



BOARD OF TRUSTEES

Fiscal and Legal Affairs Committee (FLAC)

Members: Trustee Jeff Marsh, Chair; Trustee Mel Baldwin; Trustee Macey Moore;
Trustee Dick Scarlett; Trustee David Fall

AGENDA

Wednesday, September 11, 2019; 1:30-3:00 p.m.
Boyd Conference Room, Marian H. Rochelle Gateway Center

Call to Order – Trustee Marsh

Items for Discussion:

- **External Audit – David Jewell**
 - BKD Pre-audit Report Pages 2-10
 - FY 2019 Audit Overview and Timeline Page 11
 - FY 2018 Audit Tracker Pages 12-19

- **Internal Audit Activity Reports - Kathleen Miller**
 - Summary Page 20
 - Change of Management Audit for the Dean of the College of Agriculture and Natural Resource Pages 21-34
 - Audit of Science and Math Teaching Center Pages 35-50
 - Audit of English Language Center Pages 51-60
 - Audit of Manufacturing Works
 - Change Management Audit Pages 61-72
 - Audit of NCAA Compliance Pages 73-88
 - Expenditure Processing Review Pages 89-105

Adjourn

University of Wyoming

Pre-audit Report to the Fiscal and Legal Affairs Committee



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Introductory Matters

The purpose of this report is to summarize various matters relating to our approach for the June 30, 2019 audit of the financial statements of the University of Wyoming (the University).

We will conduct our audit(s) in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require that we plan and perform:

- The audit of the financial statements to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.
- The audit of compliance with the types of compliance requirements described in the U.S. Office of Management and Budget, *Compliance Supplement* that are applicable to each major federal award program to obtain reasonable rather than absolute assurance about whether noncompliance having a direct and material effect on a major federal award program occurred.

Our audit(s) will be made for the purpose of rendering an opinion on the following financial statements as of and for the years ended June 30, 2019 and 2018:

- ✓ University of Wyoming (including bond requirements)
- ✓ Wyoming Public Media

An audit of the financial statements does not relieve management or the Board of Trustees of their responsibilities.

Our audit focuses on the likelihood of a material misstatement in the financial statements.

**Planned Scope &
Timing of the Audit**

Other services we will provide include:

- ✓ NCAA Agreed-Upon Procedures Engagement
- ✓ Compilation and Agreed-Upon Procedures for Cowboy Joe Club

The actual terms of our engagement are more fully documented in the Agreement for Services (Agreement) dated May 16, 2018 and Amendment No. 3 of the Agreement signed by you and BKD.

Our audit approach emphasizes the areas of higher risk, focusing on the unique characteristics of the operating environment, the effectiveness of your internal control and your financial statement amounts and disclosures.

Based on our understanding of your University and our assessment of your internal control, we plan our audit to achieve the appropriate level of assurance regarding material misstatements and material weaknesses in internal control over financial reporting.

We have preliminarily identified the following areas as significant risks of material misstatement due to error or fraud and propose to address these areas as described:

Risk Area	Audit Approach
Risk of management override of controls	Review accounting estimates for bias, review of journal entries, evaluate business rationale for unusual transactions

Risk Area	Audit Approach
Revenue recognition	Review revenue for proper cut-off and compliance with requirements determining recognition for significant revenue streams including state appropriations, tuition and fees, and grants revenue. Analytically test revenue accounts and inquire of unexpected variances.
Related-party transactions	Review transactions occurring between related parties (including component units) by comparing activity to agreements and/or confirmation of activity
Implementation of new accounting standards	Review management's assessment and implementation of the standard including review of financial statements and disclosures for compliance with the accounting standard
University: Student accounts receivable, net and student loans receivable, net	Evaluate adequacy of allowance for doubtful accounts estimated by management
University: Grants receivable	Test for completeness and proper recognition of grants receivable
University: Capital assets	Review for proper capitalization and depreciation
University: Cash reconciliations	Review reconciling items for propriety

Risk Area	Audit Approach
University: Compliance with requirements described in Title 2 U.S. <i>Code of Federal Regulations</i> (CFR) Part 200, <i>Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards</i> (Uniform Guidance)	Select a sample of transactions and test for compliance with federal and grant requirements for major federal program (R&D Cluster)
Wyoming Public Media: Compliance with Corporation of Public Broadcasting (CPB) guidelines	Review financials for compliance with CPB guidelines
We welcome any input you may have regarding the risk areas identified above, any other significant risk areas in your opinion or other matters you believe warrant particular attention during the audit.	
We may identify additional significant risks as we complete risk assessment procedures.	
We propose the following timeline:	
✓ Delivery and Review of Draft Financial Statements, Auditor's Reports and Management Letter – June 30, 2019	
Drafts of the financial statements, auditor's reports and management letter, together with our letter regarding auditor responsibilities, will be furnished to the Fiscal and Legal Affairs Committee two weeks prior to the November Board of Trustees meeting.	
✓ Final Reports	
Final reports to the Board of Trustees will be issued subsequent to the approval of the draft financial statements at the November 2019 scheduled meeting of the Board.	

**Auditing &
Accounting Matters****✓ Ongoing Communication**

Regular communication between the Fiscal and Legal Affairs Committee and the auditors is critical to the success of the audit. Accordingly, the audit team may be available to the Fiscal and Legal Affairs Committee at any time throughout the audit, not just the prescribed times identified above. In addition, there may be instances which require communication during the audit (prior to delivery of the financial statements) such as:

- ✓ Fraud involving senior management
- ✓ Illegal acts
- ✓ Significant deficiencies and/or material weaknesses
- ✓ Material instances of noncompliance for federal award programs

We understand the appropriate person(s) in the governance structure with whom to communicate is Mr. Jeff Marsh.

If for any reason, any member of the Fiscal and Legal Affairs Committee would need to contact us, please call Christopher Telli or Marcie Ardan, at 303.861.4545.

We wish to communicate the following significant matters related to the financial statement audit to you that are, in our judgment, relevant to your responsibilities in overseeing the financial reporting process:

Audit Areas

- ✓ Segregation of duties
- ✓ Revenue recognition
- ✓ Related-party transactions and component units
- ✓ Significant estimates
- ✓ Commitments and contingencies
- ✓ Capital assets and construction in process
- ✓ Compliance with debt covenants
- ✓ Expenses/expenditures
- ✓ Recognition and disclosure of retirement and postemployment benefit plan information

Consideration of Error or Fraud

- ✓ New accounting pronouncements
- ✓ Compliance with federal award programs

New Accounting Pronouncements

- ✓ Governmental Accounting Standards Board Statement No. 83, *Certain Asset Retirement Obligations*
- ✓ Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

One of the most common questions we receive from audit committees is, “How do you address fraud in a financial statement audit?” Our responsibility, as it relates to fraud, in an audit of financial statements is addressed in auditing standards generally accepted in the United States of America.

Our audit approach includes such procedures as:

✓ Engagement Team Brainstorming

- ✓ Discussions include how and where we believe the University’s financial statements might be susceptible to material misstatement due to error or fraud, how management could perpetrate and conceal fraudulent financial reporting and how assets of the University could be misappropriated
- ✓ An emphasis is placed on the importance of maintaining the proper state of mind throughout the audit regarding the potential for material misstatement due to error or fraud

✓ Inquiries of Management and Others

- ✓ Personnel interviewed include the Fiscal and Legal Affairs Committee Chair, the President, the VP for Finance and Administration, the Internal Auditor, the Controller and others
- ✓ Inquiries are directed towards the risks of error or fraud and whether personnel have knowledge of any fraud or suspected fraud affecting the University

**Questions,
Observations or
Suggestions from the
Fiscal and Legal
Affairs Committee**

- ✓ **Reviewing Accounting Estimates for Bias**
- ✓ **Evaluating Business Rationale for Significant Unusual Transactions**
- ✓ **Incorporating an Element of Unpredictability Into the Audit Each Year**

At this time, we would certainly welcome any additional questions that the Fiscal and Legal Affairs Committee may have. As always, you may also contact Chris Telli or Marcie Ardan at 303.861.4545 at any time.

Our clients deserve and to the best of our ability receive unmatched client service. We welcome the opportunity for you to experience the same as we deliver the services outlined above.

Our goal is to deliver results with integrity: results that are unquestionably ethical while also practical, timely and affordable.

FY 19 Audit Overview and Timeline

University of Wyoming BKD Audit Timeline:

- Main and Bond Audit Fieldwork - September 3rd to October 25th
- Wyoming Public Media – September 16th to September 26th
- Single Audit – August 26th to September 6th and October 28th to November 1st
- Cowboy Joe Club Agreed Upon Procedures – October 7th to October 11th
- NCAA Agreed Upon Procedures – October 14th to October 18th
- Draft Financial Statements - Month of October
- Final Financial Statements – November FLAC Meeting

Revenue Recognition Issue:

The University has two significant state funded capital construction projects, the Engineering Educations & Research Building (EERB) and the Center for Integrative Biological Research – Science Initiative (Science Initiative).

In accordance with governmental accounting standards, the University should have recognized a total of \$190 million in state appropriation revenues. This consist of \$102 million for EERB and \$88 million for Science Initiative prior to Fiscal Year 2019.

However, the University has only recognized a total of \$87.7 million. This consists of \$33.5 million for EERB and \$54.2 million for Science Initiative in prior years.

It is therefore anticipated that the University will report in the Fiscal Year 2019 financial statements, an adjustment to beginning net positon (prior period adjustment) of \$102.3 million to reflect the state appropriation revenue that should have been recorded in prior fiscal years.

The University is in discussions with the external auditors regarding this matter. University management has identified the circumstances why the revenue was not recorded in the appropriate fiscal year and has taken steps to ensure future state appropriation revenues are properly recorded.

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1	FY18 Audit: Action Plan / Status Summary														
2															
3	Referenc	FR / C	Documents Referenced	Category	Priority	Subject	Department Responsible	Staff Responsible	Summary of Finding or Comments	Summary of Management Response	Potential Risk	Progress as of 6/30/19	Completion Status	Completion Date	
4	2018-001	FR	SA pp. 24, 31; SA-CAP p.41	MW	n/a	Restatement of Prior Year Financial Statements	Controller	Ashlie Hahn	GASB 75 provisions not applied to statewide multiple-employer plan as information on adoption not available at the time, resulting in decrease of beginning net position at 7/1/17 of approx. \$180m (includes grants receivable and revenue restatement amount referenced in finding 2018-002). Federal direct loan accounting corrected with no impact on beginning net position	Required controls implemented and documented as of August 2018		See Column J, Summary of Management Response	Complete	8/31/2018	
5	2018-002	FR	SA pp. 24, 32; SA-CAP p.41	MW	H	Accounting for Grant Receivable and Revenue	OSP	Jonnie Jenkins	Improper application of outstanding receivables, grants receivable and revenue due to unexpected new financial system set-up issues, necessitating adjustments of \$18.8m at 7/1/18	OSP to review under guidance from Point Consulting: 1) policies and procedures; 2) accounting for grants receivable and revenue. Review system configuration, create documentation and train staff. A/R to be reconciled monthly and tools developed to analyze/report on A/R		Clean-up of data completed by 06/30/19. A new process has been identified and implemented for current and future Accounts Receivables. Update as of -8/29/19. Mary Beth Rudofski continues to work on this and identified some of the issues today. She will continue until completion.	Ongoing as part of year end close process		
6	2018-003	FR	SA pp. 25, 33; SA-CAP pp. 41-42	SD	n/a	Cash Reconciliations	Accounting	Tim Keller	Cash reconciliations not reconciled in timely manner, increasing fraud/error risk and/or material misstatements to financial statements	Daily cash account reconciliations within management module now performed. Cash reconciliations to external bank statements now performed/documented at month end	Arin Wesnitzer (Assistant Manager, OSP) leaving UW on 2/1/19. Risk to daily cash account reconciliation process if replacement hiring delayed.	Final June 30, 2019 Bank Reconciliations will be complete and reviewed by late July and will reflect any adjustments required as a result of items identified as part of the monthly reconciliation performed to date. To mitigate risk to OSP reconciliation process from A.Wesnitzer resignation, Tabitha Dayton hired to process cash receipts. See Column J, Summary of Management Response	Ongoing as part of year end close process		

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Referenc	FR / C	Documents Referenced	Category	Priority	Subject	Department Responsible	Staff Responsible	Summary of Finding or Comments	Summary of Management Response	Potential Risk	Progress as of 6/30/19	Completion Status	Completion Date	
3	2018-004	FR	SA pp.25, 34; SA-CAP p. 42 SA pp. 28, 35; SA-CAP pp. 42-43 SA p.28, 36; SA-CAP p. 43	SD	H	Information Systems Change Management Segregation of Duties	IT	Jennifer Chavez	Lack of segregation of incompatible duties within Banner and HRMS applications due to staffing resource constraints may result in risk of unauthorized program or data changes occurring without detection	Additional auditing controls and periodic review will be implemented to safeguard no issues or unauthorized changes have occurred		3/1/19 - Additional auditing was put into place 2/1/19. IT also changed business procedures to eliminate the segregation of duty issues as of 3/1/19	Complete	3/1/2019	
7	2018-005	C		SD	H	Allowable Costs and Activities	OSP	Jonnie Jenkins	Fringe benefits charged to grants determined by departments, as opposed to being allocated to all related activities and funding sources according to federal regulations, resulting in fringe benefit overcharges to grants	Policies and procedures related to time and effort reporting to be updated. Communication to be distributed university-wide regarding updated procedures. OSP and Payroll to develop time and effort report for 7/1-12/31/18 to review and revise as needed to ensure FY19 compliance		5/15/19 - Policies and campus communication completed in January. OSP received the time and effort report from Sheralyn Farnham and provided details to departments. Departments reviewed and responded to leave reports for the period 7/1-12/31/18.	Complete	1/31/2019 - Campus Email 5/15/19 - Department Reports completed	
8	2018-006	C		MW	H	Equipment Management	Accounting	Cid Walck	Inventory of capital assets not performed within past two years as federally required; improper disposal and tagging of assets, and lack of comprehensive listing of all federally purchased assets increase the risk of loss, improper safeguarding or maintenance. Identified causes include understaffing of Accounting's asset management team, UW lack of adherence to existing policies, and incomplete development of financial/reporting system in this area	Campus-wide inventory currently underway. Accounting/OSP to update university-wide policies/procedures and training. Development of reports to track and monitor all assets and report specifically on federal assets		6/30/19 - Asset Mgmt SAPP in final approval stage, and currently guiding operations /informing training materials. Federal asset tracking report developed for all assets going forward with past data loaded into WyoCloud. Trainings for Organization Property Administrators held in May and June. Campus inventory substantially complete, with the exception of three partial units that are being followed up with to achieve full completion.	Complete	6/30/2019	
9															

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Referenc	FR / C	Documents Referenced	Category	Priority	Subject	Department Responsible	Staff Responsible	Summary of Finding or Comments	Summary of Management Response	Potential Risk	Progress as of 6/30/19	Completion Status	Completion Date	
3															
	2018-007	C	SA pp. 28, 37; SA-CAP pp. 43-44	MW	H	Procurement	Procurement	Martha Miller	Procurement policies and procedures not in alignment with OMB Uniform Guidelines, increasing risk of improper use of federal expenditures	Procurement and OSP, with guidance from Point Consulting, to review/update procurement policies and procedures, provide training, and conduct periodic reviews to ensure compliance with Uniform Guidelines		6/30/19 - In consultation with Point Consulting, Procurement and Payment Services revised the Bid and Quote Threshold Standard Administrative Procedure. These changes were made to be in compliance with Uniform Guidance. Campus was notified of the new standard administrative procedure.	Complete	6/30/2019	
10	2018-008	C		SD	n/a	Reporting	OSP	Jonnie Jenkins	Lack of electronic copy of submission of one Department of Energy grant quarterly report (period ending 6/30/18), as temporary staff did not save supporting documentation	Grant re-submitted January 2019		See Column J, Summary of Management Response	Complete	1/4/2019	
11	2018-009	C		SD	H	Subrecipient Monitoring	ORED	Diana Hulme	Failure to conduct timely reviews of subrecipient audit reports and take appropriate corrective actions, potentially resulting in non-compliance by the subrecipient for an inappropriate length of time	Review of subrecipient requirements, drafting of policies/procedures, training and institution of a review policy will be developed by ORED under guidance of Point Consulting		5/21/19 - Subrecipient Monitoring DAPP was developed by Point Consulting and the Office of Research and Economic Development and posted online.	Complete	5/21/2019	
12															

