# QUARTERLY BUSINESS OFFICERS MEETING

MARCH 2022

# TODAY'S AGENDA

I.    Change Management 5 Minute Tip– Blair Wagner

II.   Competition with Private Enterprise– Gay Pelzer

III.  UIOWA Online Payments- Transact Payments Cashnet–  Jonathan Pacheco

IV.   HR Transaction Hub Project– Dan Schropp & Blair Wagner
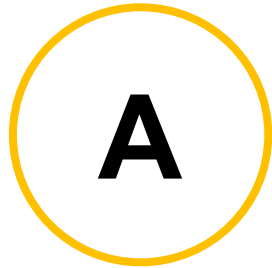
V.    Internal Audit Processes and Findings- Chad Sharp

# CHANGE MANAGEMENT 5 MINUTE TIP
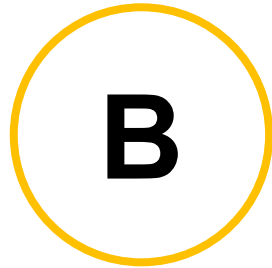
BLAIR WAGNER,  ORGANIZATIONAL CHANGE MANAGER

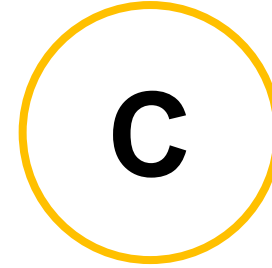# 3 primary roles of sponsors in change initiatives

## ABCs of Sponsorship

**A**

**Actively** and visibly participate throughout the project

**B**

**Build** a coalition of sponsorship with peers and managers

**C**

**Communicate** directly with employees

**Active and Visible Participation Throughout**

## Role and Responsibilities

- Sponsorship is more than signing the check and "kicking the initiative out the door"

**Examples include:**

- ❑ Set expectations and establish clear objectives for the project
- ❑ Hold the team accountable for results
- ❑ Attend frequent project review meetings and actively review progress
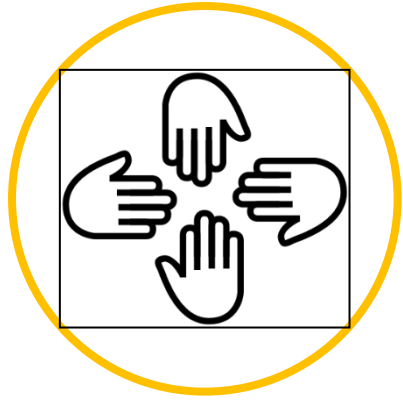
**B**uild a
Coalition
of Support
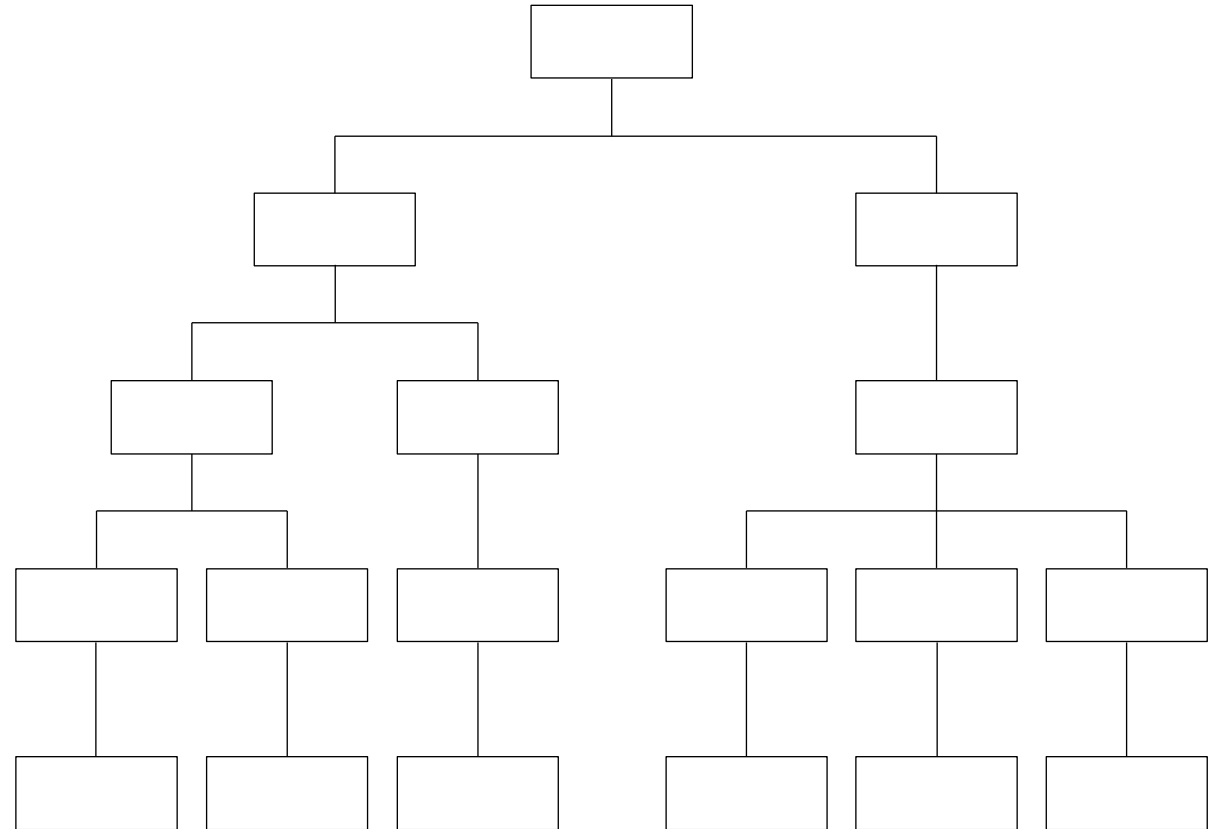
- The coalition is not just an organizational chart

