Presidential Goals: An Update

Trustees' Priority #5

Presidential Goal #4

NIU Board of Trustees
June 14, 2018

Northern Illinois University
Your Future. Our Focus.

Cascading Organizational Goals

BoT Priority #5	Presidential Goal #4
Foster a culture of operational, fiscal and ethical excellence • Create a university-level compliance program, supported by an ethics officer, a policy librarian and a university level compliance coordinator, to integrate roles and responsibilities related not only to **ethics and compliance**, but also to policy development and management.	**Foster a culture that is ethical and accountable** • Increase transparent practices • Decrease critical audit findings

Ethics vs. Compliance

Ethics vs. Compliance

"Our rules alone won't be enough. Our rules never have been enough, are not enough today, and never will be enough. What is really needed is a change of mindset – one that fosters not only a 'culture of compliance' but also a company-wide environment that fosters ethical behavior and decision-making"

William Donaldson,
Former SEC chair

Cascading Organizational Goals

University Mission and Values

Board of Trustees Priorities

NIU Presidential Goals

1. Grow Enrollment & Student Success
2. Enhance Fiscal Sustainability
3. Implement Program Prioritization
4. **Foster an Ethical, Accountable Culture**
5. Increase Capacity: Research, Innovation, and Regional Engagement
6. Enhance Student Experience

NIU's Mission
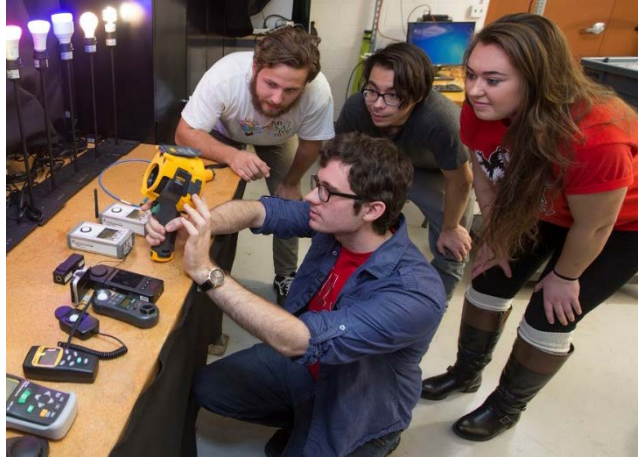
NIU's mission is to promote excellence and engagement in teaching and learning, research and scholarship, creativity and artistry, and outreach and service.

NIU Values

- A **community** of diverse people, ideas, services and scholarly endeavors in a **climate of respect** for the intrinsic **dignity** of each individual

- Access for a broad spectrum of **students** to high-quality undergraduate, graduate and professional programs that prepare them to **be lifelong learners and productive, socially conscious** citizens

- A system of **shared governance** that incorporates **input from faculty, staff, and students in decision- and policy-making**

- Commitment to a **public purpose** addressing regional, state, national, and global challenges and opportunities

Presidential Goal 4: Metrics

Decrease critical audit findings

- Decrease the number of critical financial and compliance audit findings (<u>allow for two cycles to resolution</u>).

- Implement reports designed to increase university leadership's awareness-of and responsiveness-to critical internal audit recommendations.

- Increase divisional responsiveness to requests from Internal Audit such that requested information that is available in an acceptable format is provided within 3 working days, and most other requested information is provided within 10 working days.