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
3	Referenc	FR / C	Documents Referenced	Category	Priority	Subject	Department Responsible	Staff Responsible	Summary of Finding or Comments	Summary of Management Response	Potential Risk	Progress as of 6/30/19	Completion Status	Completion Date	
13															
14	Management Letter Deficiencies / Comments														
15															
16	Referen ce #	FR/C	Documents Referenced	Category	Priority	Subject	Department Responsible	Staff Responsible	Summary of Finding or Comments	Summary of Management Response	Potential Risk	Progress-to-date	Completion Status	Completion Date	Colum n1
17	1 - FR	FR	ML pp. 51-52	D	M	Capital Assets	Accounting	Cid Walck	A number of issues were noted during testing of capital assets; while none were material either individually or in the aggregate, material errors could result if controls are not strengthened	A university-wide asset management policy and procedure leveraging the financial management system will be developed to address all listed deficiencies and strengthen controls		6/30/19 - (a) Reconciliation report between CIP subledger/GL developed and reconciled on a monthly basis; (b) Per Tim Keller, detecting CIP/GL amounts added to year-end process; (c) Flex fields added 3/29/19 to capture necessary asset info; (d) Constructed assets info integrated into process 1/31/19; (e) Cid Walck completed entries removing fully depreciated library materials from the GL; (f) Useful life of ESCo lease processed and 11-year life noted in Workpapers for year-end; (g) Capitalization thresholds policy written and instituted	Complete	6/30/2019	
18	2 - FR	FR	ML p. 52	D	M	Segregation of Duties over Payroll	HR	Sheralyn Farnham	Payroll manager, assistant manager and specialist all have ability to enter termination dates, change pay rates, and direct deposit information; risk of one of these employees omitting or altering information in these areas exists	Evaluation of security roles and implementation of new HCM system will resolve issues		Payroll does not have the ability to make any changes to assignments, including terminations in HCM. Payroll will continue to have the ability to update personal payment methods in HCM as this is necessary to handle ACH rejects.	Complete	6/30/2019	
19	3 - FR	FR	ML p. 53	D	M	Reconciliation of Purchase Card Clearing Account	Accounting	Tim Keller	P-card clearing account was not reconciled at year end, which is important to ensuring proper reporting and investigation of questionable purchases	WyoCloud reports to monitor p-card activity and assist with monthly reconciliation of clearing account will be developed		Report developed by BAs that will reconcile accounts. This is the file that will be used to do the accrual.	Complete	6/30/2019	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Referenc	FR / C	Documents Referenced	Category	Priority	Subject	Department Responsible	Staff Responsible	Summary of Finding or Comments	Summary of Management Response	Potential Risk	Progress as of 6/30/19	Completion Status	Completion Date	
3															
	4 - FR	FR	ML p. 53	D	M	Accounting for Agency Transactions	Controller	Ashlie Hahn	Instead of being treated as assets and liabilities on the statement of net position, agency fund transactions are recorded as revenues and expenses, with net impact of the activity adjusted for financial reporting purposes to a liability account at year-end. This prevents net position from properly rolling forward from the beginning balance to the ending balance and may not reflect the true liability owed	Chart of accounts structure to be changed to allow for proper reporting of agency transactions, and training for campus implemented.		5/7/19 - Agency fund transactions to remain in fund class 900, with a journal entry at end of year to present correctly. Ashlie Hahn confirmed this plan with BKD	Complete	6/30/2019	
20															
	5 - FR	FR	ML pp. 53-54	D	M	Documentation of Year-end Accounting Processes	Accounting	Ashlie Hahn	Documentation on year-end close processes and capitalization thresholds / useful life of assets should be expanded or enhanced for the improvement of internal controls	Year-end documentation is being updated by financial affairs, and reviewed/revised on a quarterly basis due to system upgrades; comprehensive asset management policies and procedures will be drafted		5/7/19 - Year-end memo and calendars sent to campus on 4/15/19. Year-end tracker developed in early 2019, and finalized on 6/10/19; tracker is continually updated/refined during regularly scheduled functional lead meetings	Complete	6/10/2019	
21															
	6 - FR	FR	ML pp. 54-55	D	n/a	Banner Fee Assessment Review Process	Financial Reporting	Aaron Courtney	Audit trail reports run from Banner verifying proper tuition and fee charges have not been maintained. A high number of individuals (14) have access to change the tuition and fee rates.	Audit trail documentation now retained electronically by IT and backed up daily. Individuals with access to change tuition and fee rates within Banner reduced from 14 to 6.		See Column J, Summary of Management Response	Complete	Q4 2018	
22															
	7 - FR	FR	ML p. 55	D	M	University Ancillary Systems	Systems and Institutional Effectiveness	Laura Shevling	Numerous ancillary (shadow) accounting systems that do not interface with WyoCloud exist across campus, and insufficient asset or liability accounts exist to track various department transactions in WyoCloud	Financial Affairs continues to work across campus to phase out ancillary systems and implement sole use of WyoCloud as recommended in the management letter		Finanical Affairs worked with Athletics to create program and activity codes to address Athletics' reporting and financial needs. These codes were placed into the system on 6/6/19.	Complete	6/6/2019	
23															

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Referenc	FR / C	Documents Referenced	Category	Priority	Subject	Department Responsible	Staff Responsible	Summary of Finding or Comments	Summary of Management Response	Potential Risk	Progress as of 6/30/19	Completion Status	Completion Date	
3	1 - IT	FR - IT	ML pp. 56-57	D	M	Periodic User Access Reviews	IT	Jennifer Chavez	Formal, documented reviews of user access and Application Security Roles (Classes) in multiple financial significant applications, operating systems and databases are not performed at least annually, increasing risk of in appropriate access to key systems, data and/or programs	Review of all recommended user access accounts completed in Fall 2018. Formalized procedures conducted annually and requiring Director, Manager and/or Data Manager approval will be implemented using TeamDynamix in Spring 2019, with any changes documented in service tickets		The process for reviewing access in Banner Peoplesoft has been documented and moved into TD as of 4/1/19. FY19 review completed June 14, 2019.	Complete	Fall 2018 - User access review; Spring 2019 - Formalized review procedure implemented. June 14 - completion	
24	2 - IT	FR - IT	ML pp. 57-59	D	M	Password Parameters	IT	Jennifer Chavez	Password configuration settings in Windows AD, Red Hat Enterprise Linux, and TouchNet do not meet generally accepted leading practice requirements, posing a cybersecurity risk	Multi-factor authentication from off-network required as of November 2018. IT now conducting full review of password security procedures and will implement in Spring 2019, based on NIST cybersecurity standards. Touchnet password length changed to 8 characters as recommended		3/1/19 - UWIT has reviewed its password parameters and are in compliance with the basic NIST cybersecurity standards. IT is currently testing in development additional controls they would like to put in place per the NIST standards that will be implemented in the future.	Complete	10/2018 - Touchnet password update; 11/2018 - Multifactor Authentication; Spring 2019 - Updated password security procedures	
25	3 - IT	FR - IT	ML p. 59	D	n/a	Physical Security - Key Card Access	IT	Jennifer Chavez	Removal of key card access informal and undocumented, increasing risk of unauthorized access to computer hardware and technology infrastructure	P2000 software used to remove and now also document removal date. IT Business Services documents removal process and notifies the Application Security Office		IT processes are in place and being used.	Complete	3/1/2019	
26	4 - IT	FR - IT	ML pp. 59-60	D	M	Data Restoration Testing	IT	Jennifer Chavez	Formal periodic data restoration of Banner and HRMS not performed, increasing risk that financial data cannot be recovered/restored in a timely manner	Data Restoration Testing Procedure implemented in December 2018; Banner restoration testing to be completed January 2019. HRMS being decommissioned and functions transitioning to cloud-based HCM		3/1/19 - Documented procedures are in place, and FY 19 testing has been completed.	Complete	12/2018 - Data Restoration Testing; 1/2019 - Banner Restoration Testing; 4/2019 - HCM transition complete	
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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	Referenc	FR / C	Documents Referenced	Category	Priority	Subject	Department Responsible	Staff Responsible	Summary of Finding or Comments	Summary of Management Response	Potential Risk	Progress as of 6/30/19	Completion Status	Completion Date	
3	5 - IT	FR - IT	ML p. 60	D	n/a	User Access Accounts - Computer Operations	IT	Jennifer Chavez	Business analyst user accounts are created in the PeopleSoft HRMS production environment to simplify refresh steps between production and development, posing a risk of unauthorized users having access to key systems, financial data and programs	User accounts are used solely in the development environment, locked in production, and controlled by the Application Security Office, presenting very minimal risk between the development and production environments		A risk assessment was done on this, and it was determined this is a low risk to UW and no changes will need to be made.	Complete	6/30/2019	
28	1 - SA	C	ML pp. 62-63	D	M	Schedule of Expenditures of Federal Awards (SEFA) Preparation	OSP	Jonnie Jenkins	Grants misclassified or not reported under proper CFDA number due to incomplete documentation submitted by PIs. Report in preparation of SEFA included nonfederal as well as federal project accounts	OSP will continue to work with and train staff to mitigate deficiencies, and will conduct a detailed review of all grant accounts to ensure accurate funding classification in WyoCloud		5/10/19 - BA created federal/non-federal grant classification report for OSP/Controller on 3/25/19. This year's preliminary SEFA was submitted to BKD on 5/10/19.	Complete	5/10/2019	
29	2 - SA	C	ML p. 63	D	M	Policies and Procedures	OSP	Jonnie Jenkins	Comprehensive grant policies and procedures incorporating all Uniform Guidance requirements need to be developed as soon as possible	Uniform Guidance-compliant policies and procedures were drafted in December 2017, but require additional review due to reorganization of reporting lines. Point Consulting to review document and provide guidance.		Point Consulting developed the following DAPPs: Cost Sharing, Cost Transfer, Direct Cost, Effort Reporting, Institutional Base Salary, and Program Income. These have all been posted online.	Complete	6/30/2019	
30	3 - SA	C	ML pp. 63-64	D	M	Subrecipient Monitoring - During-the-Award Monitoring	ORED	Diana Hulme	While during-the-award monitoring is occurring as required by Uniform Guidance, documentation of the monitoring and results, review of invoices, and PI interaction with subrecipients are not consistently maintained	Review of subrecipient monitoring and policies/procedures will be developed under guidance of Point Consulting		6/24/19- Point Consulting conducted an annual review of subrecipient during-the-award monitoring, and submitted to BKD on 6/24/19.	Complete	6/24/2019	
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	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
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3															
	4 - SA	C	ML pp. 64	D	M	Procurement - P-Card Expenditure Review	Procurement	Martha Miller	Micro-purchase aggregate expenditures on P-cards are not tracked and reviewed to ensure they are not exceeding Uniform Guideline thresholds	Procurement and OSP, with guidance from Point Consulting, to review/update procurement policies and procedures, provide training, and conduct periodic reviews to ensure micro-purchase aggregate threshold compliance with Uniform Guidelines		6/10/19 - Purchasing card manual and training materials were updated to further emphasize the compliance required by Uniform Guidance. Campus was also notified of the changes.	Complete	6/10/2019	
32															
	5 - SA	C	ML p. 67	C	L	Subrecipient Monitoring - Suspension and Debarment	ORED	Diana Hulme	Suspension and debarment checks are performed prior to entering into subaward contracts, but should be performed on an annual basis for multi-year subawards to avoid conducting business with entities not allowed to receive federal funds	Review of subrecipient monitoring and policies/procedures will be developed under guidance of Point Consulting		6/24/19 – Point Consulting in coordination with the Office of Research and Economic Development conducted an annual review of subrecipients and included a review of suspension and debarment. This report was sent to BKD on 6/24/19	Complete	6/24/2019	
33															
	6 - SA	C	ML p. 67-68	C	H	Matching (Cost-Share)	OSP	Jonnie Jenkins	WyoCloud companion project accounts, created to support and track matching requirements of each project, are not being utilized as designed. Instead, the majority of support is tracked manually, increasing the risk of resources being double counted and used as match on multiple projects and/or risk that the match will not be met	OSP to work with Budget Office and AVP of Financial Affairs to finish implementing cost share accounts with proper funding		4/16/19 - New costshare account templates developed that post to correct accounts; notification to campus sent out 4/16/19.	Complete	4/16/2019	
34															
35															

Internal Audit Activity Report

September 11, 2019

INTERNAL AUDIT ACTIVITY CONDUCTED IN ACCORDANCE
WITH THE AUDIT PLAN FOR THE PERIOD
May 2019 to September

AUDITS:

College of Agriculture and Natural Resources Change of Management Audit
Science and Math Teaching Center
English Language Center
Manufacturing Works
NCAA
Expenditure Processing Review

AUDITS IN PROGRESS

The following audits and related activities are in progress:
Alumni Association
Honors

THE FOLLOWING AUDITS WERE REVIEWED IN THE LAST FLAC
MEETING WILL BE SUBMITTED AT THE BOT MEETING THIS MONTH
AS AN INFORMATION ITEM.

- *Fine Arts Outreach and Cultural Programs*
- *Specialized Service Facilities*
- *Student Health Insurance*
- *Follow Up for V.P. for Finance and Administration Transfer of Leadership*
- *Follow Up for Rodeo Club*



Internal Audit Department

Dedicated to Improving Operations and Accountability

**Change of Management Audit
for the
Dean of the College of Agriculture and Natural Resource**

May 20, 2019

Auditors:

Kathleen Miller
Danika Salmans

Integrity ♦ Proficiency ♦ Objectivity



Internal Audit
1000 E. University Ave.
Laramie WY, 82071

May 20, 2019

Board of Trustees
University of Wyoming

Internal Audit has completed a review of the College of Agriculture and Natural Resources. This audit was selected because of the change in leadership in the Dean's position.

Please find the executive summary and audit report immediately following the table of contents. The primary audit objective was to perform an overall functional and compliance review, and to evaluate program processes.

The attached report discusses our observations and recommendations for areas in which controls should be improved. The report also includes the verbatim audit responses from units/departments or specific personnel noted in the audit.

We would like to thank Mark Stayton, Interim Dean for the College of Agriculture and Natural Resources, Catherine Harris, Executive Business Manager, and the other faculty and staff members for the assistance we received on this audit.

As is customary, we plan to conduct a follow-up review in approximately nine months to determine what actions have been taken in response to the audit recommendations. This audit will remain open until completion of the follow-up review, at which time we will provide another report.

Sincerely,

Kathleen Miller
Director of Internal Audit

Change of Management Audit for the
Dean of the College of Agriculture and Natural Resource

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Background

Change of Management Audit for the Dean of the College of Agriculture and Natural Resource

The College of Agriculture and Natural Resources offers graduate and under graduate programs in Ag and Applied Economics, Animal Science, Family/Consumer Sciences, Plant Sciences, Molecular Biology, Ecosystems Science and Management and Veterinary Sciences. The College is also includes UW Extension, Agricultural Experiment Station and the Wyoming State Vet Lab.

Since 1914, UW Extension has helped Wyoming citizens and communities respond to challenges and changes. The Smith Lever Act formalized Extension in 1917, establishing USDA's partnership with land-grant universities to apply research and provide education in agriculture. Today, UW Extension offices are located in each of Wyoming's 23 counties and the Wind River Indian Reservation. UW Extension empowers the people of Wyoming to make choices that enhance their quality of life. A team-based approach to educational program leadership revolves around five State Initiative Teams, which assess the needs of Wyoming citizens and communities in the areas of Agriculture and Horticulture, Rangelands, Nutrition and Food Safety, Community Development and 4-H Youth Development.

The Wyoming Agricultural Experiment Station's vision is to lead the University of Wyoming's relevant research enterprise to stimulate profitability and diversification of the agricultural economy and promote the betterment of the environment, ecosystems, and society. The Ag Experiment station oversees four off-campus Research and Extension (R&E) Centers and is the research office for the College of Agriculture and Natural Resources. Office responsibilities include: facilitating greensheets, contracts, and grants for the college; college space and facilities management; oversight and management of all federal capacity research funds including Hatch, Hatch-Multistate, McIntire-Stennis, and Animal Health grants.

The mission of the Department of Veterinary Sciences to help ensure that livestock, wildlife and companion animals in Wyoming and the region are healthy through a combination of teaching, professional service, extension and research activities and that spontaneous diseases are accurately diagnosed.

Executive Summary

We performed a full audit comprised of a review of departmental policies and procedures, financial and accounting controls, and compliance with personnel policies. Because this is a change in leadership audit, the scope was limited to the Dean's Office and did not include all the other areas except for a review of processes identified and requested by the Dean. These included the Seed Certification Program, payments between UW and the counties, and the UW connection to 4-H and related processes.

Since the Dean's office is rather small, we extended our review to include some divisional tests. These tests, using the new IDEA software, reviewed the entire population of the college for:

1. Ghost employees. Although at this time we have only developed one test for Ghost employees this is the first time we have had the ability to run a test on a complete division. A ghost employee is a fictitious employee who is issued a paycheck. This is a standard risk with Payroll. This test looked for employees without benefits. Since fraud examiners have found that factious employees rarely if ever have been allocated benefits, this is a good place to start in looking for ghost employees. There are several other tests regarding this risk that we will develop in the future.

After verification of false positives, this test found no ghost employees being paid in the College of Agriculture and Natural Resources.

2. Duplicate Payments. We also developed a test to identify duplicate payments made to a vendor. This test was run through IDEA and we selected all payments where the vendor, the amount and the transaction number were the same. We found 36 duplicate expenditures. After further investigation of the false positives, we found that no payments were duplicated.