- The coalition is based on 'who is being impacted'
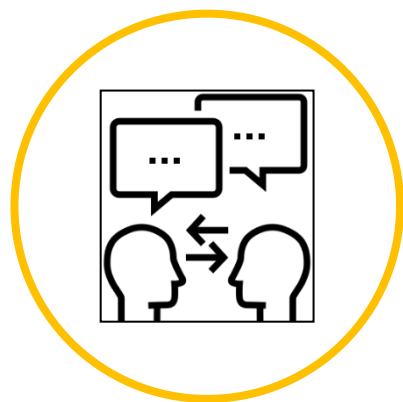
**C**ommunicate Directly With Employees

? What?

? Why?

? Why now?

? What is the risk of not changing?

? Alignment to our organization's strategy?

# Office of the General Counsel

**IOWA**

**Competition with Private Enterprise**

*Gay Pelzer, Deputy General Counsel*

Q1 2022 Business Officers Meeting

# Iowa Law

Iowa Code Chapter 23A – Noncompetition by Government

*Restricts government entities, like the University, from competing with private enterprise, unless authorized by statute, rule, ordinance, or regulations. Other public entities, such as school districts, cities, etc. are not considered private enterprise.*

# BOR and University of Iowa Policies

Regents institutions shall not engage in competition unless the activity will assist in the education, research, extension, or service mission of the institution.

*Institutions, to fulfill their missions, occasionally provide goods and services which enhance, promote, or support the instructional, research, public service, and other functions to meet the needs of students, faculty, staff, patients, visitors, and members of the public participating in institutional events.*

More information is available here:

https://opsmanual.uiowa.edu/administrative-financial-and-facilities-policies/competition-private-enterprise

# Exemptions

There are several exemptions of these limitations, generally related to goods, products, and services which enhance, promote or support the instructional, research, public service, and other functions to meet the needs of students.

Examples:

- o Goods and services directly related to the educational mission of an institution

- o Goods and services offered only to students, employees or guest of the University and which cannot be provided by private enterprise at the same or lower costs

- o Goods and services not otherwise available in the quantity or quality required by the University

# Exemptions

Additional Examples:

- Telecommunications other than radio or television stations

- Sponsoring or providing facilities for fitness and recreation

- Food service and sales

- Sale of books, records, tapes, software, educational equipment, and supplies

- Residence Halls

- Radio and TV stations

# Exemptions

Additional Examples:

- o Student transportation

- o Sponsoring/providing facilities for athletic and cultural events

- o Provision of services to patients and visitors at UIHC

- o Goods, products, or professional services which are produced, created, or sold incidental to the schools' teaching, research, and extension missions

# University Committee and Community Concerns

o Six members

o Meet on an as-needed basis

- Address concerns raised by members of the public.
    - Private enterprise may file a complaint with the University.

