General Control Environment

Tested

Planned Testing

X			
X			

Campus Specific:

OSC Advisory 28 (Annual Review):
1-Internal Controls over the Payment Process
2-Internal Controls over Receiving and Purchasing
Note: Second area of review to be determined by OSC during the annual cycle.
In addition to high-risk area Student Accounts, Revenue/Cash Management review performed for Parking Services

X			
X			
X			

NOTE: The annual reporting requirement is on an April 1 to March 31 reporting cycle to coincide with the State's fiscal year.

Utilize an "X" to mark the designated area that an internal control review was conducted for the year ended March 31, 2022 and for planned testing for 2023-2025 periods ending March 31.
Utilize an "I" to mark the designated area that an internal control review is currently "In progress" for the year ended March 31, 2022.

Please e-mail this completed schedule to: sunyiccert@sysadm.suny.edu