The following observations were noted in the audit:

- 1. Monitoring of Access to the Building Could be Improved**
- 2. Payments via Credit Card and Checks should be Improved**
- 3. Exempt Employees are not Entitled to Compensatory Time**
- 4. Overdrawn Foundation Sister Accounts need to be Covered with other Funds**
- 5. Processes for Reimbursement to County Accounts should be Clarified**
- 6. 4-H MOU should Clarify UW's Relationship with the 4-H Foundation**

The details for each of the observations are contained in the following report.

Audit Standards, Scope, Procedures, and Outcomes

Applicable Audit Standards that guide Internal Audit activity as established by the Institute of Internal Auditors (IIA):

- **Mission of Internal Audit**

The mission of internal audit activity is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

- **Definition of Internal Auditing**

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

- **Code of Ethics**

Internal auditors are expected to apply and uphold the following principles:

- Integrity
- Objectivity
- Confidentiality
- Competency

The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (The Standards)* governed the procedures, methods and test work completed in the performance of this audit. Auditors are expected to use their best professional judgment in applying these standards. This includes the identification of areas of risk, regulations, and procedures that could impact the department and University.

- **Standard 1220 – Due Professional Care**

“Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.”

Audit Scope and Procedures and Outcomes:

The following audit steps represent the extent of work needed to achieve the engagement's objectives. The auditor's professional judgment was used in sampling each area and reviewing for compliance. The scope of this audit is summarized below. The audit steps included:

Area Audited	Test Work Performed	Status	Sample Size	Summary of Findings/Recommendations
College Tests	Ghost Employees	Acceptable	6741/6741 100%	We identified 18 false positives which after further investigation proved to be acceptable.
	Duplicate Testing	Acceptable	7114/7114 100%	No duplicate payments were identified.
Special Requests	Seed Certification	Acceptable	N/A	We identified all revenue sources and reviewed the processing of revenue and expenditures.
	Payments to County Extension Offices	Issue	N/A	Procedures to obtain reimbursements to county accounts are unclear to Extension employees. A manual or checklist should be created to provide guidance. See Observation #6.
	4-H	Issue	N/A	There is confusion regarding the relationship between the Wyoming State 4-H Foundation and the University Extension Office. Currently, a Cooperative Agreement has been established to clarify the relationship but does not address all issues. General Counsel is working with these entities to create an MOU that will provide transparency and direction. See Observation #7.
Financial and Accounting Controls	Expenditures: Purchase Orders, Expense Reports and IDTs	Acceptable	78/1934 4%	We reviewed expense reports, invoices, purchasing cards, and interdepartmental transfers. Minor issues were noted and addressed with the appropriate personnel.
	Scholarships	Acceptable	11/31 35%	We reviewed scholarship recipients for eleven scholarships. We found two scholarships where the recipients did not meet all of the donor criteria. See Observation #5.
	Foundation Accounts	Issue	63/63 100%	We found two foundation accounts in which the 'sister' account is overdrawn and the foundation account has no funding and no expectation of future income. See Observation #4.

	Asset Management	Acceptable	100%	All assets were identified. The College has a spreadsheet that tracks inventory less than \$5,000 that is important to the College.
	Financial Reporting and Monitoring	Acceptable	N/A	The Account Analysis is used to monitor expenses.
	Access to Building (Keys & electronic access)	Issue	763/763 100%	We used the IDEA software to identify all those with keys and compare that list to the employee list. 63 non-employees had keys; many of these had the key for a legitimate reason (i.e. they were graduate assistants). Of those that were not current employees, we found almost 10% of the key holders should no longer have keys. One of the outstanding keys is a master key. See Observation #1.
	Payment Card Industry Standards	Issue	N/A	One area is receiving payments with a payment card, at the time of the audit they were allowing individuals to send their credit card information via email. This is a PCI violation. See Observation #2.
	Management of Grants	Acceptable	100%	Although the College of AG receives much funding through Capacity Grants because of our land grant status, most of the expenditures are in salaries. We reviewed all expenditures for compliance with requirements.
Personnel Policies	Payroll	Acceptable	72/303 24%	We reviewed payroll documentation for those hourly employees in our sample to ensure that their time was entered appropriately and adequately documented.
	Supplemental Pay, Stipends and Honorariums	Acceptable	12/12 100%	We reviewed all supplemental pay transaction from the Dean's account and found 12 employees. All were adequately documented and approved.
	Overtime and/or Compensatory time	Issue	9/9 100%	Nine employees received overtime or compensatory. The overtime was due mostly to summer recruiting. However, the compensatory time was given to an exempt employee. See Observation #3.
	Benefit Usage	Acceptable	87/745 11%	We reviewed documentation for sick leave and vacation for all salaried employees. We found no issues.

Observations, Recommendations, and Responses

Observation #1: Monitoring of Access to the Building Could be Improved

We noted that there are 793 employees in the College of AG, however, this does not include graduate assistants. We noted that there are 360 with electronic access and 763 who have at least one key. We compare those individuals with at least one key and those with electronic access with the employee list. We found 130 non-employees with electronic access to the building. We submitted this list to the College and after researching they could explain why every person had access. Of the 63 non-employees who had keys, the College could explain all but eight. These eight key holders (including one with a master key) left the University or the College without returning their keys. Although this is a small percentage given the number of key holders, access is one of those areas where the security of people, assets, and information could all be compromised by just one person having inappropriate access.

Recommendation:

To ensure adequate oversight of keys, we recommend that Keys be centralized by building so that only one office in each building is responsible to provide and monitor keys.

The College has planned to increase the use of electronic access. Because electronic access includes the ability to remove access without having to physically contact a person, we recommend increasing electronic access as much as possible and deleting key access whenever possible. This would help ensure better security especially outside of regular business hours.

We also noted that the Animal Science/ Molecular Biology building has installed electronic access to all their outside doors however, they have not collected the manual keys that automatically override the electronic access. Metal key locks should be changed and no metal keys should be distributed except to a very limited number of employees. Electronic access should be fully implemented.

Response: The College will be consolidating the key function to two people within the main Agriculture building. Both of these people will have full access to handle the dissemination and return of keys. This should tighten up the management of keys. We have initiated a check out procedure and a termination procedure.

The College will be re-keying the AS/MB building and only giving key people (dept heads) outside door keys. This will require people within the building to utilize the electronic key system after-hours access.

Observation #2: Payments via Credit Card and Checks should be Improved

We noted one area that offers the ability to email their credit card information using an online order form. This practice does not comply with the Payment Card Industry Standards, which attempt to secure credit card information so that fraud is less likely to occur. One of the standards is that credit card information is not sent over email.

We also noted that checks are not always immediately restrictively endorsed. Immediately restrictively endorsing checks helps ensure that the check will only be payable to the University.

Recommendations:

We recommend that the option to write in a credit card number be removed from the online form. In addition, we recommend that checks be immediately restrictively endorsed.

Response: The option to write in a credit card number has been removed from the online form in the Communications and Technology area where this had been an issue. They will key in the information without writing the information on the form.

The College will initiate a requirement for all accountants and persons handling checks to immediately endorse any checks they receive. They Business Manager will send out an email to this affect and periodically check up on this practice.

Observation #3: Exempt Employees are not Entitled to Compensatory Time

According to FLSA, non-exempt employees are entitled to compensatory time and may accumulate these hours at the 1.5 times the hours over 40 hours per week. However, this rule does not apply to exempt employees. Exempt employees may flex their time for the week, but any extra time should not cross weeks.

For example, if an exempt employee works 9 hours on Monday, she may flex her time and work 7 hours on Tuesday.

In our review of payroll documentation, an exempt employee did not have any of her vacation/sick hours entered into HRMS as it was justified by the extra time that was worked in the weeks/months prior.

Her time could be flexed for the week, but any days taken off that cannot be flexed by hours worked during that week, need to be entered into HRMS as vacation or sick leave.

Recommendation:

We recommended that employees receive direction on how to enter time for exempt employees. We also recommended that the time sheets for the employee be reviewed and vacation and or sick leave be appropriately entered into HRMS.

Response: The College will draft a memo on how to enter time for exempt employees and how flex time works, making it clear that flex time is within a week time frame only and not over multiple weeks. This will be done with help of the leadership team and will be disseminated to all departments.

Observation #4: Overdrawn Foundation Sister Accounts need to be Covered with other Funds

Foundation sister accounts held by UW should be maintained at \$0 or have funds available at the foundation to cover expenses. During our review, we discovered numerous sister accounts that were overdrawn with no funds in the foundation to cover expenses charged against those accounts.

Various situations caused these accounts to be overdrawn. On two occasions, the department was not aware that the Foundation had moved the funds to another fund source. Since expenditures continued to be applied to the original fund source, the result was that the original account balance became negative. In other situations, these negative balances were brought forward in the transition from Pistol to WyoCloud. These negative balances need to be resolved by transferring funds from other foundation accounts of similar criteria to cover the balance.

Recommendation:

It is recommended that the College of Ag make the necessary arrangements to cover negative balances in depleted foundation sister accounts held by UW. It is also recommended that these obsolete accounts be closed so that expenditures cannot be accidentally assigned to them in the future.

Response: This has been taken care of by transferring balances to accounts that were over drawn. The Business Office will track these accounts and manage balances prior to them going over budget.

Observation #5: Processes for Reimbursement to County Accounts should be Clarified

Part of the land grant mission is to fund and run county extension offices in conjunction with the counties, who also provide some of the funding. Because of the land grant identification, The National Institute of Food and Agriculture (NIFA) provides support for research and extension activities at land-grant institutions through grants to the states on the basis of statutory formulas.

These grants are known as Capacity Grants. The purpose of this funding is to support agricultural and forestry extension activities. Recipients of these funds must provide a 100 percent match from non-federal sources.

UW's Extension Service has offices in each of Wyoming's 23 counties and the Wind River Indian Reservation. Since 1914, University of Wyoming Extension educators have lived and worked with Wyoming citizens and communities. UW Extension offers programs in 4-H and youth development, agriculture, horticulture, nutrition, food safety, natural resources, ecosystems, and community development education.

Each County Extension Office, therefore, receives two sources of funding, currently, it is not uncommon for county funds to be used when it should have been UW funding. In these cases a reimbursement from UW is necessary. A problem has arisen because the appropriate paperwork is not always correctly created and sometimes these reimbursements appear to the UW Accounting Office to be reimbursements to other UW departments and not a separate entity. Therefore the accountants do not pay the invoice and require an Interdepartmental Transfer. Unfortunately, this misunderstanding has led to many miscommunications and delay of payments.

In order to clarify the problem and identify a solution, a survey was conducted. After reviewing the survey results, it appears that there is a need for some education about processing reimbursement requests and a procedures manual or checklist needs to be created to clarify the process. This document would also be helpful when there is turnover to ensure that the correct information and direction is available to the new employee.

Recommendation:

We recommend that a procedures manual or checklist be created that addresses the process for obtaining reimbursements appropriately and also describes other applicable processes used at the University of Wyoming.

Response: The AG Business Office will work with new and current Extension personnel to add training whenever possible to inform employees that work with both County funds and UW funds so that they understand the differences between these funds and when and how to reimburse using different sources of funds. We are encouraging all county Extension personnel to attend the monthly Zoom meetings at which we will update them when there are changes to policies or practices, and when and how any necessary training will be provided by the AG Business Office in conjunction with Extension leadership. The AG Business Office will encourage any employee to contact their office if there is ever a doubt how to process any expense.

Observation #6: UW's Relationship with the 4-H Foundation should be clarified

Because of the land grant identification, The National Institute of Food and Agriculture (NIFA) provides support to 4-H organizations. By statute, 4-H organizations must have a connection to a

University which allows funding to flow from NIFA to 4-H. The Extension Office provides that connection at UW. Because these funds do not completely fund all the 4-H activities, a 4-H Foundation was created to support fundraising efforts. The main document establishing the relationship between UW and the 4-H Foundation at the current time is the Cooperative Agreement. We reviewed this document and noted that there are several areas where confusion could arise regarding who should provide the funding for any specific activity. This has created the need for negotiations between UW and the 4-H Foundation due to points of disagreement and confusion on each side.

Recommendation:

Currently, UW's Legal Council is working with the 4-H Foundation to create a clearer Memorandum of Understanding. We recommend that the College of Agriculture and Natural Resources administration be directly involved in this process to ensure that points of clarification are adequately addressed.

Response: The memorandum between UW and 4-H is currently sitting with UW General Counsel. We have provided information for this memorandum and are waiting for General Counsel to review it and let the College know what needs to happen next to get this MOU set in place.

Distribution List

Neil Theobald, Acting President of the University of Wyoming

Kate Miller, Provost and VP for Academic Affairs

Mark Stayton, Interim Dean for the College of Agriculture and Natural Resources

Barbara Rasco, Dean for the College of Agriculture and Natural Resources



Internal Audit Department

Dedicated to Improving Operations and Accountability

Audit of Science and Math Teaching Center (SMTC)

June 19, 2019

Auditors:

Kathleen Miller
Danika Salmans

Integrity ♦ Proficiency ♦ Objectivity



Internal Audit
1000 E. University Ave.
Laramie, WY 82071

June 19, 2019

Board of Trustees
University of Wyoming

Internal Audit has completed a review of the Science and Math Teaching Center (SMTC). This audit was requested during our risk assessment interviews.

Please find the executive summary and audit report immediately following the table of contents. The primary audit objective was to perform an overall functional and compliance review and to evaluate program processes.

The attached report discusses our observations and recommendations for areas in which controls should be improved. The report also includes the verbatim audit responses from units/departments or specific personnel noted in the audit.

We would like to thank Sylvia Parker, Interim Director for the Science and Math Teaching Center, Lindsay Galey, Office Associate for SMTC, and the other faculty and staff members for the assistance we received on this audit.

As is customary, we plan to conduct a follow-up review in approximately six months to determine what actions have been taken in response to the audit recommendations. This audit will remain open until completion of the follow-up review, at which time we will provide another report.

Sincerely,

Kathleen Miller
Director of Internal Audit

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Background

Science and Math Teaching Center Audit

The Science and Mathematics Teaching Center (SMTC) is devoted to excellence in P-20 science and mathematics teaching and learning. Functioning as an interdisciplinary collaboration in Academic Affairs under Graduate Education, the SMTC facilitates professional development that supports educators in Wyoming and across the United States.

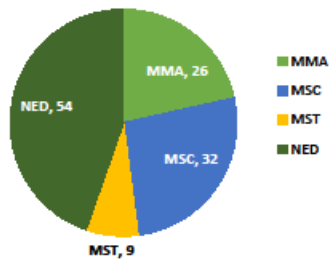
The Science and Math Teaching Center:

- Facilitates collaboration between UW faculty & K-12 educators.
- Serves as a resource center for teachers.
- Conducts research
- Provides professional development and outreach services to educators throughout Wyoming
- Offers 3 Master of Science (MS) degree programs with concentrations in:
 - Middle-level Science Education
 - Middle-level Mathematics Education
 - Natural Science Education
- Offers a Master of Science Teaching (MST) awarded by the College of Arts and Sciences

The SMTC was established in 1970 as a joint venture between the College of Arts and Sciences and the College of Education with initial funding from the National Science Foundation. Select UW faculty were given joint appointments in both colleges which enabled them to develop master's degree programs and courses designed and taught specifically for teachers. SMTC has evolved and changed over time and has maintained this commitment to integrating subject area content with appropriate teaching strategies that give teachers the confidence and ability to teach in a manner that produces genuinely knowledgeable students.

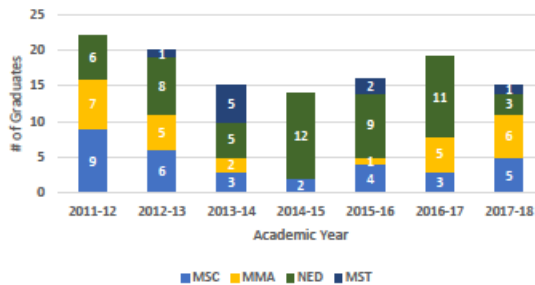
Please see the next page for additional information about the productivity of the SMTC in recent years.

SMTC Graduates 2011-2018 Total = 121

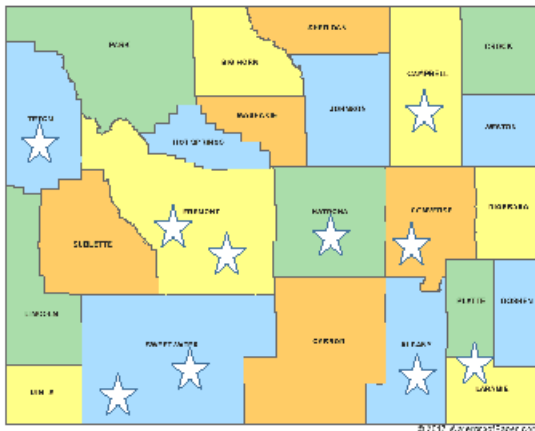


SMTC Graduate Programs: This chart represents the number of graduate from each graduate program out of our total of 121 graduates between 2011 and 2018. The programs are:
MMA – Middle Level Math
MSC – Middle Level Science
MST – Master of Science Teaching
NED – Natural Science Education

SMTC Productivity: Graduates/Year



SMTC Productivity: This graph indicates the number of students who graduated from the 4 SMTC graduate programs each year over the past 7 school years. On average, 17 students were graduated per year over this period.