- Review proposed activities by Departments/Colleges and make recommendations to the Senior Vice President for Finance & Operations

# Recent Examples

# Questions?

IOWA

# UIOWA ONLINE PAYMENTS – TRANSACT PAYMENTS CASHNET

JONATHAN PACHECO, TREASURY OPERATIONS

# WHY OFFER A CENTRAL E-COMMERCE SOLUTION?
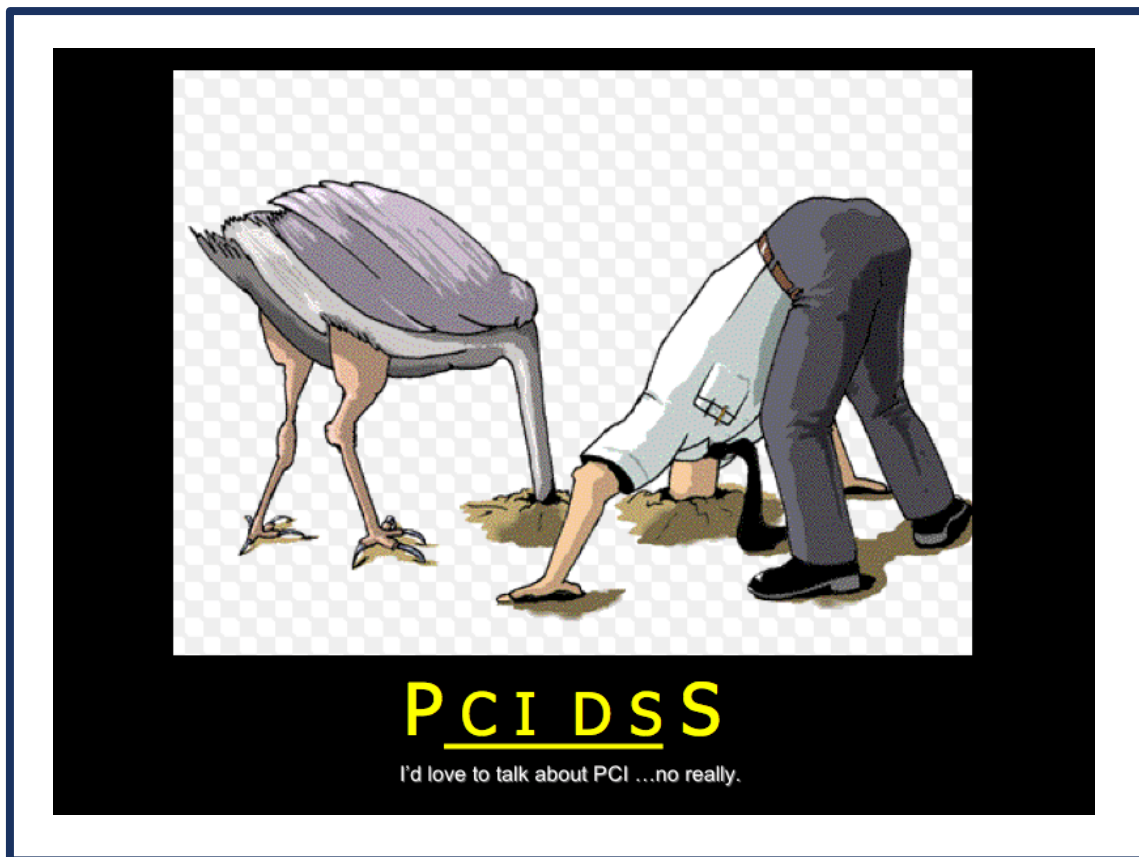


- Risk management – PCI audit recommendation to reduce the University's PCI Scope

- Provide an approved user-friendly solution for University departments

# CENTRAL E-COMMERCE SOLUTION

- Departments want to quickly and efficiently accept credit cards online (not always secure)

- ITS developer resources always strained

- Treasury Operations led RFP in 2021 for central solution

# TRANSACT PAYMENTS CASHNET



TRANSACT
Payments powered by Cashnet®

- Online Credit Card Payments
  - Sales of goods
  - Registration for conferences or events
  - Payment for services
- All-in-One Solution
  - Little to no ITS resources required
  - LOWEST PCI COMPLIANCE HURDLE

# IMPACT TO DEPARTMENTS



- **Department**

  - Simple online storefront to accept credit card payments

  - Revenue posts to single MFK (provided during request)

  - Fees: 3% of credit card sales

- **Treasury Services and ISPO**

  - PCI Compliance managed by Treasury Operations and ISPO (HOORAY!!)

