Quarterly Business Officers Meeting

June 15, 2023

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

Lydia Weinand
Auditor

Vacant
Auditor

Lindsey Schmidt
MA
Auditor

Lilly Meade
Auditor

Kip Druecker
CPA, CISA, CFE
Audit Manager

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

Lauren Wittenburg
Audit Executive
Assistant

Chad Sharp
MBA, CIA, CISA,
CFE
Assistant Director

Sam Wallace
M.Acc, CIA
Auditor

Gavin Macdonald
IT Auditor

Julie Appleget
CIA, CISA, CFE
IT Auditor

Vacant
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 2022 = Generally Conforms rating.

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

DEPARTMENTAL AUDITS

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- Outdated policies / policies that conflict with institutional policies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  - ✓ Outdated cash handling policies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

HUMAN RESOURCES

- 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

"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
- Physical Key Inventory

REVENUE CYCLE AND FUNDING STREAMS

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

RECHARGE CENTERS

- Rate Setting

- Departmental oversight

"So that's how you fixed things before there was Duct tape!"

FY 2023 AUDIT PLAN

UNIVERSITY OF IOWA
Proposed Internal Audit Plan for FY 2023

Audits and Reviews	Hours	Percent
Active Directory	250	1.4%
Athletics IT	250	1.4%
Auto Audit Upgrade	125	0.7%
Bi-Weekly Pay Adjustments	250	1.4%
Bright Horizons Daycare	250	1.4%
Center for Disabilities and Development	250	1.4%
Center for Inclusive Academic Excellence	250	1.4%
Clinical Data Enclave	250	1.4%
College of Dentistry	250	1.4%
College of Law	250	1.4%
College of Public Health Carry Over	250	1.4%
Community Connect Program	250	1.4%
Continuing Eligibility	150	0.8%
CT Surgery Carry Over	40	0.2%
Department of Neurosurgery	250	1.4%
Department of Pediatrics	300	1.7%
English as a Second Language	250	1.4%
Epic Care Link Carry Over	175	1.0%
Epic MyChart	250	1.4%
Fraternal Order of Eagles Diabetes Research Center	250	1.4%
Home Ticket Revenue	100	0.6%
Home Ticket Revenue FY22 Carry Over	40	0.2%
Information Blocking - CARES Act	250	1.4%
License Plate Recognition System	250	1.4%
National Advanced Driving Simulator	250	1.4%
North Liberty Hospital Construction	200	1.1%
Nurse Practitioner Billing	250	1.4%
Nursing Recruitment Processes	250	1.4%
Office of the Registrar	250	1.4%

	Hours	Percent
Price Transparency Rule	250	1.4%
Psychological and Brain Sciences	250	1.4%
Qgenda Carry Over	40	0.2%
Recreational Services Carry Over	200	1.1%
Revitalize U Med Spa and Salon	250	1.4%
Section 117 Reporting Carry Over	100	0.6%
Siemens Enterprise Agreement	200	1.1%
Sports Clubs	250	1.4%
Starflez	250	1.4%
State Hygienic Lab Research Administration	250	1.4%
UI Institute of Vision Research	250	1.4%
UIHC Respiratory Care	250	1.4%
UIHS - Pediatric Associates	250	1.4%
University Catering	250	1.4%
University Housing and Dining Key Management	250	1.4%
University Shared Services	250	1.4%
Vendor Management	250	1.4%
Annual Risk Assessment	450	2.5%
Ethics Point	300	1.7%
Follow-Up Audits	727	4.0%
Unallocated Hours	1,627	9.0%
Subtotal	**13,274**	**73.5%**
Other Audit Responsibilities	**Hours**	**Percent**
Administration	2,909	16.1%
Committee Participation	438	2.4%
Performance Evaluations	114	0.6%
Professional Development	620	3.4%
Staff Meetings	714	4.0%
Subtotal	**4,795**	**26.5%**
Total	**18,069**	**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.

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/
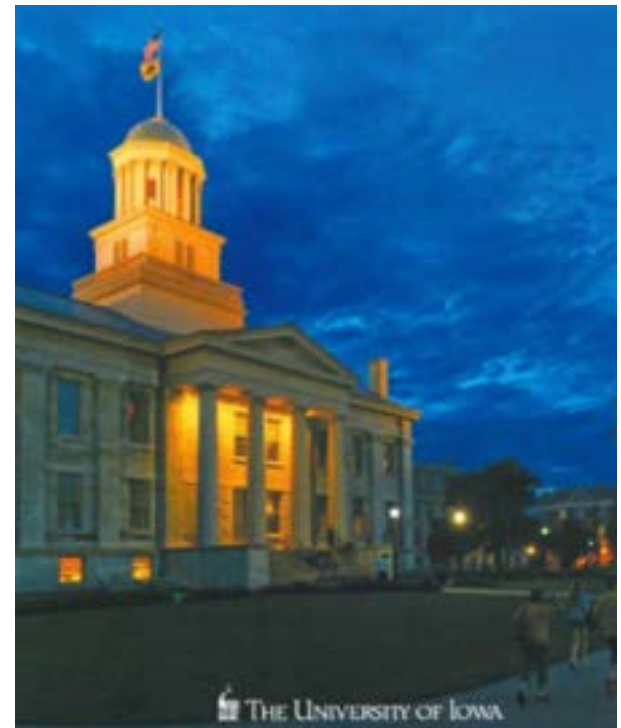
ETHICS

- 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://secure.ethicspoint.com/domain/media/en/gui/9723/index.html for more information & to file report.

THE UNIVERSITY OF IOWA

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/

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Finance and Operations
Business Services

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

Transactional User Report Usage	Avg Monthly Users	Avg Monthly Sessions
Open Purchase Orders	13	21

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Business Officer Reports

BI Tool	Avg Monthly Users	Avg Monthly Sessions
Procurement Transaction Review	9	22
ProTrav Procurement Card Explorer	3	3
ProTrav Travel Explorer	2	2
Purchasing Spend Explorer	16	30

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Inventory Business Unit Reports

BI Tool	Avg Monthly Users	Avg Monthly Sessions
IBU Operations Dashboard	19	50
IBU KPI Dashboard	7	17
Inventory Replenishment	13	99
Inventory Items Received	5	10
Inventory Usage Activity	9	14
Inventory Item Catalog	6	14

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Questions?

John E. Watkins
Director, Project Management
Business Services

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

→ **uiowa.edu**

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Year End Financial Compliance

Financial Sub-certification

Due date – September 15, 2023

Required certifiers – Dean/VP, Business Officer, Senior HR Rep, Directors of central units

Management of Deficit Balances

Timely review and resolution

Unrelated Business Income

Tax Director will reach out to request fiscal year results

Space Survey – Functional Use

Due date – June 30, 2023

CCOM, College of Engineering, CLAS (4 departments)

Account Reconciliations

Reconciliation of all TDR's for FY23

Reconciliation of Balance Sheet

Required quarterly to ensure GL balances are supported by subsystems

Cash Handling Compliance

Minimum of an annual review of procedures

Account Owner/Reviewer Roles

Review missing roles on EFR dashboard

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Questions?

→ https://controller.fo.uiowa.edu

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Thank you

➜ **https://controller.fo.uiowa.edu**