Agenda

• **Change Management 5 Minute Tip** – Blair Wagner

• **Internal Audit Processes and Findings** – Chad Sharp

• **BI Reporting** – John Watkins

• **Year End Financial Compliance** – Rachel McGuire
INTERNAL AUDIT PROCESSES AND FINDINGS

CHAD SHARP, CIA, CISA, CFE
ASSISTANT DIRECTOR OF INTERNAL AUDIT
UI INTERNAL AUDIT TEAM
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 2022 = Generally Conforms rating.
- Business and operational processes, information technology, compliance with various rules/regulations and fraud work.
1. Administrative Controls
2. Financial Management
3. Human Resources
4. Information Technology
5. Inventory
6. Revenue Cycle and Funding Streams
7. Recharge Centers
ADMINISTRATIVE CONTROLS

- Documented BCP/DRP
- Up-to-date operational procedures
- Outdated policies / policies that conflict with institutional policies
- Manual processes
- Excessive or unauthorized building access
- Key Person Risk – Over dependency on one individual
- Record Retention
- Workflow Paths
- Course Materials Adoption
FINANCIAL MANAGEMENT

- Timely MFK reconciliations
- Cash handling procedures
  - Outdated cash handling policies
  - Segregation of duties
- Time tracking and leave reporting
- Staff training – various areas
- Onboard & Offboarding checklists
- Special Compensation
INFORMATION TECHNOLOGY

- User access controls
- Computer management
- Change management procedures
- Vulnerability & Patch Management
- Local databases
- Inventory
INVENTORY

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

"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!"
REVENUE CYCLE AND FUNDING STREAMS

- Missed/manual billing
- Operational process delays
- Key performance indicators
RECHARGE CENTERS

- Rate Setting
- Departmental oversight
FY 2023 AUDIT PLAN

<table>
<thead>
<tr>
<th>Audits and Reviews</th>
<th>Hours</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Directory</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>Athletics IT</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>Auto Audit Upgrade</td>
<td>125</td>
<td>0.7%</td>
</tr>
<tr>
<td>Bi-Weekly Pay Adjustments</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>Bright Horizons Daycare</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>Center for Disabilities and Development</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>Center for Inclusive Academic Excellence</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>Dental School</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>Continuing Eligibility</td>
<td>150</td>
<td>0.8%</td>
</tr>
<tr>
<td>CT Surgery Carry Over</td>
<td>40</td>
<td>0.2%</td>
</tr>
<tr>
<td>Department of Neurosurgery</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>Department of Pediatrics</td>
<td>300</td>
<td>1.7%</td>
</tr>
<tr>
<td>English as a Second Language</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>EpicCare UNK Carry Over</td>
<td>175</td>
<td>1.0%</td>
</tr>
<tr>
<td>Epic MyChart</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>Fraternal Order of Eagles Diabetes Research Center</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>Home Ticket Revenue</td>
<td>100</td>
<td>0.6%</td>
</tr>
<tr>
<td>Home Ticket Revenue FY22 Carry Over</td>
<td>40</td>
<td>0.2%</td>
</tr>
<tr>
<td>Information Blocking - CARES Act</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>License Plate Recognition System</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>National Advanced Driving Simulator</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>North Liberty Hospital Construction</td>
<td>200</td>
<td>1.1%</td>
</tr>
<tr>
<td>Nurse Practitioner Billing</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>Nursing Recruitment Processes</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>Office of the Registrar</td>
<td>250</td>
<td>1.8%</td>
</tr>
<tr>
<td>Other Audit Responsibilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td>2,909</td>
<td>16.1%</td>
</tr>
<tr>
<td>Committee Participation</td>
<td>438</td>
<td>2.4%</td>
</tr>
<tr>
<td>Performance Evaluations</td>
<td>114</td>
<td>0.6%</td>
</tr>
<tr>
<td>Professional Development</td>
<td>620</td>
<td>3.6%</td>
</tr>
<tr>
<td>Staff Meetings</td>
<td>714</td>
<td>4.0%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>18,069</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Price Transparency Rule
Psychological and Brain Sciences
Agenda Carry Over
Recreational Services Carry Over
Revitalize U Med Spa and Salon
Section 237 Reporting Carry Over
Siemens Enterprise Agreement
Sports Clubs
StarRez
State Hygienic Lab Research Administration
UI Institute of Vision Research
UIHC Respiratory Care
UIHS - Pediatric Associates
University Catering
University Housing and Dining Key Management
University Shared Services
Vendor Management
Annual Risk Assessment
EthicsPoint
Follow-Up Audits
Unallocated Hours

Total: 13,274

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
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.
Audit finds thousands in resources for cancer patients at Univ. of Iowa Hospitals unaccounted for

By Kristin Rogers
Published: Apr. 26, 2022 at 4:52 PM CDT  |  Updated: Apr. 26, 2022 at 5:31 PM CDT

CEDAR RAPIDS, Iowa (KCRG) - An audit by the state found more than $17,000 intended for hospital patients at the University of Iowa Hospitals and Clinics went unaccounted for. The report names a former employee, Anna Hernandez who was at the center of the audit. Hernandez was in charge of overseeing gift cards and donations to support patients.