SMTC Professional Development: This map represents the counties in which SMTC is conducting professional development for teachers related to implementation of the Wyoming State Science Standards. ★ Contracts with the school districts and a grant from the Wyoming Department of Education make this work possible and reaches hundreds of teachers each year.

Executive Summary

We performed a full audit comprised of a review of departmental policies and procedures, financial and accounting controls, and compliance with University policies.

We noted that due to the complicated nature of the budget and the transitory status of SMTC within the University has led to a situation where they have received limited financial guidance resulting in marginal success in monitoring financial status, limited understanding of the reports, and in general, confusion regarding budget variances.

The following observations were noted in the audit:

1. **Observation: The Office of Graduate Education should provide additional Fiscal Oversight , Guidance and support to the Science and Math Teaching Center**
2. **Observation: Budgets for Wyoming State Science Fair need to be Identified in WyoCloud**
3. **Observation: WyoCloud reports should be Used more effectively**
4. **Observation: Reimbursement Invoices should be Supported with the Expenditures Listed in the Grant Account**
5. **Observation: Scholarship Qualifications in Academic Works should be Updated**

The details for each of the observations are contained in the following report.

Audit Standards, Scope, Procedures, and Outcomes

Applicable Audit Standards that guide Internal Audit activity as established by the Institute of Internal Auditors (IIA):

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The mission of internal audit activity is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

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- **Code of Ethics**

Internal auditors are expected to apply and uphold the following principles:

- Integrity
- Objectivity
- Confidentiality
- Competency

The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (The Standards)* governed the procedures, methods and test work completed in the performance of this audit. Auditors are expected to use their best professional judgment in applying these standards. This includes the identification of areas of risk, regulations, and procedures that could impact the department and University.

- **Standard 1220 – Due Professional Care**

“Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.”

Audit Scope and Procedures and Outcomes:

The following audit steps represent the extent of work needed to achieve the engagement's objectives. The auditor's professional judgment was used in sampling each area and reviewing for compliance. The scope of this audit is summarized below. The audit steps included:

Area Audited	Test Work Performed	Status	Sample Size	Summary of Findings/Recommendations
Areas Specific to Department	Wyoming State Science Fair	Issue	N/A	We noted the Wyoming State Science Fair needs to have more clearly identified financial procedures and oversight. We also noted it appears to be underfunded. See Observation #2.
Financial and Accounting Controls	Governance and Oversight	Issue	N/A	We noted a general lack of financial oversight and some difficulties managing budgets. See Observation #1.
	Expenditures: Purchase Orders, Expense Reports and IDTs	Acceptable	70/401 17%	We reviewed expense reports, invoices, purchasing cards, and interdepartmental transfers. Minor issues were noted and addressed with the appropriate personnel.
	Scholarships	Issue	6/6 100%	We reviewed scholarship recipients for six scholarship. We found two scholarships where donor criteria listed in the Academic Works Software is inaccurate. See Observation #5.
	Foundation Accounts	Issue	6/6 100%	We found two Foundation accounts which have funds that have not been used. See Observation #1.
	Financial Reporting and Monitoring	Issue	N/A	Appropriate WyoCloud reports should be used in monitoring and evaluating budget status. See Observation #3.
	Management of Grants	Issue	1/2 50%	We noted that the granting agency was invoiced for estimated costs instead of actual. See Observation #4.
	Payroll	Acceptable	100%	We reviewed payroll processes for hourly employees. No issues were noted.

Personnel Policies	Supplemental Pay, Stipends and Honorariums	Acceptable	100%	We reviewed all supplemental pay transaction. All were adequately documented and approved.
	Overtime and/or Compensatory time	Acceptable	100%	No overtime or compensatory time was entered or paid.
	Benefit Usage	Acceptable	11%	We reviewed processes for sick leave and vacation for all employees. We found no issues.

Observations, Recommendations, and Responses

Observation #1: The Office of Graduate Education should provide Fiscal Oversight and Guidance to the Science and Math Teaching Center

In our review, we noted that there appears to be a lack of financial guidance, oversight, and support to ensure that management decisions take into account accurate financial information. In our audit, we could only review the expenses for FY 19 because in the past SMTC was included in other organizations' budgets and did not have one of their own. Therefore, the budgetary and financial information for SMTC was diffused across the other budgets. In addition, they did not receive adequate financial oversight and monitoring. For example:

1. As of April, Budgets appeared to be in a deficit position. A review of the Account Analysis which translates data from the WyoCloud system into an Excel report revealed that as of April 2019 the SMTC was over budget. After reviewing transactions and attempting to discover the reason for this variance it was revealed that this variance could not be taken at face value, since some transactions needed to be transferred to other accounts, some revenue was still outstanding, and some expenditure corrections had not processed as expected.
2. In our review, we noted issues within some of these revenue sources that appeared to lack adequate monitoring. For example, some expenditure corrections do not appear to have been submitted in a timely manner and adequately monitored, which led in part to the deficits noted above.

The SMTC budget is complicated by various revenue sources and major events where revenue is expected to cover all or some of the expenses.

Revenue and support come from various sources including:

- State funding
- Contract for services with districts/consultation fees
- Seminars and continuing education classes to educators
- Grant through Wyoming Department of Education (WDE)
- Foundation funds (donations)
- Tuition revenue and distance education fees
- Tuition for courses offered at the Teton Science Schools

Since payments for services and distance education are received after the event or class, some of these events can run a negative balance until the services are complete thus adding another layer of complication.

These various funding streams and expenditure activities require clear financial understanding of available reports to interpret progress against the budget. In order to help SMTC achieve their objectives in supporting UW's strategic plan, accurate financial management is crucial. Assistance in developing a detailed tracking process and improved business management processes of these activities would help the unit to:

- Establish a budget that represents necessary activities
- Monitor and spend within budgets
- Provide a means to perform financial analysis of specific activities to assess their sustainability
- Provide analytical data to support discussions regarding changes to budget amounts and structure.
- Use and interpret financial reports to provide an accurate picture of their financial status to management.

Recommendation:

It is recommended that Graduate Education consider developing a shared business center where specific departments (such as SMTC) could obtain guidance and assistance from a highly qualified professional in creating methods to plan and manage their budget. This would also provide additional oversight, monitoring, and management of their financial activity and status.

Response from the Graduate Office: The AVP for Graduate Education concurs with Internal Audit's recommendation and has been aware of the need for better business practices by the SMTC. Thus, in FY20, the Office of Graduate Education will stand up a new shared business center (SBC) that will provide services to all of the interdisciplinary graduate programs including SMTC. Initially, two FTE will be hired into the SBC, including one Accountant, Sr. Developing and implementing modern, efficient business management processes for SMTC will be the first major task that the Accountant will take on. We anticipate that this work will begin in late fall 2019 with achievement of all of Internal Audit's above recommendations by FY21.

Response from the SMTC: While the SMTC monitors very carefully every dollar spent from its grants and contracts, the new budgeting and reporting system has been challenging to master especially without an inhouse accounting associate to keep up-to-date with the evolving system. We welcome additional guidance and assistance in this area.

Observation #2: Budgets for Wyoming State Science Fair need to be Identified in WyoCloud

The Wyoming State Science Fair (WSSF) provides a forum for Wyoming student scientists to conduct and share their original science, technology, engineering or math research. It is sponsored and funded by the University of Wyoming in March of each year. This event is organized and hosted by SMTC.

The State Science Fair encourages students of Wyoming grades 6-12 to plan, organize, research, prepare and present a project of their interest. Participation engages students in real-life science experiences and gives them opportunities to interact with professionals. Students may receive awards, scholarships, and recognition. Top students are selected to represent Wyoming at the Intel International Science and Engineering Fair (ISEF), the largest pre-college celebration of science for high school students, or at the Broadcom MASTERS Competition, a national competition for 6th-8th graders.

Expenditures for the Wyoming State Science Fair represent a large portion (almost half) of the SMTC expenditures; however, clear tracking and historical documentation of costs have been difficult to retrieve. In addition, the WSSF did not have a clear budget in the WyoCloud system to refer to when planning events. (They were using a general guideline that was not related to the budget as established in WyoCloud.)

Even though we could not easily identify historical expenditures associated with the WSSF, with guidance from the State Science Fair Coordinator we compiled historical information, known expenditures and estimated revenue to identify the impact on the SMTC budget. See below.

Wyoming State Science Fair Expenditures		
Type	\$	Note
Revenues		
Registration	\$ 5,250.00	\$15/student with capacity of 350. Paid by school districts or individuals
Wages		
Salary	\$ 41,580.00	
Benefits	\$ 14,047.80	
GA help for 3 months	\$ 4,065.00	GA helps during Jan-Mar/ must cover assistance
WSSF Operating		
Travel to Regional Science Fairs	\$ 2,000.00	
Catering	\$ 5,000.00	Food for Judges/Breakfast, Lunch
Student & Teacher meal	\$ 4,550.00	Washaki, \$13/ticket
Awards	\$ 3,000.00	Supplemented by donations from campus and industry. Total awards can be around \$7000
Space rental	\$ 8,000.00	Last year Union was not available so had to rent space from the Gateway. Does not get priority scheduling.
Misc. Supplies	\$ 700.00	Participation ribbons, name tags, pins, printing, etc.
T-Shirts	\$ 2,200.00	
International Science Fair		The State Science Fairs agree to support expenses to send selected students and chaperones to the International Science Fair
Affiliation Fee	\$ 870.00	
Travel Expenses	\$ 12,000.00	4 students, 2 adults, and WSSF Director
NET FUNDS REQUIRED	\$ 92,762.80	

Another budgetary impact involves facility rentals for displaying the science projects for judging and review by the public. Since there could be up to 350 students and guests this can require considerable space. In the past SMTC has tried to hold this event at the Union. But because of the priority scheduling rules of the Union, the Science Fair has been given a lower priority classification and has been bumped from the schedule in the past. Alternative facilities are much more expensive and difficult to secure. This event brings students from across the state to the University. Functions during the Science Fair introduce these students to many campus facilities, faculty, and opportunities for students who attend the university. The names of the participants are shared with Admissions to be used in the recruiting activities.

Recommendations:

A detailed budget for the WSSF should be clarified within the SMTC budget including estimated revenues, specific expenditures, and awards to help ensure that:

- The Science Fair is adequately funded
- Revenue targets are reasonable
- Expenditures are within the budget.

In addition, we recommend that this function be held on campus at a consistent location and used as a recruiting event; in order to achieve this goal support will need to be obtained from University Administration.

Response from the SMTC: Although the SMTC maintained a separate budget for the WSSF and monitored it very carefully, it was in an external spreadsheet and report and not evident in the overall WyoCloud system. We will seek assistance in setting up a subaccount in WyoCloud and having better documentation of the true cost of the Science Fair.

The Union is the preferred site for holding the Science Fair. The Union has its own set of rules for scheduling events and for the rates they charge; the SMTC has asked every year to be reclassified for earlier scheduling priority and lower charges and each year we have been denied. Assistance and support from University Administration in making a change would be helpful.

Observation #3: WyoCloud Reports should be Used more Effectively

We found several instances where the SMTC had difficulty understanding their financial status, in part, because the best available reports were not being used or not being used effectively.

For example, the General Ledger report is being used to track revenues. Unfortunately, this report only records the total revenue for the month. This means that the Office Associate must determine which deposits are included in the monthly total revenue amount. This is inefficient and cumbersome especially given that there are at least two other reports (The Account Analysis or the General Accounting Dashboard) that provide deposit detail. The use of one of these reports would provide a much more efficient mechanism for tracking deposits.

In another example, expenditure corrections had to be completed in order to transfer expenses to the appropriate funding source. The monitoring process did not identify that these corrections had not been finalized because the correct reports were not being used to ensure that expenditure corrections had cleared.

Recommendation:

We recommend that the SMTC seek additional training and guidance regarding which reports to use, and how to interpret them.

Response from the SMTC: In the past, the SMTC had an accounting associate to handle all of our transactions and provide the most useful, accurate and current financial reports for monitoring and decision making. The change to a one-year budget cycle, the implementation of a new accounting system and the failure of the various systems to fully “talk” with one another have combined to make monitoring our finances challenging at best. Guidance and training? Yes, please; bring it on. We have learned more from the

auditors about reports that we could be using than were ever evident in the online training courses.

Observation #4: Reimbursement Invoices should be Supported with the Expenditures Listed in the Grant Account

In order to ensure that grant money is spent appropriately, most grants are run on a reimbursement basis. The University pays the expenditures for the grant on the understanding that when invoiced, the granting agency will reimburse the expenditures. Therefore, the underlying principle for submitting an invoice to the granting agency is that the request for reimbursement is based on actual expenditures.

The Wyoming Department of Education reimbursed SMTC \$77,000 for grant expenditures. However, actual expenditures recorded in the grant account totaled only \$70,383. Normally the Office of Sponsored Projects would prepare the invoice based on the expenditures recorded in the grant account (\$70,383). However, in this case the SMTC was asked to prepare the invoice which they did using their documentation of expenditures but some of the expenditures had not been recorded in the grant account resulting in an inaccurate billing.

Recommendation:

We recommend that only those expenditures recorded in the grant account be invoiced to granting agencies for reimbursement as per usual practice.

Response from the SMTC: SMTC fully expected that actual expenditures would be billed and delays in the posting of salary corrections may have resulted in the discrepancy. There is another billing cycle for this grant and this summer we are working with the Office of Sponsored Programs and going through every expenditure since the start date to assure that the final invoice will correct for any previous errors.

Observation #5: Scholarship Qualifications in Academic Works should be Updated

We reviewed all six of the scholarships that SMTC awards. All of the scholarships reviewed were housed in the Academic Works scholarship software which automatically analyzes each applicant and compares their qualifications to those noted in the donor's award. Thus the criteria are tracked for each applicant. Most of the SMTC awards have very limited qualifications; in some cases, the only qualification is that they are participating in SMTC graduate programs. However, we did note two scholarships with more specific qualifications in the donor documents that had been entered incorrectly into Academic Works.

Recommendation:

We recommend that the qualifications in Academic Works be compared to the Donor's qualifications noted in the award documentation to ensure that they are accurate. This is

especially important since Academic Works automatically produces a list identifying eligible candidates, however, if it is working from an inaccurate list of qualifications the list might eliminate qualified candidates or include non-qualified candidates.

Response from the SMTC: SMTC has had these scholarships for many years and was unaware of the errors mentioned. We will review them and make the necessary corrections.

Distribution List

Neil Theobald, Acting President of the University of Wyoming
Kate Miller, Provost and VP for Academic Affairs
James Ahern, Associate Vice Provost
Sylvia Parker, Interim Director (SMTC)



Internal Audit Department

Dedicated to Improving Operations and Accountability

Audit of English Language Center (ELC)

August 20, 2019

Auditors:

Kathleen Miller
Danika Salmans

Integrity ♦ Proficiency ♦ Objectivity



Internal Audit
1000 E. University Ave.
Laramie, WY 82071

August 20, 2019

Board of Trustees
University of Wyoming

Internal Audit has completed a review of the English Language Center (ELC). This audit was requested during our risk assessment interviews.

Please find the executive summary and audit report immediately following the table of contents. The primary audit objective was to perform an overall functional and compliance review and to evaluate program processes.

The attached report discusses our observations and recommendations for areas in which controls should be improved. The report also includes the verbatim audit responses from units/departments or specific personnel noted in the audit.

We would like to thank Frederica Suess, Director, English Language Center, Carrie Hesco, Director, Administration, Global Engagement, and the other faculty and staff members for the assistance we received on this audit.

As is customary, we plan to conduct a follow-up review in approximately six months to determine what actions have been taken in response to the audit recommendations. This audit will remain open until completion of the follow-up review, at which time we will provide another report.

Sincerely,

Kathleen Miller
Director of Internal Audit

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Background

English Language Center Audit

The English Language Center serves the University of Wyoming and surrounding community by preparing non-native speakers of English linguistically, culturally, and academically to meet the requirements for success in U.S. higher education environments and to fully engage in campus life.

This is accomplished through several mechanism:

- **Undergraduate and graduate credit ESL courses**— The ELC offers seven skills-based courses: ESL 1110, 1210, 1310, 1410, 2110, 3050 and 4010. 1210, 3050, 4010 meet WA/ COM 1-2-3 requirements respectively. These courses are offered as credit-bearing language support for international and generation 1.5 American students who would like to improve their academic English language proficiency for success in UW degree programs.
- **International graduate student support program.** ELC provides recruiting support to UW faculty engaging potential international graduate students and offers continuing support and onboarding via an International Graduate Student Orientations and a 5-part workshop series specific to International Graduate TA language and cultural training needs.
- **Intensive ESL Program (IEP).** The Intensive ESL Program is a full-time, non-degree program for pre-matriculated English language study. Students are on F-1 visas specific to full-time language study which requires 20 classroom hours per week for semester-long courses.
- **J-1 Visiting Scholars support program.** ELC interviews all visiting scholars as part of the J-1 visa process. After arrival, ELC runs cultural support and conversation hours for scholars during the length of their stay at UW. Fulfilling the cultural exchange visa requirement to participate in cultural activities.
- **Study Tours and short Programs.** ELC runs self-supporting 2-6 week programs of incoming international student cohort programs. They are designed for ESTA Visa Waiver countries and B-visa visitors. These programs are for experiential American culture learning and English language practice. They are non-credit educational Study Tours that are used for recruiting outreach to international universities and to maintain partnerships with institutions that have MOU's with UW.