# STOREFRONT SUCCESS

- 36 storefronts

- 1,000 sales

- $65,000 revenue

  - https://commerce.cashnet.com/CLASPLSC

  - https://commerce.cashnet.com/DSL03

  - https://commerce.cashnet.com/COEDHM

# CASHNET STOREFRONT DETAILS

- Deeper Dive
  - Request new storefront
  - Complete compliance course (ICON)
  - Operator management
  - Build storefront
  - Customizable reporting
  - Revenue posting daily by eDeposit
  - Monthly fee posting by eDeposit

# CASHNET PROJECT STATUS

- Current State
    - Accepting new Cashnet storefront requests
    - Please allow 1-2 weeks for approval and setup
    - New Cashnet Storefront Request Application

- April/May 2022
    - Treasury Operations will contact eligible existing e-commerce merchants
    - Work to migrate online payments to Cashnet

- Contact: treasury-creditcards@uiowa.edu or jonathan-pacheco@uiowa.edu

- QUESTIONS?

# HR TRANSACTION HUB PROJECT

DAN SCHROPP, SR. DIRECTOR, UNIVERSITY WORKFORCE OPERATIONS, HUMAN RESOURCES

BLAIR WAGNER, ORGANIZATIONAL CHANGE MANAGER

# HR Transaction Hub project

*Business Officers meeting – March 24, 2022*

University Human Resources

**Agenda**

- Goals
- Phased Implementation
- Project Status
- Implementation team
- Governance Committee
- Training update
- Change Management

## Goals

➢ Defined and primarily dedicated HR Transactional Expert

➢ Clear point of contact for local Org/College

➢ Focus on efficiency through standardization and consistent application of policy/practice

➢ Improved accuracy in transaction creation leading to a better employee experience

➢ HR Transaction Community – training group that will transition into a cohort of transaction specialists

# IOWA

## HR Transaction Hubs & I-9
### Org Implementation Process

# Implementation Process

### Phase 1 - PLAN

Form your **implementation team**

Review **transaction** & **I-9 data** & discuss **current climate**

Define your **hub vision** & identify **key stakeholders**

Prepare for **change in your org**

### Phase 2 – BUILD & IMPLEMENT

Implement your **change management plans**

Select **hub members** & **I-9 processors**

Review/revise **local processes** & **roles**

Train **key stakeholders** on **local processes** & **roles**

Provide training on **HR Transaction System** and **I-9's**

Adjust **system access**

### Phase 3 - SUSTAIN

Introduce your **hub members** to the **U Iowa Hub Community**

Review **performance**

Activate **sustainment**

**Close** project

# Current Implementation Summary

## HR Transaction Hub Implementation Progress

| Not Started | Plan | Build & Implement | Sustain | Completed |
|---|---|---|---|---|

**Not Started**
- College of Law
- College of Public Health
- VP for Strategic Communications
- Oakdale Campus
- College of Dentistry
- Tippie College of Business

**Plan** — Phase 1
- Office of the President / General Counsel / UHR
- College of Pharmacy

- VP of Research
- University Hygienic Lab
- Division of Student Life / Student Health and Wellness

- ITS

- College of Education

**Build & Implement** — Phase 2
- Office of the Provost & University College

- College of Engineering
- Graduate College

- College of Liberal Arts and Sciences

- College of Nursing

**Sustain** — Phase 3
- University Libraries

**Completed**
- Finance & Operations
- Intercollegiate Athletics

IOWA

**Implementation Team**

➢ Senior HR Leader
➢ Business Officer
➢ Blair Wagner, Nichole Singer or Heidi Zahner-Younts – Project Coordination and Change Management
➢ Dan Schropp – Project Lead
➢ Laura Prince – I-9 Lead
➢ Others as needed, per Org unique needs

## Governance Committee

- ➢ Cheryl Reardon
- ➢ Jan Waterhouse
- ➢ Terry Johnson
- ➢ Sriram Chari
- ➢ Dan Schropp
- ➢ Blair Wagner

# Training

➢Training – Hybrid

➢Online ICON

➢Progress Update

## Change Management

➢ **Assessment: high/med/low risk**
➢ **Change Management Plans:**
  ➢ Communication
  ➢ Sponsor
  ➢ Supervisor support
  ➢ Training
➢ **Post-implementation**
  ➢ Listen to employees
  ➢ Audit compliance