UIHC says it requested the audit after noticing some initial discrepancies when it came to funds. The money that’s unaccounted for is mostly gift cards intended to help ease the burden for hospital patients and their families.

‘Here we had thousands of dollars of gift cards that are supposed to go to cancer patients that just aren’t there,’ said Auditor Rob Sand.

Sand told TV9 hospital policies should change to try and keep something like this from happening again.

‘It’s now going to be up to University of Iowa Hospitals to put a better system in place to make sure that these funds are appropriately taken care of,’ he said.

The report found the majority of money missing is in gift cards from various groups that work to help patients, like the ‘Aiming for a Cure Fund’ and ‘Adolescents and Young Adults Fund’ just to name a couple.

‘You’ve got families, often times kids, or families with kids who are going through one of the most difficult health issues that someone can imagine and there’s a system in place there to support them and lighten their burden and yet because of maybe theft, maybe bad record keeping, now there’s a lack of trust because of what happened with these funds,’ said Sand.

UIHC sent us a statement Tuesday: ‘The University of Iowa requested the audit by the Office of Auditor of State after discovering the initial discrepancies. The University of Iowa takes seriously its fiduciary responsibility to spend taxpayer, research and charitable dollars wisely and has several procedures in place to ensure this happens.

The individual who was the focus of the audit resigned from the University of Iowa in November of 2020.

We thank the auditor for their thorough work.’

The audit looked at the finances of the UIHC Care Coordination Division from a decade ago through 2020.

‘Here we had thousands of dollars of resources that are supposed to go to cancer patients and their families and they’re unaccounted for,’ explained Sand.

https://www.kcrg.com/2022/04/26/audit-finds-thousands-resources-cancer-patients-uihc-unaccounted/
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.
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://secure.ethicspoint.com/domain/media/en/gui/9723/index.html for more information & to file report.
ETHICSPOINT – MOBILE SITE

- https://uiowa.navexone.com
FRAUD TRIAGE COMMITTEE

- Josey Bathke
- Zach Furst
- Deb Johnston
- Terry Johnson
- Rachel McGuire
- Jamie Jorgensen

- 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/
Business Services Portal

Purchasing, Accounts Payable, and Travel Information

June 15, 2023
Business Services Portal

- **Business Services Portal** is in UI Campus Data (data.uiowa.edu)

- 3 Campus Audiences
  - Transactional Users
  - Business Officers
  - Inventory Business Unit Users

<table>
<thead>
<tr>
<th>Transactional User Report Usage</th>
<th>Avg Monthly Users</th>
<th>Avg Monthly Sessions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open Purchase Orders</td>
<td>13</td>
<td>21</td>
</tr>
</tbody>
</table>
## Business Officer Reports

<table>
<thead>
<tr>
<th>BI Tool</th>
<th>Avg Monthly Users</th>
<th>Avg Monthly Sessions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement Transaction Review</td>
<td>9</td>
<td>22</td>
</tr>
<tr>
<td>ProTrav Procurement Card Explorer</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>ProTrav Travel Explorer</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Purchasing Spend Explorer</td>
<td>16</td>
<td>30</td>
</tr>
</tbody>
</table>
## Inventory Business Unit Reports

<table>
<thead>
<tr>
<th>BI Tool</th>
<th>Avg Monthly Users</th>
<th>Avg Monthly Sessions</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBU Operations Dashboard</td>
<td>19</td>
<td>50</td>
</tr>
<tr>
<td>IBU KPI Dashboard</td>
<td>7</td>
<td>17</td>
</tr>
<tr>
<td>Inventory Replenishment</td>
<td>13</td>
<td>99</td>
</tr>
<tr>
<td>Inventory Items Received</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>Inventory Usage Activity</td>
<td>9</td>
<td>14</td>
</tr>
<tr>
<td>Inventory Item Catalog</td>
<td>6</td>
<td>14</td>
</tr>
</tbody>
</table>
Questions?

John E. Watkins
Director, Project Management
Business Services

319-384-1340
john-e-watkins@uiowa.edu

uiowa.edu
# Year End Financial Compliance

<table>
<thead>
<tr>
<th>Financial Sub-certification</th>
<th>Account Reconciliations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due date – September 15, 2023</td>
<td>Reconciliation of all TDR’s for FY23</td>
</tr>
<tr>
<td>Required certifiers – Dean/VP, Business Officer, Senior HR Rep,</td>
<td></td>
</tr>
<tr>
<td>Directors of central units</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Management of Deficit Balances</th>
<th>Reconciliation of Balance Sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timely review and resolution</td>
<td>Required quarterly to ensure GL balances are supported by subsystems</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unrelated Business Income</th>
<th>Cash Handling Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Director will reach out to request fiscal year results</td>
<td>Minimum of an annual review of procedures</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Space Survey – Functional Use</th>
<th>Account Owner/Reviewer Roles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due date – June 30, 2023</td>
<td>Review missing roles on EFR dashboard</td>
</tr>
<tr>
<td>CCOM, College of Engineering, CLAS (4 departments)</td>
<td></td>
</tr>
</tbody>
</table>
Questions?

https://controller.fo.uiowa.edu
Thank you

→ https://controller.fo.uiowa.edu