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
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
Build a Coalition of Support

- The coalition is not just an organizational chart
- The coalition is based on ‘who is being impacted’
Communicate 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

Competition with Private Enterprise

Gay Pelzer, Deputy General Counsel

Q1 2022 Business Officers Meeting
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:

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

- Student transportation

- Sponsoring/providing facilities for athletic and cultural events

- Provision of services to patients and visitors at UIHC

- 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

- Six members

- 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?
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

- 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
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
**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**
- 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
- University Libraries

**Sustain**

**Phase 3**

- Completed
  - Finance & Operations
  - Intercollegiate Athletics

IOWA

University Human Resources
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?
INTERNAL AUDIT PROCESSES AND FINDINGS

CHAD SHARP, CIA, CISA, CFE
ASSISTANT DIRECTOR OF INTERNAL AUDIT
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

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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
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

- System access controls
- Computer management
- Change management procedures
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
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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.
State audit finds former Promise City clerk misspent almost $57,000, paid herself double what she was owed

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.

Eccleston is another woman who runs the Hungry Cow at The Book Barn, a bookstore and cafe in Centerville. Many of the purchases from Walmart included books and food, according to the audit. It is also noted that Eccleston purchased 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.
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://uiowa.edu/ethics for more information.
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/