# QUESTIONS?

University Human Resources

**IOWA**

University Human Resources

# INTERNAL AUDIT PROCESSES AND FINDINGS

CHAD SHARP, CIA, CISA, CFE

ASSISTANT DIRECTOR OF INTERNAL AUDIT

# UI INTERNAL AUDIT TEAM

Lydia Weinand
Auditor

Lindsey Schmidt
MA
Auditor

Kip Druecker
CPA, CISA
Audit Manager

Debra Johnston
MBA, CIA, CISA, CFE
Chief Audit Executive
Board of Regents

Chad Sharp
MBA, CIA, CISA, CFE
Assistant Director

Doug Land
Auditor

Julie Appleget
CIA, CISA, CFE
Auditor

Vacant
Auditor

James Pitcher
MBA, CPA, CFE
Senior Auditor

Renae Miller
Audit Executive Assistant

Sam Wallace
M.Acc, CIA
Auditor

Terry Gromacki
CISA
IT Auditor

# INTERNAL AUDIT APPROACHES

- Risk-based approach used for audit selection and fieldwork testing.

- Consider specific requests from the Board of Regents (BOR) or senior leaders.

- Use an established transparent audit methodology based on Institute of Internal Audit standards.

- Quality Assurance Review in fall of 2017 = Generally Conforms rating.

- Business and operational processes, information technology, compliance with various rules/regulations and fraud work.

# AUDIT PROGRESS

| | | FY 2021 | FY 2022 |
|---|---|---:|---:|
| | **Audits:** | | |
| | Original Audits Planned | 45 | 49 |
| | Added During Year | 6 | 1 |
| | Totals | 51 | 50 |
| | | | |
| | Completed | 33 | 23 |
| | In Progress | 10 | 9 |
| | Deferred | 0 | 2 |
| | Cancelled | 8 | 4 |
| | Totals | 51 | 50 |

# DEPARTMENTAL AUDITS

1. Business Planning and Practices
2. Financial Management
3. Compliance and Internal Controls
4. Human Resources
5. Information Technology
6. Inventory and Capitalized Equipment
7. Revenue Cycle and Funding Streams

# BUSINESS PLANNING AND PRACTICES

- Documented business continuation and disaster recovery plans

- Up-to-date operational procedures

- Manual processes

# FINANCIAL MANAGEMENT

- Timely MFK reconciliations

- Manual billing processes

- Cash handling procedures
  - ✓ Outdated cash handling policies
  - ✓ Segregation of duties
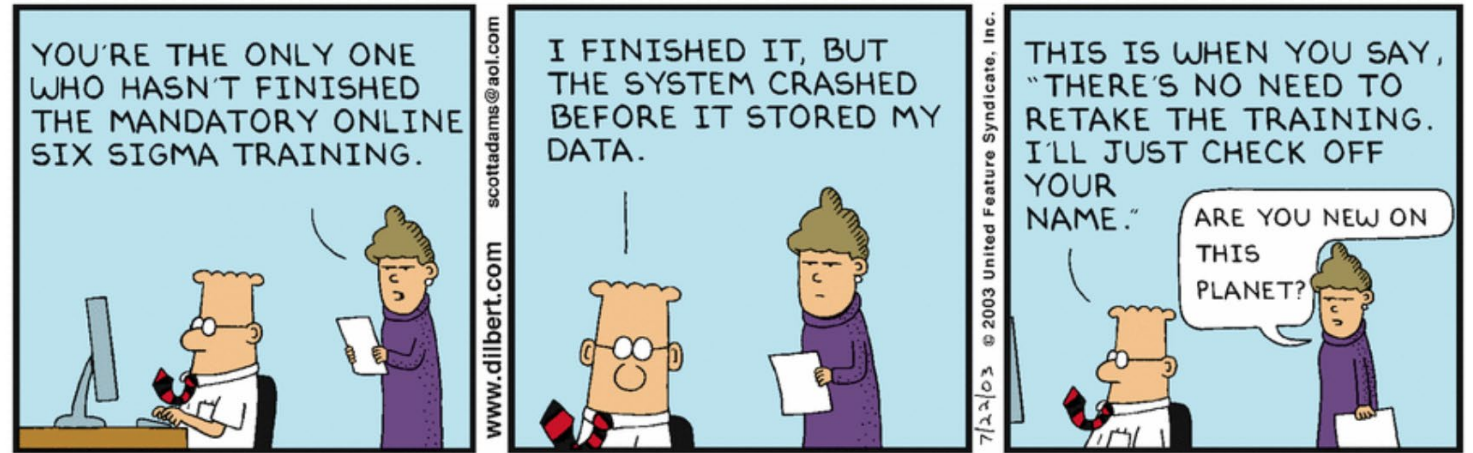
# COMPLIANCE AND INTERNAL CONTROLS



- Excessive or unauthorized building access

- Outdated policies

# HUMAN RESOURCES

- Time tracking and leave reporting

- Staff training – various areas

- Adequate staffing levels

# INFORMATION TECHNOLOGY



off the mark.com by Mark Parisi

WHAT DID I TELL YOU ABOUT USING 12345 AS YOUR PASSWORD?