New Internal Audit Agreement

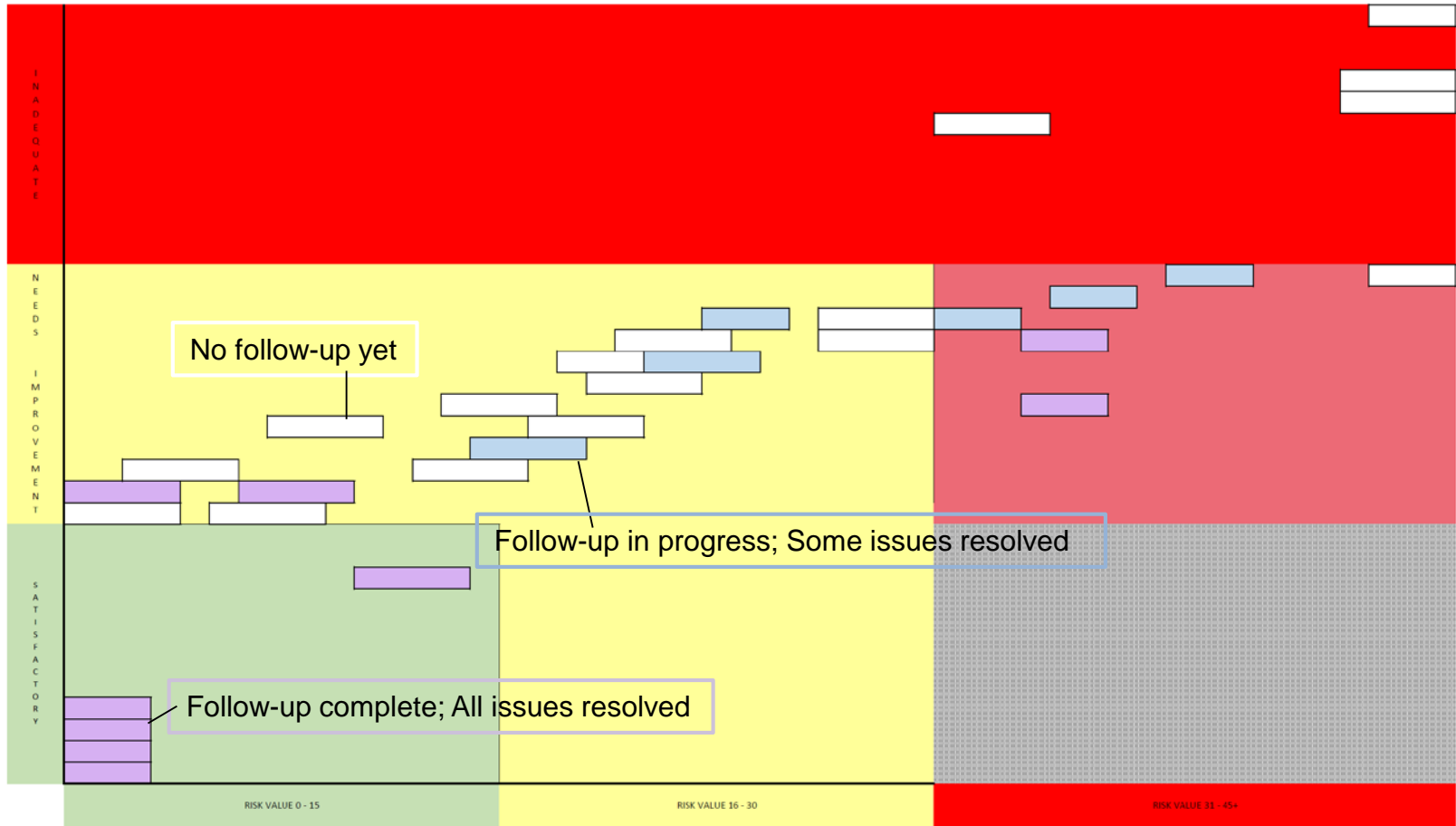| The Internal Auditor	The Auditee
• Provide notification of the need to complete fieldwork in the department's office two business days in advance, at minimum.	• Provide an in-office workspace for the auditor, as well as timely access to the working area, department personnel, and records necessary to complete audit work.
• Offer a verbal or written interim report if the audit takes significantly longer than originally anticipated.	• For audit requests of items which are in existence (i.e. files, reconciliations), provide item(s) to the auditor within three business days.
• Provide notification if additional testing is required that falls outside the original scope of the audit.	• For audit requests of items not in existence (i.e. data extracts), provide item(s) to the auditor within ten business days. If this is not feasible, contact Internal Audit Director within five business days of the initial request to determine a mutually acceptable time-line.
• Consider any special requests from the auditee to perform additional testing of specified areas of concern.	• Provide responses to audit report recommendations within two weeks of the auditor's request unless an extension is requested of and granted by the Internal Audit Director.
• Conduct a meeting to discuss all preliminary audit findings with department representative(s) before the draft of the internal audit report is issued.	
• Provide draft report to department and allow two weeks for department representatives to provide responses to all audit report recommendations.	
• Conduct an exit conference to discuss any questions and planned management responses to audit report recommendations.	

New Reporting Format

Internal Audit Results with Risk Values

RISK STATUS GUIDE:
- = no internal audit follow-up conducted yet
- = internal audit follow-up in progress - some issues resolved
- = internal audit follow-up complete -ALL issues resolved

Audit Opinion

INADEQUATE

NEEDS IMPROVEMENT

SATISFACTORY

No follow-up yet

Follow-up in progress; Some issues resolved

Follow-up complete; All issues resolved

RISK VALUE 0 - 15   RISK VALUE 16 - 30   RISK VALUE 31 - 45+

Risk Ranking   0 ⟶ 45

Presidential Goal 4: Metrics

Increase transparent practices

- Post [President's Travel and Hospitality Expenses](#) to Web (quarterly) starting in FY18.

- Implement the University Budget Process recommended by Executive Budget Committee (EBC), including expectation that EBC will engage NIU's Resource, Space and Budget Committee, and thereby facilitate involvement of the larger NIU community in the budget process. Expectation is to have budget process 100% determined in FY18 and fully implemented for FY19.

- Decrease ambiguity associated with NIU policies and procedures by implementing policy library, and university-level compliance program.

Budget Development: FY19

The process created by the Executive Budget Committee (EBC) in fall 2017 was deployed in spring 2018:

- Base revenue and expense forecasts were created and shared.

- Divisions developed scenarios that were used to inform preliminary targets.