Executive Summary

We performed a full audit comprised of a review of departmental policies and procedures, financial and accounting controls, and compliance with University policies.

In addition to the credit ESL program, graduate student and visiting scholar support, and non-degree Intensive English, the English Language Center also offers 'short programs'. These programs are self-supporting and offer students a cultural experience. These experiences introduce them to UW and the surrounding area providing them with experiences, both on and off campus. Although these courses are not for credit, it is hoped that these experiences will inspire them to consider the University of Wyoming as they complete their education. These programs were started recently and have been well received. As is often the case in newly developed programs, there are several opportunities to improve and standardize processes.

The following observations were noted in the audit:

1. **Observation: Procedures regarding Self-Supporting Programs should be Improved**

The details for each of the observations are contained in the following report.

Audit Standards, Scope, Procedures, and Outcomes

Applicable Audit Standards that guide Internal Audit activity as established by the Institute of Internal Auditors (IIA):

- **Mission of Internal Audit**

The mission of internal audit activity is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight.

- **Definition of Internal Auditing**

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

- **Code of Ethics**

Internal auditors are expected to apply and uphold the following principles:

- Integrity
- Objectivity
- Confidentiality
- Competency

The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (The Standards)* governed the procedures, methods and test work completed in the performance of this audit. Auditors are expected to use their best professional judgment in applying these standards. This includes the identification of areas of risk, regulations, and procedures that could impact the department and University.

- **Standard 1220 – Due Professional Care**

“Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.”

Audit Scope and Procedures and Outcomes:

The following audit steps represent the extent of work needed to achieve the engagement's objectives. The auditor's professional judgment was used in sampling each area and reviewing for compliance. The scope of this audit is summarized below. The audit steps included:

Area Audited	Test Work Performed	Status	Sample Size	Summary of Findings/Recommendations
Areas Specific to Department	Short Programs	Issue	N/A	These programs are not adequately reviewed and monitored. See Observation #1
Financial and Accounting Controls	Governance and Oversight	Issue	N/A	We noted a general lack of financial oversight and difficulties managing budgets. See Observation #1.
	Expenditures: Purchase Orders, Expense Reports and IDTs	Acceptable	43/252 17%	We reviewed expense reports, invoices, purchasing cards, and interdepartmental transfers. Minor issues were noted and addressed with the appropriate personnel.
	Financial Reporting and Monitoring	Acceptable	N/A	Adequate reporting and monitoring procedures are in place except for the short programs noted below.
Personnel Policies	Payroll	Acceptable	100%	We reviewed payroll processes for hourly employees. No issues were noted.
	Supplemental Pay, Stipends and Honorariums	Acceptable	100%	We reviewed all supplemental pay transaction. All were adequately documented and approved.
	Overtime and/or Compensatory time	Acceptable	100%	No overtime or compensatory time was entered or paid.
	Benefit Usage	Acceptable	100%	We reviewed processes for sick leave and vacation for all employees. We found no issues.

Observations, Recommendations, and Responses

Observation #1: Procedures regarding Self-Supporting Programs should be Improved

ELC has two funding sources. One is from state allocations to cover credit courses including Intensive ESL Program, undergraduate ESL courses, and International Graduate Student Support. The other funding source is through self-supporting short programs and study tours offered to international visitors and scholars.

Because a lack of formal budgeting, tracking and monitoring of these events it is unclear if all of the expenses (especially salaries) are appropriately considered in the expenditures for the self-supporting courses.

These self-supporting courses have not had formal review and approval. Some concerns included:

- Some of the ‘cultural’ activities have included river rafting trips. Risk Management has not reviewed the itinerary, or the qualifications of the leaders and counselors to ensure risk has been appropriately mitigated. Currently, these programs do not have set educational standards. For example, occasionally these courses do not meet visa standards that allow for a J-1 visa (these are educational visas) instead tourist visas must be used. While there are circumstances where J-1 visas may not be advisable regardless of the educational content, a standard of educational goals would help guide the development of each program. These courses are recruiting tools and have educational content for American culture learning. Visting students often earn educational credit from their home institution.
- Additionally, there has not been a formal budget identified or internally approved for each distinct program to ensure all costs are covered by the registration fees.
- Training for instructors has not been formalized. Sometime the program is designed expressly for those attending; therefore, specific training on topics regarding risk mitigation, actions to be taken in emergency situations, etc. may not have been adequately addressed.
- Qualifications for employees should be identified, reviewed and approved for each program including the experience or certifications needed to be an instructor, leader or councilor on these trips which are often overnight in various national or state parks.
- Contracts were not always dated when signed. It appears that the contract may have been executed before the contract was signed.

Recommendation:

We recommend that the procedures to approve, monitor, budget and identify risk mitigation for self-supporting courses be formalized.

Standards should be set regarding the educational content required. Providing courses without adequate educational content does not appear to meet our institutional goals.

We also recommend that Risk Management review and approve all programs to ensure that insurance coverage is adequate and that emergency response protocols are in place.

Additionally, in order to mitigate risks, attention should be given to the training required for instructors, leaders, and councilors.

Response:

The English Language Center agrees with the finding that the processes for short programs be formalized. Most importantly, we welcome a review panel or a review process for these programs. The programs are customized for each institution we work with. Budgets will need to be individually considered. We do have curriculum and educational content for American culture learning but these programs have been designed specifically for ESTA Visa Waiver countries and B-visa visitors. These programs often count educational credit from the participant's home institution which is why they are customized.

These programs provide many benefits to campus in outreach and relationship building with partner institutions. The ELC signs MOU's with UW's residence halls as a Summer Conference programs, rent vehicles and equipment from UW and provide a valuable revenue source for the English Language Center. They also provide work experience and paychecks to UW students (including graduate students) who would otherwise have no source of financial support over the summer months.

Distribution List

Neil Theobald, Acting President of the University of Wyoming
Kate Miller, Provost and VP for Academic Affairs
Anthony C. Ogden, Associate Vice Provost for Global Engagement



Internal Audit Department

Dedicated to Improving Operations and Accountability

Audit of Manufacturing Works

Change of Management Audit

August 5, 2019

Auditors:

Kathleen Miller

Danika Salmans

Integrity ♦ Proficiency ♦ Objectivity



Internal Audit
1000 E. University Ave.
Laramie, WY 82071

August 5, 2019

Board of Trustees
University of Wyoming

Internal Audit has completed a review of the Manufacturing Works (MW). This audit was requested by the Vice President for Research and Economic Development due to change in leadership for Manufacturing Works.

Please find the executive summary and audit report immediately following the table of contents. The primary audit objective was to perform an overall functional and compliance review and to evaluate program processes.

The attached report discusses our observations and recommendations for areas in which controls should be improved. The report also includes the verbatim audit responses from units/departments or specific personnel noted in the audit.

We would like to thank Rocky Case, Director, Manufacturing Works, Nancy Fallas, Assistant Director, Manufacturing Works, and the other faculty and staff members for the assistance we received on this audit.

As is customary, we plan to conduct a follow-up review in approximately six months to determine what actions have been taken in response to the audit recommendations. This audit will remain open until completion of the follow-up review, at which time we will provide another report.

Sincerely,

Kathleen Miller
Director of Internal Audit

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Background

Manufacturing Works Audit

Manufacturing Works' mission is to **assist** Wyoming manufacturers, producers, and entrepreneurs, in growing their **revenues**, increasing their **productivity** and **performance**, and strengthening their **global competitiveness**.

Manufacturing Works (MW) delivers services and solutions by coordinating a network of experts available via the Manufacturing Extension Partnership program through NIST, an entity of the US Department of Commerce. The mission is to help Wyoming manufacturers achieve success and sustainably grow their operations in an efficient manner.

For more than 24 years, we at MW have been delivering training, experience, and solutions for creating value. In collaboration with a wide array of industry partners, we're here to help and grow Wyoming businesses to reach their full potential.

MW provides broad-technical assistance, engineering solutions, general-business assistance, marketing assistance, and financial counseling exclusively to businesses with specific NAICS codes as defined by NIST. MW is committed to helping businesses, in conjunction with others, by delivering consulting services. MW is located throughout Wyoming, with current offices located in Laramie, Cheyenne, Casper, Sheridan, and Afton.

MW is in partnership with the [National Institute of Standards and Technology](#) (NIST), the [Wyoming Business Council](#), and is a center of the [University of Wyoming](#).

OUR STORY

Manufacturing Works is Wyoming's premier non-profit consultancy which is part of a National Network consisting of highly skilled and experienced professionals whose sole purpose is to help manufacturers prosper & grow.

We help manufacturers strategically identify and solve their most pressing issues, enabling them to take their business to the next level.

We promote innovation, manufacturing, and industrial competitiveness to build a stronger and more prosperous Wyoming through enhanced economic securities and improved quality of life.

Executive Summary

Manufacturing Works does not receive any unrestricted operating funds from the University. They are funded completely from the National Institute of Standards and Technology (NIST) through a federal grant and a one-to-one match (required by NIST) with the Wyoming Business Council. This is accomplished through funding by the Wyoming Business Council as well as program income generated by fees charged to clients.

This audit focused on

- Invoicing procedures to MW clients
- Reimbursement invoicing to NIST
- A review of all matching funds, their source, and adequacy.

The following observations were noted in the audit:

1. **Observation: Project Contract and Invoices should be Clear and Supported with Adequate Documentation**
2. **Observation: Accounts Receivable Processes could be Improved**
3. **Observation: Remote Employees should be Issued Purchasing Cards**
4. **Observation: Monitoring Grants Balances and Expenditures should be Improved**

The details for each of the observations are contained in the following report.

Audit Standards, Scope, Procedures, and Outcomes

Applicable Audit Standards that guide Internal Audit activity as established by the Institute of Internal Auditors (IIA):

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- **Code of Ethics**

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- Confidentiality
- Competency

The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing (The Standards)* governed the procedures, methods and test work completed in the performance of this audit. Auditors are expected to use their best professional judgment in applying these standards. This includes the identification of areas of risk, regulations, and procedures that could impact the department and University.

- **Standard 1220 – Due Professional Care**

“Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.”

Audit Scope and Procedures and Outcomes:

The following audit steps represent the extent of work needed to achieve the engagement's objectives. The auditor's professional judgment was used in sampling each area and reviewing for compliance. The scope of this audit is summarized below. The audit steps included:

Area Audited	Test Work Performed	Status	Sample Size	Summary of Findings/Recommendations
Areas Specific to Department	Client Projects	Issue	N/A	These projects should have clear contracts and detailed supporting documentation for invoices. See Observation #1
Financial and Accounting Controls	Governance and Oversight	Issue	N/A	We noted a general lack of financial oversight and difficulties managing budgets. See Observation #4.
	Expenditures: Purchase Orders, Expense Reports and IDTs	Issue	43/252 17%	We reviewed expense reports, invoices, purchasing cards, and interdepartmental transfers. Minor issues were noted and addressed with the appropriate personnel. Purchasing cards should be offered to remote employees to increase efficiencies. See Observation #3.
	Financial Reporting and Monitoring	Issue	N/A	Adequate reporting and monitoring procedures are in place, however accounts receivable should be improved. See Observation #2.
Personnel Policies	Payroll	Acceptable	100%	We reviewed payroll processes for hourly employees. No issues were noted.
	Supplemental Pay, Stipends and Honorariums	Acceptable	100%	We reviewed all supplemental pay transaction. All were adequately documented and approved.
	Overtime and/or Compensatory time	Acceptable	100%	No overtime or compensatory time was entered or paid.
	Benefit Usage	Acceptable	100%	We reviewed processes for sick leave and vacation for all employees. We found no issues.

Observations, Recommendations, and Responses

Observation 1: Project Contract and Invoices should be Clear and Supported with Adequate Documentation

We reviewed all contracts that have resulted in an invoice to outside clients. We found that the contracts are often vague using one page to describe the work Manufacturing Works will do. There are usually no addendums or attachments regarding the budget or specific pricing. The contract states that Manufacturing Works will only charge for work done and yet, there are often no hours turned in and no description of the work done which is being billed.

Budgeting costs for projects do not appear to be well supported and documented. We could not find a document that identified a budget that categorizes all expenditure from M-W and includes all 3rd party expenditures to ensure that estimates for the contract are as accurate as possible.

Costing noted in the invoice should not include services that are provided for free by other entities. For example, we noted contracts that charge for services that the Small Business Development Center offers for free. These services should be clearly identified in the contract and eliminated from the services offered by Manufacturing Works

Invoicing appears random and unsupported with documentation. For example, only one project out of twelve had the hours worked and the work done documented and attached in the electronic file. This was the only invoice in which the hours from the supporting documentation actually matched the invoice. No invoice should be approved for mailing to the client without every item on the invoice being accurately described with supporting documentation that matches exactly is either attached or stored electronically. In addition, discounts on services appear to be random with no explanation. This should be standardized using a percentage or flat rate and should be explained on the invoice.

Currently, any documentation available to support an invoice is scattered. All documentation relating to an invoice should be attached to the invoice and kept either electronically in Salesforce or in hard copy form.

Recommendation:

We recommend the following procedures should be implemented:

1. Contracts should be written with clear statements of work and clear costing and budgeting.

2. Budgets should be prepared to identify all estimated costs that would be incurred by Manufacturing Works in providing the service including 3rd party costs and estimated hours worked by Manufacturing Works employees.
3. Manufacturing Works should discontinue the practice of charging clients for services that could be obtained for free through other government-supported agencies. In order to ensure that these services are identified, Manufacturing Works should provide training to their employees regarding the services offered for free by these other entities.
4. Invoices should have specific supporting documentation for every item listed. Especially hours worked by Manufacturing Works employees. The documentation should list the day and the work done.
5. Discounts should be standardized using either a percentage, a flat rate, or some other clear and documented standard.
6. Invoice documents should be housed together so they can be easily accessed.

Response:

1. **After internal review of Project Client Agreements, MW leadership review and approve each document, as part of the newly implemented project review process, with Account/Project Managers (APM) prior to dissemination to the client. This review will ensure clear and concise statements of work, customer expectations, anticipated client budget, and a succinct explanation of billable services related to the project. This will ensure client expectations and MW services are clear to the clients, MW, and any third party contractor, if applicable.**
2. **Moving forward, all Project Client Agreements will include a top line anticipated budget. This will be outlined with specific detail regarding costs and related services, as well as anticipated billable hours for work performed by MW Account/Project Managers and/or interns. Billable hours from MW staff might include services such as ISO, Six Sigma, and engineering services not provided by a third party contractor. Billable hours should not include components like travel time, research, office visits, or other administrative activities.**
3. **Manufacturing Works, along with the broader Business Resource Network (BRN) at the University of Wyoming are in process of reviewing overlap services to better ensure that we are leveraging each other's strengths rather than potentially competing with each other. MW has created a list of services for employee training that aligns to NIST's current and future mission. MW will ensure current and future employees gain a broad knowledge of the BRN to ensure MW is not charging for services available at no cost to the client from another BRN entity.**

4. MW has implemented a review process to ensure invoices are clear and all billable elements are detailed with dates, services provided, and that amounts are consistent with the client reviewed and approved PCA.
5. MW is in the process of reviewing and standardizing pricing for most project services. As some of the services we provide are quite complex, statements of work and associated billable items for more complex projects will be created and reviewed/approved by APMs, MW leadership, and any associated 3rd party contractor prior to discussing with the client.
6. All invoices and related documents are housed in MWs CRM system, Salesforce. While the process to get to these is somewhat cumbersome, this is a product of the system available via the Wyoming Business Council, who requires MW to utilize Salesforce. With a brief 20 minute training session most individuals can easily navigate through the program and find information.

Observation 2: Accounts Receivable Processes could be Improved

The client management software used by Manufacturing Works is called Salesforce. Salesforce allows for automation and has been set up to automatically generate invoices, including accounts receivable. It actually sends the invoice via email to the client, it records the date sent, and counts the days until payment is received. If payment has not been received by the 30-day count it automatically sends a past due reminder letter. A 'Collections' report shows the project name, number, the date the invoice was sent, the amount of the invoice and the number of days since the invoice was sent. Thus providing an aging report.

We reviewed the 'Invoice Procedures' as well as the 'Collections Report'. We noted that the procedures are not implemented to follow up with the client when payment has not been received in a timely manner. In addition write off procedures should be reviewed and approved.

Recommendation:

We recommend that the Invoice Procedures be updated to include procedures regarding who and when clients should be contacted to determine why payment hasn't been received. In addition, write off procedures should be added.

Response: Please find attached the current MW "Procedure for Dealing with Past-Due Accounts," and Invoice Procedure. MW leadership is in the process of reviewing and amending these and will provide an update to the Department of Internal Audit by 8/30/2019.