...HACKED...
...HACKED...
...HACKED...
...HACKED...
...HACKED...

© Mark Parisi, Permission required for use.

- System access controls

- Computer management

- Change management procedures

# INVENTORY AND CAPITALIZED EQUIPMENT

© MARK ANDERSON, WWW.ANDERTOONS.COM

"You've got oink oinks here, cluck clucks there, and the moo moos are everywhere! You have got to get a handle on this inventory!"

- Inventory and supply management
  - ✓ Inaccurate and missing inventory
  - ✓ Inventory procedures / inadequate monitoring
  - ✓ Unrestricted access to inventory

# REVENUE CYCLE AND FUNDING STREAMS

- Missed/inefficient billing
- Operational process delays
- Key performance indicators

# FY 2022 AUDIT PLAN

| Audits and Reviews | Hours | Percent |
|---|---|---|
| Active Directory | 250 | 1.3% |
| Auto Audit Upgrade | 125 | 0.7% |
| Biochemistry Stores Carry Over | 250 | 1.3% |
| Clery Act | 300 | 1.6% |
| Clinical Staff Office | 250 | 1.3% |
| College of Nursing | 250 | 1.3% |
| COVID-19 Pay Practices Carry Over | 200 | 1.1% |
| CT Surgery | 250 | 1.3% |
| Degowin Blood Center | 250 | 1.3% |
| Endpoint Protection | 100 | 0.5% |
| Epic CareConnect | 250 | 1.3% |
| Epic MyChart | 250 | 1.3% |
| Facilities Management IT | 250 | 1.3% |
| Food & Nutrition Services | 250 | 1.3% |
| Grant Accounting | 250 | 1.3% |
| Home Ticket Revenue FY21 Carry Over | 30 | 0.2% |
| Home Ticket Revenue FY22 | 100 | 0.5% |
| Hygienic Lab Tests of Public Health Significance Carry Over | 100 | 0.5% |
| Iowa River Landing Carry Over | 250 | 1.3% |
| ITS Software Change Management Carry Over | 200 | 1.1% |
| Joint Office for Clinical Outreach Services Carry Over | 250 | 1.3% |
| NCAA Compliance Coaching Staff Limits and Contracts | 80 | 0.4% |
| NCAA Compliance Extra Benefits-Student Athlete Vehicles | 50 | 0.3% |
| NCAA Compliance Representatives of the University's Athletics Interests | 80 | 0.4% |
| Neurology | 250 | 1.3% |
| Nursing Pay Practices | 250 | 1.3% |
| Occupational Health Billing | 150 | 0.8% |
| Office of the President | 150 | 0.8% |
| Office of the Provost | 150 | 0.8% |
| Offsite Clinics | 250 | 1.3% |
| Otolaryngology | 300 | 1.6% |
| Outsourced Bookstore | 150 | 0.8% |

| | Hours | Percent |
|---|---|---|
| P3 Annual Funding Processes | 250 | 1.3% |
| Pathology | 250 | 1.3% |
| PFS SPROG | 250 | 1.3% |
| Qgenda Carry Over | 150 | 0.8% |
| Recreational Services | 250 | 1.3% |
| Remote Working Data Security and Equipment Carry Over | 200 | 1.1% |
| Research Data Governance | 250 | 1.3% |
| Research Participant Compensation | 150 | 0.8% |
| Salesforce Carry Over | 200 | 1.1% |
| Section 117 Reporting | 300 | 1.6% |
| StarRez | 250 | 1.3% |
| Student Athlete Name Image & Likeness | 250 | 1.3% |
| Student Disiplinary Processes | 250 | 1.3% |
| System Hardening | 250 | 1.3% |
| UIHC Dialysis | 250 | 1.3% |
| UIP Compensation Plan | 250 | 1.3% |
| University Housing and Dining Key Management | 250 | 1.3% |
| Annual Risk Assessment | 450 | 2.4% |
| EthicsPoint | 300 | 1.6% |
| Follow-Up Audits | 858 | 4.6% |
| Unallocated Hours | 1,966 | 10.5% |
| **Subtotal** | **13,839** | **74.2%** |
| **Other Audit Responsibilities** | **Hours** | **Percent** |
| Administration | 2,902 | 15.6% |
| Committee Participation | 425 | 2.3% |
| Performance Evaluations | 116 | 0.6% |
| Professional Development | 640 | 3.4% |
| Staff Meetings | 734 | 3.9% |
| **Subtotal** | **4,817** | **25.8%** |
| **Total** | **18,656** | **100.0%** |