- University leaders, including members of the senior roundtable, and the leadership of the Resource Space and Budget (RSB) Committee and the Academic Planning Council (APC), met to discuss the budget scenarios and their impacts.

- After an assessment of university priorities, review of proposed actions and consideration of plans for the future, specific targets were finalized and then implemented for each division.

- The Acting EVP/Provost and the VP Administration and Finance/CFO updated the university community throughout the budget development process, issuing joint statements at key decision points.

Budget Process: Planned Refinements

The university is considering further refinements to the budget development process, and the EBC will be making specific recommendations about:

- Phasing out the separate "unfunded requirements" process and integrating such university priorities and needs into annual budget development.

- Integrating capital planning and space allocation into annual budget development

- Working toward multi-year budget development for implementation in FY20 for FY21 and beyond.

- Establishing budget/financial training for RSB and APC members, divisional business managers and financial representatives to increase their capacity for informed participation in the process.

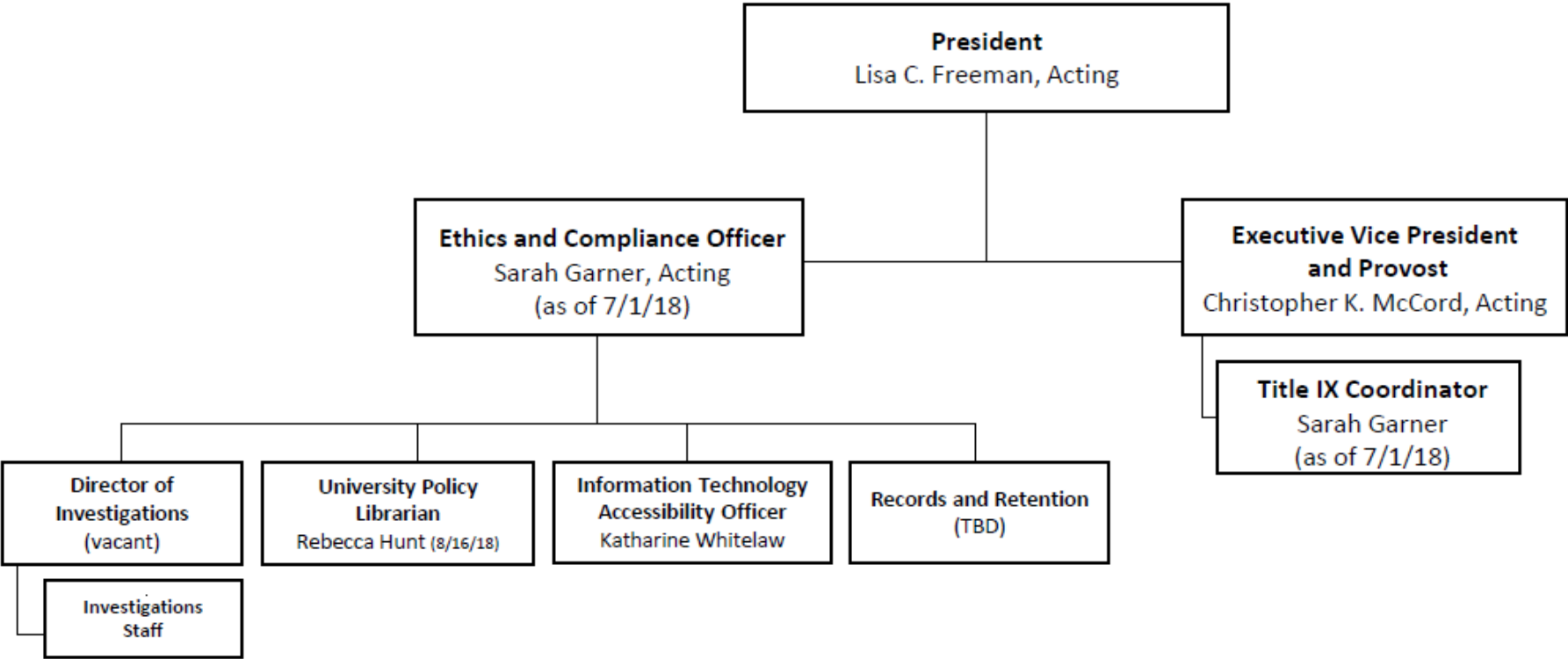- Assessing the timing of the budget development process.

Presidential Goal 4: Metrics

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Ethics and Compliance Organizational Chart

President
Lisa C. Freeman, Acting

Ethics and Compliance Officer
Sarah Garner, Acting
(as of 7/1/18)

Executive Vice President and Provost
Christopher K. McCord, Acting

Title IX Coordinator
Sarah Garner
(as of 7/1/18)

Director of Investigations
(vacant)

University Policy Librarian
Rebecca Hunt (8/16/18)

Information Technology Accessibility Officer
Katharine Whitelaw

Records and Retention
(TBD)

Investigations Staff

Questions