Observation 3: Remote Employees should be Issued Purchasing Cards

In talking with management, we were told that those employees who work remotely are not given purchasing cards and are expected to cover M-W costs from their own pocket and obtain reimbursement. This is not only inefficient but also can create un-do financial pressure on those employees.

Recommendation:

We recommend that purchasing cards be offered to remote employees in order to achieve greater efficiency and to reduce financial pressure on employees.

Response: On a go forward basis, all full time home office and remote employees will have the option to obtain purchasing cards. This will be done in accordance with current University of Wyoming UniRegs.

Observation 4: Monitoring Grants Balances and Expenditures should be Improved

During the audit we noticed that some grant balances were overdrawn. In order to correct this some expenditure corrections were submitted, however, in at least one case the balance was over corrected requiring additional expenditure corrections. Expenditure corrections are a manual process and therefore are not immediately processed through the system. This requires additional attention to ensure that expenditure corrections are not duplicated or forgotten.

Recommendation:

We recommend that attention be given to monitoring grant balances and any corrections that are made in order to ensure that all funds are appropriately spent without duplication of expenditures or corrections.

Response: Grant balances will be reconciled on a monthly basis by using an in-house register that shows any transactions initiated by MW for processing through WyoCloud. To assist with tracking expenditure corrections, a separate in-house document will be maintained showing the progress of those expenditure corrections. This process will assist in avoid duplication.

Distribution List

Neil Theobald, Acting President of the University of Wyoming
Edmund Synakowski, VP for Research & Economic Development Office
Rocky Case, Director for Manufacturing Works



Internal Audit Department

Dedicated to Improving Operations and Accountability

**Audit of
NCAA Compliance**

August 15, 2019

Auditors:

Kathleen Miller

Danika Salmans

Integrity ♦ Proficiency ♦ Objectivity



Internal Audit
1000 E. University Ave.
Laramie WY, 82071

August 15, 2019

Board of Trustees
University of Wyoming

Internal Audit has completed a review of NCAA compliance. This audit was selected because:

1. Representatives of athletic interests include many individuals who might not be aware of the rules they need to follow.
2. The purpose of NCAA recruiting legislation is to balance the interests of the prospect being recruited and the interests of the NCAA member who is attempting to gain the enrollment of the prospect at the institution.
3. By reviewing the NCAA compliance regularly, issues can be identified and thus avoid infractions and ensure adequate procedures are in place to manage activities in accordance with the rules and regulations.
4. In order to review all recommended topics, a portion of the NCAA regulations are reviewed each year over a four year period. This was a time frame recommended by the NCAA. The areas under review this year have not be audited for four years.

Please find the executive summary and audit report immediately following the table of contents.

The purposes of a NCAA compliance audit are to

- Advise institutional decision-makers whether the compliance program is functioning properly;
- Identify policies and procedures that may leave an institution vulnerable to possible inadvertent violations;
- Assist institutional decision-makers in recommending corrective measures to enhance compliance efforts;
- Reiterate the institution's commitment to institutional control through proactive measures; and
- Enhance administrative accountability by providing external oversight

The primary audit objective was to perform a compliance audit of On and Off Campus Recruiting, Coaching limits and contracts, head coach responsibilities, playing and practice seasons, and a review of athletic equipment and apparel. The attached report discusses our observations and

recommendations for areas in which controls should be improved. The report also includes the verbatim audit responses from units/departments or specific personnel noted in the audit.

We would like to thank Phillip Wille, Sr. Associate AD for Internal Operations, Peter Prigge, Assistant Athletic Director for Compliance, and the other staff members for the assistance we received on this audit.

Sincerely,

Kathleen Miller
Director of Internal Audit

Audit of
NCAA Compliance

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Background

UW Athletics Compliance Office

The University of Wyoming's Compliance Office is responsible for monitoring and evaluating all of the NCAA rules and regulations. In order to accomplish this the NCAA has developed "Reasonable Standards" for each section of rules which are intended to establish an expectation to which all institution will adhere when monitoring and institution's compliance with NCAA rules, providing education regarding NCAA rules and documenting compliance with NCAA rules.

Non-compliance can result in a loss of scholarships, being restricted from post season play, ineligibility of a student athletes as well as fines and negative publicity.

Because of the substantial effects of non-compliance it is very valuable to have an active and adequately staffed compliance office. The UW compliance staff have developed many processes, forms and other monitoring mechanisms to prevent, monitor and identify non-compliance and correct these errors as soon as possible.

Executive Summary

This audit reviewed the procedures and controls the Athletic Department has in place to ensure compliance with NCAA rules and regulations. The procedures were reviewed for completeness (they addressed the all NCAA rules that apply to the specific area) and effectiveness (did the procedures successfully ensure compliance). We found two areas in which the procedures were complete but not completely effective.

Due to many NCAA requirements, it is expedient that the Compliance Office is diligent with monitoring and educating the UW athletic staff, student athlete population, the representatives of athletics interest and others. The Compliance Office does an admirable job of monitoring and educating these many groups.

We did find the following two area where there is room to improve the effectiveness and ensure that procedures do not leave an institution vulnerable to possible inadvertent violations:

1. **Observation: Incentives for Contractual Speaking Engagements should be Documented**
2. **Observation: JumpForward Technology Should be Fully Utilized**

The areas being audited this year were last reviewed in 2014. The following table shows the audit topics planned for the next four years:

2018-2019	2019-2020	2020-2021	2021-2022
Recruiting, On and Off Campus	Commitment of Personnel to Rules Compliance Activities	General-Eligibility	Financial Aid (Extra Benefits)
Coaching Staff Limits and Contracts	Academic Performance Program	Initial-Eligibility Certification	Representatives of Athletic Interests
Playing and Practice Seasons	Camps and Clinics	Continuing-Eligibility Certification	Complimentary Admissions (Extra Benefits)
Athletic Equipment and Apparel	Investigation and Self Reporting of Rules Violations	Transfer-Eligibility Certification	General Compliance-Rules Education
	Student-Athlete Employment	Amateurism	
		Student Athlete Vehicles	

Audit Standards, Scope, Procedures, and Outcomes

Applicable Institute of Internal Auditing Standards:

- **Institute of Internal Audit**

The audit standards of the Institute of Internal Audit govern the procedures, methods and test work completed in the performance of this audit. Auditors are expected to use their best professional judgement in applying these standards. This includes identification of areas of risk, regulations and procedures that could impact the department and University.

Standard 1220 – Due Professional Care

“Internal auditors must apply the care and skill expected of a reasonably prudent and competent internal auditor. Due professional care does not imply infallibility.”

Standard 2120—Risk Management

“The internal audit activity must evaluate the effectiveness and contribute to the improvement of risk management processes.”

Risks in this audit include:

- Loss of athletic scholarships,
- Not being allowed to participate in post season play,
- Ineligibility of a student athlete
- Fines
- Negative publicity

Policies and Regulations pertinent to the audit include:

1. **NCAA Section 13 – Recruiting (on and off campus):**

The purpose of NCAA recruiting legislation is to balance the interests of the prospect being recruited and the interests of the NCAA member who is attempting to gain the enrollment of the prospect at the institution.

NCAA legislation regulates the time period for, and in some sports, the number of telephone calls to a prospect. Legislation also prohibits the number of in-person contacts or evaluations during certain periods. These vary by sport.

Section 13 discusses the number, types, and timing of contacts with prospective student-athletes; the activities permitted during student-athletes’ official and unofficial visits to the institution; entertainment and transportation to be provided to a recruit; the recruiting materials to be provided to a recruit; dealings with high school, preparatory school, and two-year college coaches; and sports camps and clinics.

Bylaw 13.1.2 – Requires all in-person, on- and off-campus recruiting contacts with a prospect or the prospect’s relatives or legal guardians to be made by authorized institutional staff members.

Bylaws 13.1.3.4 and 13.1.3.5 – Identifies permissible and non-permissible callers to prospects.

Common Risks (From Audit Guide to Audits of NCAA Athletic Compliance)

Over the past few years, approximately 50 percent of all Level I and II cases involved a Bylaw 13 citation. Of those Bylaw 13 violations, 25 percent involved a Bylaw 13.1.2 citation (impermissible recruiter making in-person, off-campus contact), 20 percent involved a 13.1.3.5 citation (a representative of athletics interests, enrolled student-athlete, or prospect impermissibly initiated contact), and 15 percent involved a 13.1.3.4 citation (someone other than a head or assistant coach impermissibly initiated contact). The remainder of the Bylaw 13 violations relate to the deliberate provisions of improper recruiting inducements, usually violations of Bylaw 13.2.1.

2. **NCAA Section 17 – Playing and Practice Seasons:**

NCAA legislation details daily and weekly practice hour limitations for all sports that are in season and out-of-season. In season generally is defined as the season in which the championship competition for that sport is conducted and no championship competition would be held in the out-of-season segment. During the in-season session, an athlete can practice no more than four hours per day and 20 hours per week. Outside of the playing season, there is a limit of eight hours per week for practice activities and such activities are prohibited during two days per week. Certain sports also have daily and weekly restrictions during the academic year vacation periods (e.g., summer). Multi-sport participants should not exceed these maximum weekly or daily limits.

Bylaw 17.02.1 – Defines countable athletically related activity.

Bylaw 17.02.8 – Defines intercollegiate competition.

Bylaw 17.02.11 – Defines outside competition.

Bylaw 17.02.17 – Defines intercollegiate sport and details specific sports that are classified as team and individual sports.

Bylaw 17.02.18 – Defines the conditions that must be met in order for the activity to be considered voluntary.

Bylaw 17.1.7 – Details time limits for athletically related activities.

Bylaw 17.1.7.4 – Describes the necessity to have one day off during the week during the playing season.

Bylaw 17.1.7.10.1 – Prohibits missed class time for competition during the non-championship segment in specified sports.

Bylaw 17.1.7.10.2 – Prohibits student-athletes from practicing during class time except when a team is traveling to an away contest.

Bylaws 17.2 through 17.27 – Details specific legislation by sport concerning the number of contests, dates of competition, length of the playing season, preseason practices, athletically related activities, etc.

Bylaw 17.29 – Addresses foreign tours for several sports.

Common Risks (From Audit Guide to Audits of NCAA Athletic Compliance)

Over the past few years, approximately 10 percent of all Levels I and II cases included a Bylaw 17 citation. Common violations included: (i) coaches requiring student-athletes to undertake conditioning and other activities when impermissible to do so (i.e., during summer, pre-season, postseason); and (ii) exceeding daily and weekly CARA limits.

3. **NCAA Section 12, 13, & 16 – Athletic Equipment and Apparel:**

NCAA Bylaw 13.2.1 prohibits the provision of athletic equipment and apparel to prospects, members of their families, friends, or their educational institutions during and after the recruitment process. NCAA Bylaw 12.5.4 restricts the use of logos and similar signage on institutional apparel.

The focus of this section is on NCAA legislation that generally allows the provision of athletic equipment and apparel to student-athletes when this apparel and equipment are necessary for practice or competition. Articles of little value after their use (practice jerseys, shorts, socks, shoes, etc.) generally can be retained by the student-athletes. Items of greater value generally are not allowed to be retained. Logo restrictions apply to some apparel.

The most critical general issue to review is whether student-athletes are retaining equipment and apparel contrary to NCAA legislation.

Bylaw 12.5.4 – Restricts use of logos on equipment, uniforms, and apparel.

Bylaws 13.2.1 and 13.2.1.1 – Defines specifically prohibited offers and inducements to prospective student-athletes, their relatives and friends, including clothing, equipment and other merchandise.

Bylaw 13.15.1.6 – Restricts donations of athletic and non-athletic equipment to outside organizations.

Bylaw 16.11.1 – Details benefits that can be provided to a student-athlete.

Bylaw 16.11.2 – Details benefits that cannot be provided to a student-athlete.

Common Risks (From Audit Guide to Audits of NCAA Athletic Compliance)

Over the past few years, there were no Levels I or II cases involving a Bylaw 12.5.4 or 13.15.1.6 citation. Approximately 34 percent of all Level I and II cases included a Bylaw 13.2.1 citation, which is the general bylaw prohibiting provisions to prospects. Similarly, many Levels I and II cases include Bylaw 16.11.2; however, few relate to the provision of apparel to enrolled student-athletes.

4. **NCAA Section 11 – Coaching Staff Limits and Contracts:**

NCAA legislation concerning coaches is primarily contained in Bylaw 11 and classifies coaching staff members into the following categories: head, assistant, graduate assistant,

student assistant, and volunteer, although it could vary by sport. Some coaches (primarily the head and assistant coaches) will have contractual agreements with the university. These agreements must include a stipulation that the coach could be terminated or suspended for their involvement in significant NCAA violations.

Bylaw 11 also addresses limits on compensation and remuneration for coaches and the number of coaches. In order to recruit off campus, a coach must be certified annually. The certification process is established by the NCAA national office and utilizes a standardized national test developed by the NCAA staff. The institution's member conference ensures proper administration of the test.

Bylaw 11.01 – Defines conditions for coaching categories (head, assistant, graduate assistant, undergraduate student assistant, and volunteer coach).

Bylaw 11.2.1 – Requires agreements between specified athletics personnel and the institution to stipulate that a coach found in violation of serious deliberate violations could be reprimanded or terminated.

Bylaw 11.3 – Sets limits on the compensation and remuneration of athletic personnel.

Bylaw 11.5.1 – Requires a coach to be certified prior to the coach becoming involved in evaluating or contacting a prospective student-athlete off campus.

Bylaw 11.7 – Limits the number of coaches for each sport and the duties that may be performed.

Common Risks (From Audit Guide to Audits of NCAA Athletic Compliance)

Over the past few years, of the Levels I or II cases involving a Bylaw 11 citation, approximately 20 percent related to either impermissible activities being performed by non-coaching staff members (i.e., director of basketball operations, undergraduate student assistant) or failure to report outside income/supplement pay.

Audit Scope, Procedures and Outcomes:

The following audit steps represent the extent of work needed to achieve the engagement's objectives. The auditor's professional judgement was used in sampling each area and reviewing for compliance.

The scope of this audit covered financial awards to student athletes, complimentary admissions, representatives of athletic interests and rules education. All of the NCAA rules for each of these areas was reviewed for compliance and processes were reviewed to determine if they were adequate to ensure compliance. The following chart provides more detail regarding the audit steps and results.

Area Audited	Test Work Performed	Status	Summary of Findings/Recommendations
Recruiting	Verify that off-campus recruiters are authorized.	Acceptable	All coaches and/or recruiters had completed annual certification by passing the coaches recruiting exam prior to recruiting.
	Verify that recruiting were authorized and included travel documentation	Acceptable	Recruiting travel was reviewed for four sports. Travel documentation was attached and authorizations were present.
	Verify that recruiting of High School and Transfer students fell within allowable days	Acceptable	Recruiting travel and phone call activities were reviewed for two sports. All activities occurred within allowable time frames
	Verify that calls initiated by UW occurred during regulated time periods	Issue	Telephone logs were reviewed for three sports. All telephone calls were during regulated times. In all instances, UW initiated the contact. Some sports are monitoring this activity off-line and thus have to be manually reviewed.

	Verify that recruiting materials were distributed during regulated time periods.	Acceptable	Recruiting material was reviewed for three sports. Distribution of material was within allowable time frames.
	Verify that official on and off campus visits were within regulated dates, times, and expenditures.	Acceptable	Official visit documentation was reviewed for three teams. All visits occurred during regulation time frames and receipts of expenditures were reviewed.
	Verify that unofficial visits followed allowable activities	Acceptable	Unofficial visits for three sports was reviewed. Documentation was provided and all instances were within regulation.
Playing and Practice Seasons	Verify declaration of playing season and verify it is within regulation	Acceptable	The playing and practice schedule were reviewed for four sports. All schedules were within regulation and time management plan was turned in to the compliance office.
	Verify football schedule contained required components	Acceptable	The football schedule was reviewed for compliance with conditioning season, discretionary periods, and acclimatization period. Time management play was turned in to the compliance office.
Athletic Equipment and Apparel	Verify equipment and apparel activities are within regulation	Acceptable	Athletic program does not donate any equipment/apparel to High Schools. Other management practices were reviewed.

Coaching Staff Limits and Contracts	Coaching staff contracts were reviewed for compliance	Issue	All coaching contracts were reviewed and the amounts of supplement pay and bonuses were reviewed. Conditions for some bonuses were dependent on appearance on TV, Radio and outreach. These incidents were not tracked to ensure compliance with contract.
	Verify compliance with coaching staff employment certification	Acceptable	The number of coaches per sport, job description and completion of compliance exam was reviewed. All requirements were met prior to recruiting activities.
	Review the Head Coach plan to review staff members	Acceptable	Notes for regular compliance meetings were reviewed. Head Coaches track and record topics and attendance for regular meetings.

Observations, Recommendations, and Responses

Observation 1: Incentives for Contractual Speaking Engagements should be Documented

We noted that many coaches receive incentive pay as part of their contract with the Athletic Department for various achievements. These are generally documented by the Assistant Manager for Business Operations. The one exception appears to be speaking engagements and other appearances to market or promote their team that are required in their contract. Although some coaches have many more speaking engagements of this type than required, none of this appears to be documented.