# FRAUD

Be on the lookout for:

- Employees who have their own business
- Significant change in behavior
- Delivery of goods to someone's home
- Procurement card usage
- Time and attendance accuracy
- Cash handling (SOD)
- Diversion of any kind of inventory

# KCCI – JULY 8, 2021

# ISU employee accused of mishandling $115K in credit card fraud

**AMES, Iowa —** An Iowa State University employee is accused of mishandling the school's money.

Investigators say 25-year-old Miranda Richmann put more than $115,000 on a credit card shared between certain employees.

She is accused of using that card at several banks, Target, Venmo and Walmart. It's issued to be used only for work-related items.

When police contacted her, she admitted to using the card to pay her attorney fees and other debt.

She was arrested and charged with three counts of unauthorized use of credit card and has since bonded out of the Story County Jail.

According to the university's website, Richmann is a secretary in the Human Development and Family Studies Department.

Iowa State University Statement:

*Iowa State University Police were contacted in early June about questionable transactions attempted by an employee using a procurement card, also known as a p-card. Through their investigation, police and procurement specialists identified several fraudulent charges and attempted charges by the employee. Based on this information, ISU Police arrested the employee.*

*Iowa State has established policies to protect against fraudulent use of a p-card and to restrict certain purchases. Employees issued a p-card are required to complete mandatory training on proper card use. They also must submit documentation and receipts within 30 days of any purchase as part of the verification process. All transactions are reviewed by procurement specialists.*

*Because of these policies, procurement specialists were able to identify the questionable transactions and report them to ISU Police. Many of the attempted fraudulent purchases – a total of nearly $128,000 – were denied as unauthorized by various vendors. The employee fraudulently obtained approximately $3,900 worth of goods and services for their own benefit. The employee is no longer with the university.*

# DMR – DEC 2, 2021

Between Sept. 3, 2013, and April 2, 2020, Eccleston made eight authorized purchases from Walmart, according to the audit. But Eccleston also made more than $17,000 in personal purchases from Walmart during that period, according to the audit.

**NEWS**

## State audit finds former Promise City clerk misspent almost $57,000, paid herself double what she was owed

**Philip Joens**
Des Moines Register

Published 2:36 p.m. CT Dec. 2, 2021

**View Comments**

A former city clerk in a southern Iowa town, population 110, misused almost $57,000 in municipal funds, including paying herself nearly twice what she was owed, according to a report from the Iowa State Auditor.

Debra Eccleston should have earned between $125 and $200 monthly as a part-time clerk for the Wayne County's Promise City from February 2012 to July 2020.

From September 2013 and July 2020, Eccleston should have been paid $13,483 for her work for the city, according to the audit. Instead she was paid $26,694.59.

Eccleston also incorrectly calculated payroll withholdings for another part-time public works employee, the audit said.

In an interview, State Auditor Rob Sand said that, like many small towns, Promise City's elected officials did not provide very much oversight over city employees.

Eccleston and another woman run the Hungry Cow at The Book Barn, a book store and café in Centerville. Many of the purchases from Walmart included books and food, according to the audit. City checks were issued to Walmart to purchase pet supplies, a prescription, beauty items, a toaster, accent rugs and other household goods, the audit said.

"Promise City does not have a public library and there would be no need for Ms. Eccleston to purchase books, food, or tags for the city," the audit said.

The former clerk improperly spent about $2,000 on things like credit card bills, internet bills and produce at a Centerville grocery store, the audit found. The audit also found Eccleston spent $9,665.19 in city funds on utility payments for her home and the Hungry Cow and Book Barn.

A woman who answered at the Hungry Cow said Eccleston was not available. The state auditors also reported she was not available to them.