Occasionally a coach might receive compensation for presenting at a conference or other venue. These are tracked by the Compliance Office because coaches are required to report any additional compensation they receive. These paid engagements are in addition to the contractual appearances.

Recommendation:

In order to ensure that incentive pay can be supported with appropriate documentation, we recommend that documentation be obtained from the coaches, verified by the Compliance Officer and submitted to the Assistant Manager for Business Operations before payment is initiated or on a regular and reasonable schedule.

Response:

The NCAA does not require that institutions track contractual appearances and speaking engagements from a compliance standpoint. However, per the aforementioned recommendation, the Compliance Office will work in conjunction with the Business Office and the Cowboy Joe Club/Wyoming Sports Properties (Learfield/IMG College) to track outside appearances and speaking engagements related to contractual incentives. More specifically, the Compliance Office and the Business Office will verify, in writing, that the applicable contractual incentives were met before approving appropriate funds.

Observation 2: JumpForward Technology Should be Fully Utilized

In 2014, UW Athletic started using a new compliance monitoring program called JumpForward. This program tracks all activities and compares it against current regulations. If there is a compliance issue, it will flag the event for review. UW's Compliance Office has received several notification from JumpForward to identify areas of concerns and possible violations. Manually tracking recruiting activity does not provide this information. The last time Internal Audit reviewed recruiting was in 2014, at that since the program was new, it was not included as an issue in the audit. However, we were assured that sports would be transitioned into the program within the next year.

Currently, there are still a few sports. Men's Basketball in particular, that continue to track contacts with prospects, recruiting activities, and other compliance related events off-line. This creates an extra element of manual review for the compliance office and does not allow automated notification of potential violations

Recommendation:

In order to reduce manual review of events, and ensure compliance with NCAA regulations, all sports should be integrated into JumpForward.

Response:

All sports are utilizing the JumpForward recruiting software in some way (e.g., recruiting, official visit information, tracking academic records for recruits, etc.). There have been logistical hurdles with some sports utilizing the software (e.g., timing, compatibility with android phones, etc.). Although Men's Basketball is manually recording their recruiting activities, Football currently utilizes an alternative recruiting software to monitor telephone conversations. This software tracks all telephone calls by all coaches and the football recruiting staff provides monthly updates on telephone communications. Moving forward, the Compliance Office will continue to work with our sport staff members and JumpForward to ensure that Wyoming is properly utilizing a recruiting software system (e.g. JumpForward, Whistle Recruiting, etc.) to monitor recruiting activities.

Distribution List

Neil Theobald, Acting President of the University of Wyoming

Thomas Burman, Director of Athletics

Matthew Whisenant, Deputy Director of Athletics

Phillip Wille, Senior Associate Director of Athletics for Internal Operations

Alyson Hagy, Faculty Athletics Representative



Internal Audit Department

Dedicated to Improving Operations and Accountability

Expenditure Processing Review

August 12, 2019

Auditors:

Kathleen Miller
Danika Salmans

Integrity ♦ Proficiency ♦ Objectivity



Internal Audit
1000 E. University Ave.
Laramie WY, 82071

August 12, 2019

Board of Trustees
University of Wyoming

Internal Audit has completed a review of Expenditure Processing. This topic was selected because the implementation of WyoCloud has created a significant change in the processing of transactions, work-flow, and access to reports regarding financial information for each unit. Thus, it has a significant internal control impact. In order to meet professional and due diligence standards, it is necessary that Internal Audit evaluate the new system.

Please find the executive summary and report immediately following the table of contents. The primary objective was to evaluate the adequacy of internal controls over the processing of expenditures and determine if the system is operating as expected.

The attached report discusses the results of our review and includes an evaluation of the current climate and utilization of the WyoCloud system from the user's perspective.

Sincerely,

Kathleen Miller
Director of Internal Audit

Review of
WyoCloud Expenditure Processing

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Background

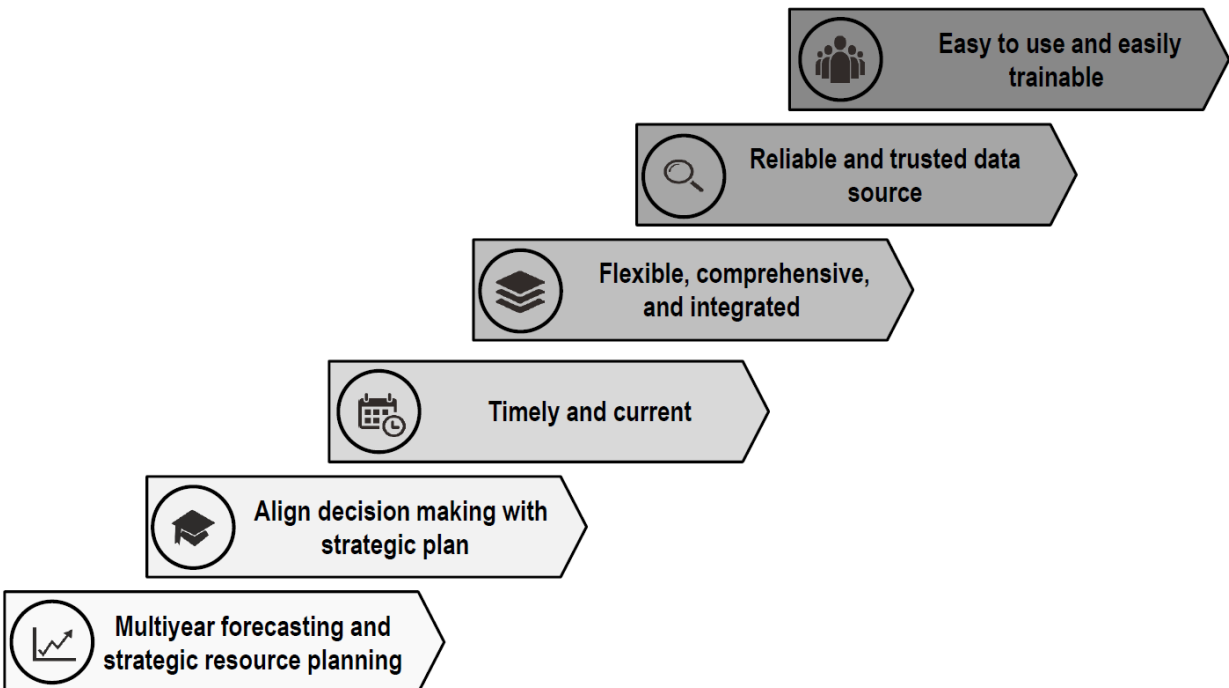
WyoCloud Expenditure Processing

WyoCloud is the University of Wyoming's new suite of cloud-based enterprise management systems. According to the website, WyoCloud launched in March 2016 to address the many financial and reporting challenges facing UW in addition to supporting the institution's strategic plan to build long-term strength and stability of the university by preserving, caring for and developing human, intellectual, and financial resources.

The stated objectives of implementing the WyoCloud Financial Module were identified in an introductory presentation to campus and noted the following:



WyoCloud Guiding Principles



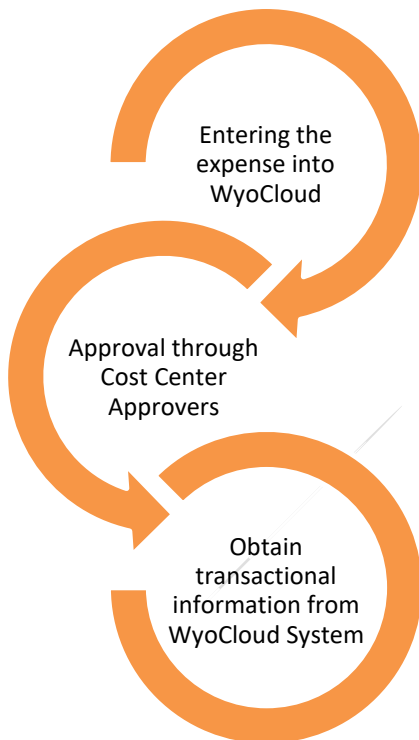
Executive Summary

The transition to the WyoCloud System has touched all facets of business management including:

- processing of transactions
- obtaining financial reports from the system
- monitoring a unit's budget to make management decisions.

This review focused on the life-cycle of an expenditure from its inception, to the user being able to obtain usable financial information from the system.

The Life-Cycle of an Expenditure



1. An important element of internal control is the strength of the approval process. In this review, a statistical sample was identified to test the controls over this process.

The results of this statistical sample revealed that the control is not working as assumed. The statistical test revealed that up to 6.0% of transactions do not meet the processing standards.

2. Another important element of internal control is the approval chain through which a transaction will flow. In this review, we analyzed the volume of transactions that are processed through each Cost Center Approver.

The results of this test revealed that there are some Cost Center Approvers that spend up to half a day reviewing transactions. This could be impacting the quality of this control.

3. The ability to acquire usable, understandable, and accurate information from the financial system is a critical internal control. For this reason, the financial users of the system were surveyed to assess their utilization of the system, what reports they are using, and perceived efficiency and effectiveness of the system.

The results of this survey reveal that trust in the system needs to be developed. As trust grows, and new reports are developed that meet user needs, reliance on shadow systems should diminish.

Scope and Methodology

Internal Controls

Scope:

With the purchase and implementation of a new system, it becomes important to evaluate the internal controls that are associated with that system. Although there are many different controls in several areas of WyoCloud, we focused only on those associated with processing and review of expenditures. In the WyoCloud financial module, all purchases are sent through a ‘work-flow’ process. This process identifies who should review the purchase to ensure that:

- All transactions are charged to their applicable cost centers and there is adequate budget to cover the expenditure.
- Verify appropriate coding of revenue and expense transactions.
- Follow written financial policies and procedures and exercise fiscal responsibility when spending university or external funds.
- Ensure expenditures are necessary, reasonable and ensure requests for reimbursement are valid and within university policy.
- Request for payment/reimbursement should include full documentation (i.e. itemized receipt/invoice, per diem calculator, list of attendees/names if applicable for hosting/business meeting events, conference agendas, etc.)

Methodology Step One: (Statistical Sampling)

Our procedures included reviewing all of the above factors using a statistical methodology that would ensure that our review would accurately evaluate the internal controls using a 90% confidence level. The transactions for eleven months of purchases from July of 2018 through May of 2019 were the base population. The total number of expenditure for this eleven-month period were 153,667 expenditures. This total does not include IDT’s, credits, or postal or copier services since these expenditures are processed differently. Based on statistical sampling standards, in order to ensure a 90% accuracy that our evaluation was correct, we needed a random sample of 233 transactions. Since this was a statistical test of internal controls, the dollar value of the expenditure or the item that was purchased was not relevant to the results of the evaluation. In addition, it should be noted that this review was evaluating the effectiveness of the entire purchasing process and not only the activity of the Cost Center Approver.

We also assumed a:

Tolerable Deviation Rate (Risk Tolerance) of 5%. Since a perfect review process is unrealistic, we determined that a reasonable risk tolerance would be 5%. This means that as we review the expenditure process, we would accept that 5% of the total purchases might fail one or more of the standards listed above. For example in a population of 153,667, we could expect that 7,683 transactions might process when they should have been declined.

With these assumptions in place, we used our IDEA software to select a random sample of 233 transactions. Statistically, if no more than seven deviations were observed in a sample size of 233, UW can be 90% confident that the population deviation rate is not more than 5%.

We reviewed this sample for all of the elements stated above. We also timed each review to assess the time it would take to perform a proper review. We accepted that our timing would be extremely conservative since we are performing a review that someone else has already done, and therefore our timing was likely shorter than the initial review.

Methodology Step Two: (Approving Process)

The approving process through WyoCloud is automated using a Work-Flow process. Once the expenditure is submitted, it automatically flows to the approver(s) identified in the system. At the time of testing (May 2019), the University had identified 45 Cost Center approvers. In order to assess how these 153,667 transactions were processed by the 45 cost center approvers, we utilized our IDEA analytical software to join the Cost Center approvers to the transactions they reviewed. We were then able to apply the timing information gathered in our review to determine the amount of time it would take each Cost Center Approver to review each transaction at a minimal level.

Methodology Step Three: (System Utilization)

The adequacy and usefulness of the reports from the system is an important internal control. Direct office staff need access to timely, accurate, and understandable information in order to review transactions, monitor budget variances, and review transactions for potential errors or fraud.

In order to assess the adequacy and usefulness of the data presented to direct users, Internal Audit prepared a survey to assess the climate, report utilization, processing efficiency, and dependence on shadow systems. The survey was submitted to all employees with financial responsibilities.

Results

Methodology Step One: Statistical Sample

After the testing of the 233 transactions, instead of the expected seven deviations, 9 deviations were observed. Since more than seven deviations were identified in the sample, the assumption that the tolerable deviation rate is less than 5% failed the statistical test.

For an observed number of 10 deviations in a sample size of 233, UW can be statistically 90% confident that the population deviation rate is approximately 6.0%. Based on this result, it appears that with a population of 153,667, the approving control is potentially allowing 9,220 transactions to be processed through the system that should have been declined.

The following is a list of the errors noted:

	Summary of Findings
Chartfield issues	
1	This was for "annual support" but natural account was printing--appears to be created and approved by the same person
2	Purchased a film entered as travel
3	Items purchased do not match natural account
Receipt issues	
4	Amount on receipt doesn't match the expenditure
5	Amount on receipt doesn't match the expenditure
6	Conference agenda not attached/ motel stay exceeded conference by one day
7	Collected per diem for day where food was provided by conference
8	Amount on receipt doesn't match the expenditure
9	No conference agenda provided for a 3 night hotel stay

Conclusion:

Considering that the deviation rate is greater than anticipated, the internal controls are not working as effectively as anticipated. Statistically, the internal controls for the expenditure processes are inadequate unless management is willing to accept a deviation rate higher than 5%.

Methodology Step Two: Approving Process

Internal Audit wanted to validate the internal control of the approval process, as it is an important control to ensure that transactions are appropriate and supported by adequate documentation. Currently, the first (and sometimes only) step in the automated work-flow process is for the

transaction to go to the Cost Center Approver for review and approval. At the time of testing, WyoCloud had established a limited number of cost center approvers. This was done to better centralize business processes and to limit the number of individuals with higher-level access for security purposes.

As transactions are processed at the business level, most transactions will then flow to the cost center approver for review. The cost center approver is charged with reviewing each transaction for these details:

- All transactions charged to their applicable cost centers and status of overall department budget.
- Verify appropriate coding of revenue and expense transactions.
- Follow written financial policies and procedures and exercise fiscal responsibility when spending university or external funds.
- Ensure expenditures are necessary and reasonable including full documentation and ensure requests for reimbursement are valid and within university policy.
- Request for payment/reimbursement should include full documentation (i.e. itemized receipt/invoice, per diem calculator, list of attendees/names if applicable for hosting/business meeting events, etc.).

Over the course of 11 months (July 1, 2018 – May 31, 2019) we identified 153,667 transactions within expense reports, reimbursements, purchase order invoices and non-purchase order invoices. This count does not include IDT's, credits, or postal or copier services as these items are processed differently.

In order to assess how these 153,667 transactions were processed by the 45 cost center approvers, we utilized our IDEA analytical software to join the Cost Center approvers to the transactions they reviewed.

Our analysis of the distribution of transactions revealed that there were a small number of cost center approvers that were reviewing a large portion of transactions. As we performed the review of our sample, we timed each review and determined that, although conservative, an adequate review on average would take at least two to three minutes per transaction. This review of transactions, if done appropriately can consume a considerable amount of time especially for those approvers with a high volume of transactions. For example, since the Cost Center Approver often does not have direct knowledge concerning transactions that she must approve, she would have to ask for additional information from the unit in order to understand the transactions. A cost center approver reported to Internal Audit that she spends more than half of her day reviewing transactions and this was validated by the analysis. This does not include the review of HR approvals and other transactions.

The following table shows the volume of transactions being reviewed by the top 10 cost center approvers multiplied by the estimated two or three minutes required to perform a *minimal* review. The full analysis can be found in the Appendix.

COST CENTER APPROVER	# OF Orgs	# of Transactions over 11 month period	Average Number of transactions reviewed per day	Average number of hours per day to approve if it takes 2 minutes per transaction	Average number of hours per day to approve if it takes 3 minutes per transaction
1	20	22,937.00	99	3.31	4.96
2	29	19,558.00	85	2.82	4.23
3	34	16,987.00	74	2.45	3.68
4	23	12,042.00	52	1.74	2.61
5	16	10,064.00	44	1.45	2.18
6	13	9,622.00	42	1.39	2.08
7	25	7,001.00	30	1.01	1.52
8	14	4,669.00	20	0.67	1.01
9	6	3,947.00	17	0.57	0.85
10	1	3,771.00	16	0.54	0.82

Figure 1 Distribution of Transactions per Cost Center Approvers

Conclusion:

It is important to note that the Cost Center Approvers are often Operation Managers or Business Managers running a complete college. Their jobs are already complex and time-consuming. The additional task of Cost Center Approver was added to their position and in most cases, no other responsibilities were removed.

Internal Controls over the purchasing/approval process should be improved. This could be accomplished by:

1. A larger number of Cost Center Approvers especially in the high volume areas would likely increase the effectiveness of the approval process as an internal control.
2. Making the Cost Center Approver a role and not just a task added to an already full time and complex job. This role would be a dedicated position thus providing the means and opportunity for an adequate and complete review of transactions and improvement of internal controls.

Methodology Step Three: System Utilization

The adequacy and usefulness of the reports from the system is an important internal control. Direct office staff need access to timely, accurate, complete, and understandable information in order to review transactions, monitor budget variances, and review transactions for potential errors or fraud.

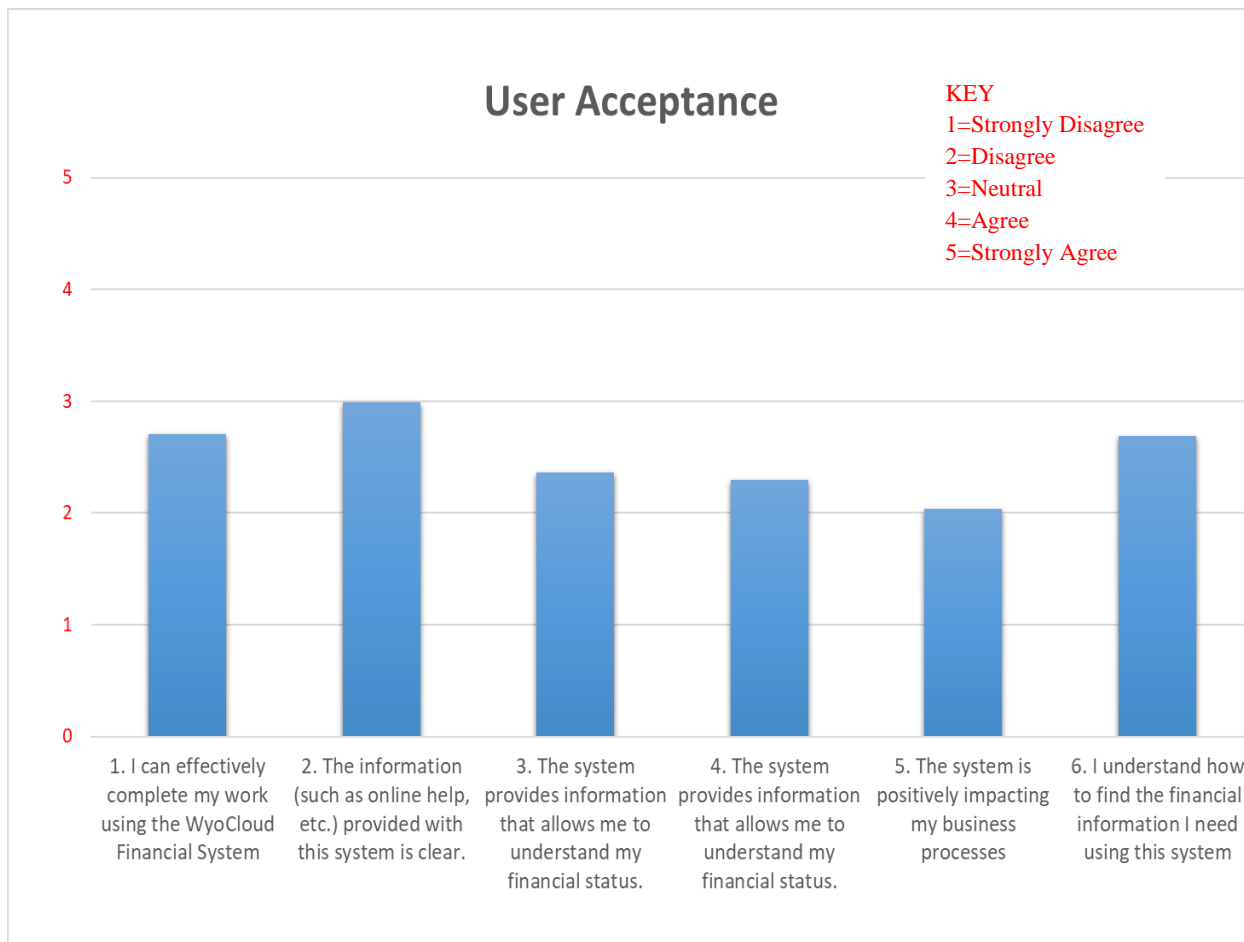
Internal Audit submitted a survey to assess the climate, report utilization, processing efficiency, and dependence on shadow systems. The survey asked the user to evaluate the following statements:

- Climate (1 – strongly disagree; to 5 – strongly agree)
 1. I can effectively complete my work using the WyoCloud Financial System.
 2. The information (such as online help, on-screen messages, and Quick Reference Guides) provided with this system is clear.
 3. I am confident in the information provided in the financial reports, and I believe it is complete and accurate.
 4. The system provides information that allows me to understand my financial status.
 5. The system is positively impacting my business processes.
 6. I understand how to find the financial information I need using this system.
- Report Utilization
 7. I use the following reports:
 - Account Analysis
 - General Ledger Balances Report
 - General Accounting Dashboard
 - Outstanding P-card Transactions Report
 - Expense Report Information Report
 - Purchase Order Line Status
 - Other:
- Processing Efficiency (1-strongly disagree; to 5-strongly agree)
 8. The system quickly processes my transactions.
 9. Items are approved in a timely manner.
- Reliance on shadow systems
 10. What do you use to monitor your budget vs. spending?
 - I use an Excel spreadsheet or other software to obtain my current balances.
 - I use a register to track expenses and deposits that have not cleared WyoCloud, and then use that information to adjust balances reported by WyoCloud.
 - I only use WyoCloud reports to monitor my current balances.

The survey was submitted to 185 office associates, accountants, business managers, and business operation managers across campus. We obtained 74 responses which is a 40% response rate.

Climate:

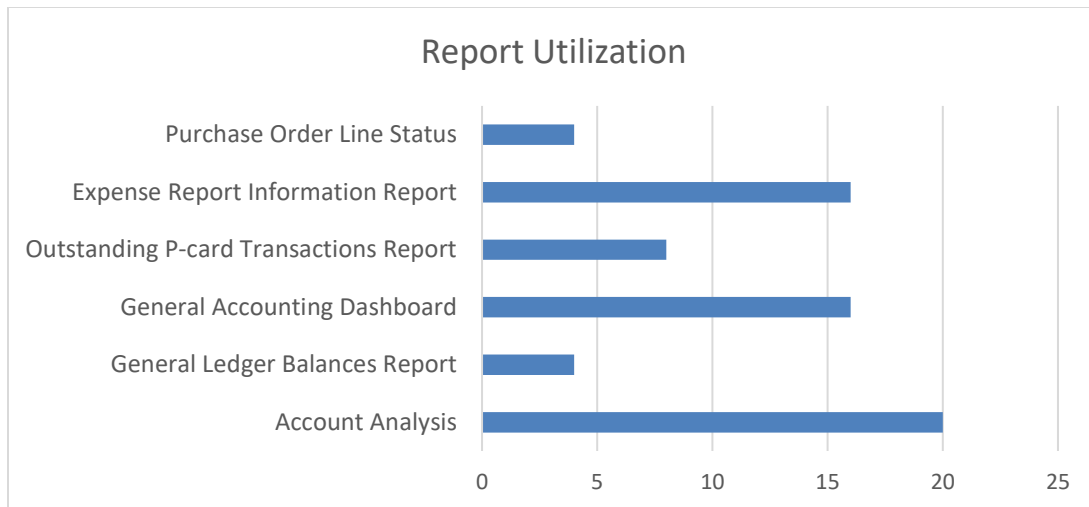
The questions regarding the adequacy and usefulness of the information provided to users revealed campus' comfort level with using the system and obtaining usable financial information. See the chart below:



Since a neutral response is a three, these results indicate that users are struggling with many facets of the system. As the system continues to mature, and the WyoCloud Team continues to be responsive to user needs these responses should improve over time.

Report Utilization:

The WyoCloud Team has provided the campus with a variety of reports that can be used by various levels of users. The WyoCloud Team continues to develop new reports that will meet the needs of the various departments and their unique needs. The survey attempted to assess what reports are being utilized by campus. The survey discovered the following results:

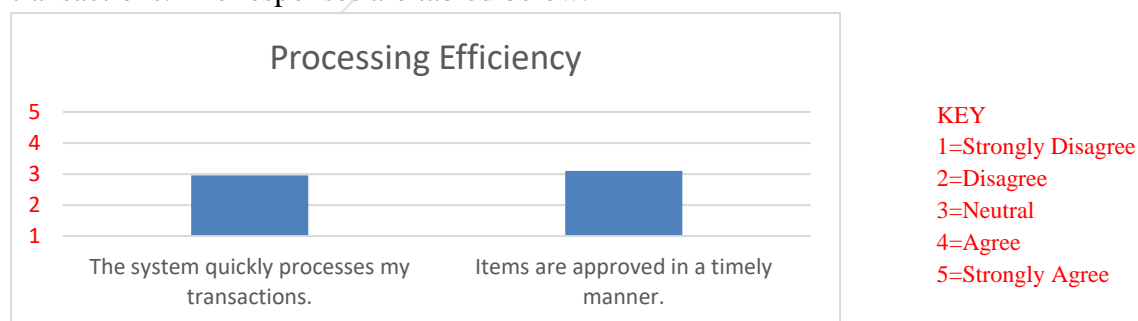


Twenty responders out of 74 reported using the Account Analysis, which is the most utilized report. This report is the most inclusive report, including budget, revenue, and expenditure information. This report downloads data from the system and is delivered in an Excel spreadsheet. Campus appears to be using a variety of available reports to aid in understanding their financial position as well as track expenditures.

Processing Efficiency:

After a transaction is entered into the system, it enters work-flow where it is reviewed by approvers based on the organization and nature of the transaction. The speed at which transactions are processed impacts the reliability of the financial reports. For example, if a cost center approver does not review the expense in a timely manner, it will not be processed through the system as expected.

The survey asked the users for their perception of how quickly the system processes their transactions. The responses are tabled below:



Overall, users are “neutral” on the speed of review and approval of transactions. Some issues with processing have been related to Inter-Departmental Transfers (IDT) as these are processed on a spreadsheet outside of the system and units may have to wait months before the transaction posts to their account. This is due to the manual nature of the IDT process. Currently, the WyoCloud

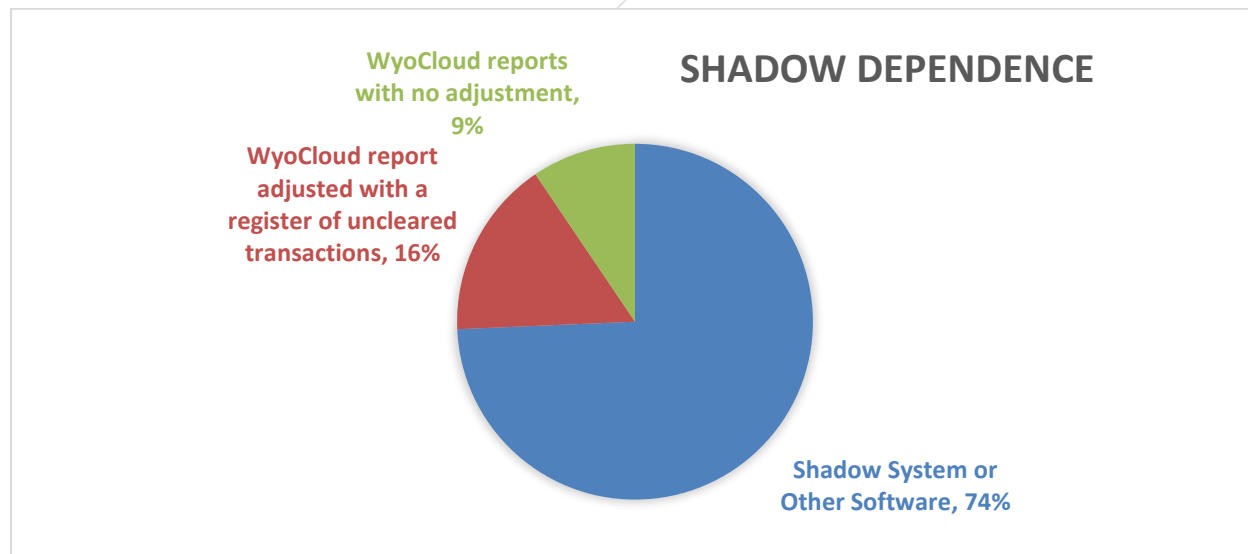
Team is working on automating this process which should positively impact these numbers in future surveys.

Dependence on Shadow Systems:

Trust in the WyoCloud system and the information delivered on reports can be directly related to reliance on other systems including shadow spreadsheets to deliver financial information. The Account Analysis report was released to campus in February of 2017 which was 8 months after the WyoCloud Financial System went live. Up until the release of this report, users found it very difficult to find reports that contained inclusive and accurate information thus the initial reliance on shadow systems. Continued reliance on shadow systems is caused by the IDT processes, the revenue processes (which go through the Banner system and are only partially automated) and items that can get ‘hung up ‘ in the system due to a processing glitch (either manual or system-generated). In addition, the best financial report is the Account Analysis, however this report will roll transactions together, making it difficult to review expenditures on a transactional level.

Now that more reports are becoming available and accuracy and inclusiveness are improving, units are moving away from their shadow systems and relying more on WyoCloud reports for obtaining financial information.

The survey attempted to assess what users are currently utilizing to monitoring budget variances. The results are below:



That data revealed that 74% of users are still utilizing a shadow tracking system to understand their account balances. It is anticipated that this should start to diminish as the system matures and trust in the financial reports grows. Typically a shadow system should be reconciled back to WyoCloud, however, in many cases, it is not.

While those practicing responsible accounting may maintain a register of transactions they have processed through WyoCloud, (much like a checkbook register) we would not expect them to be relying on a separate spreadsheet to deliver account balances. Best practices would indicate that if an account manager is keeping a register, it would be reconciled to WyoCloud.

Conclusion:

The survey results reveal, that on average, respondents are not satisfied with the adequacy and usefulness of the system. Since the system was implemented with the objective of meeting the user's needs, the ideal level of satisfaction should have been higher than reported.

The survey results show that continued effort needs to be given toward understanding user needs and assisting them with understanding the data available out of the WyoCloud System.

Distribution List

Neil Theobald, Acting President for the University of Wyoming

David Jewell, Associate Vice President for Budget and Institutional Planning

Appendix 1: Cost Center Approver Transaction Distribution Chart

COST CENTER APPROVER	# OF Orgs	# of Transactions over 11 month period	Average Number of transactions reviewed per day	Average number of hours per day to approve if it takes 2 minutes per transaction	Average number of hours per day to approve if it takes 3 minutes per transaction
1	20	22,937.00	99	3.31	4.96
2	29	19,558.00	85	2.82	4.23
3	34	16,987.00	74	2.45	3.68
4	23	12,042.00	52	1.74	2.61
5	16	10,064.00	44	1.45	2.18
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7	25	7,001.00	30	1.01	1.52
8	14	4,669.00	20	0.67	1.01
9	6	3,947.00	17	0.57	0.85
10	1	3,771.00	16	0.54	0.82
11	12	3,596.00	16	0.52	0.78
12	1	3,532.00	15	0.51	0.76
13	2	3,322.00	14	0.48	0.72
14	1	3,322.00	14	0.48	0.72
15	3	3,292.00	14	0.48	0.71
16	7	2,975.00	13	0.43	0.64
17	1	2,037.00	9	0.29	0.44
18	1	1,830.00	8	0.26	0.40
19	6	1,827.00	8	0.26	0.40
20	3	1,820.00	8	0.26	0.39
21	3	1,627.00	7	0.23	0.35
22	5	1,611.00	7	0.23	0.35
23	1	1,569.00	7	0.23	0.34
24	1	1,424.00	6	0.21	0.31
25	5	1,191.00	5	0.17	0.26
26	1	1,117.00	5	0.16	0.24
27	1	972.00	4	0.14	0.21
28	4	868.00	4	0.13	0.19
29	1	814.00	4	0.12	0.18
30	1	792.00	3	0.11	0.17
31	3	564.00	2	0.08	0.12
32	4	480.00	2	0.07	0.10
33	2	409.00	2	0.06	0.09
34	1	403.00	2	0.06	0.09
35	1	328.00	1	0.05	0.07
36	1	326.00	1	0.05	0.07
37	2	167.00	1	0.02	0.04
38	1	146.00	1	0.02	0.03
39	1	143.00	1	0.02	0.03
40	2	138.00	1	0.02	0.03
41	1	132.00	1	0.02	0.03
42	3	127.00	1	0.02	0.03
43	1	101.00	0	0.01	0.02
44	1	35.00	0	0.01	0.01
45	1	32.00	0	0.00	0.01
		153,667.00			