"We contacted Ms. Eccleston to inquire about the improper and unsupported disbursements identified and the undeposited sewer billings; however, she reported she needed to check her schedule before meeting with us and stated she would get back to us. When she did not contact us, we attempted to reach her on several occasions, but she did not return voice mail messages left on her phone," the audit said.

Eccleston resigned from the city job on May 4, 2020. She worked as the city clerk until July 21, 2020, when a replacement was found.

# ETHICS



- The University of Iowa recognizes its obligation to maintain the highest ethical standards.

- Policy compliance is a shared responsibility that depends on individuals voicing their concerns.

# ETHICSPOINT

- The Ethicspoint site provides an anonymous, confidential way to report potential issues.

- The university will address reports promptly and discreetly, sharing facts only with personnel needed to investigate and resolve the matter.

- Go to https://uiowa.edu/ethics for more information.



University of Iowa Confidential Hotline
If you have a concern about possible misconduct or violation of University policy, we encourage you to contact one of the resources listed at uiowa.edu/ethics.

THE UNIVERSITY OF IOWA
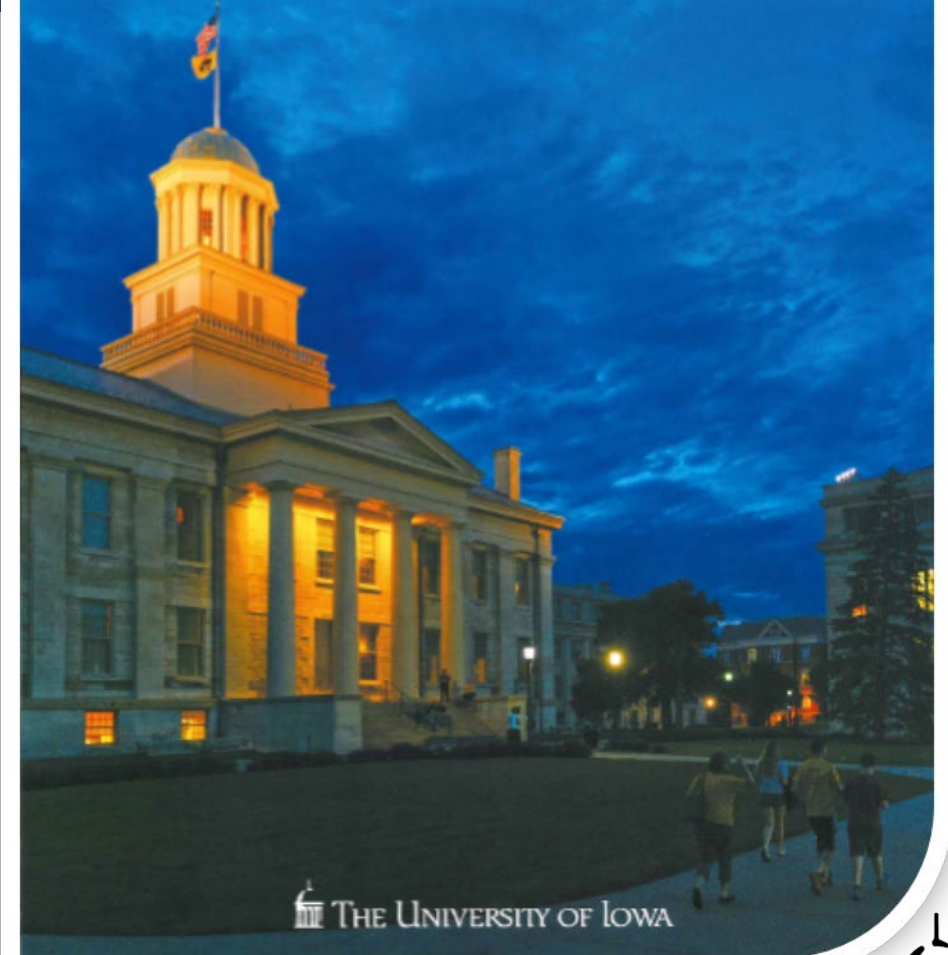
# FRAUD TRIAGE COMMITTEE

- Josey Bathke
- Zach Furst
- Deb Johnston
- Terry Johnson
- Rachel McGuire
- Carroll Reasoner

- Chad Sharp
- Doug Vance
- Jan Waterhouse
- Lucy Wiederholt
- Debby Zumbach

# THANK YOU!

For more information on the Office of Internal Audit, please visit our website at https://audit.org.uiowa.edu/