Audit Update for SPA – SPAC Meeting

Presented by Management Advisory Services
May 21, 2015
Objectives

• Recent Legislative Audit Findings At Other USM Institutions
• Legislative Audit at UMB – What to Expect
• USM Internal Audit – School-wide Audit Reminders
• Study Participant Payment Reviews - Monitoring Results
Recent Legislative Audit Findings At Other USM Institutions

• College Park – 5/11/15 - 7 findings – no repeats (5 prior findings cleared)
• Salisbury – 5/6/15 – 4 findings – no repeats (6 prior findings cleared)
• USM Headquarters – 5/6/15 – 3 findings – no repeats (7 prior findings cleared)
• UMES – 11/7/14 – 13 findings – 1 repeat (10 prior findings cleared)
Legislative Audit – College Park

- Monitoring faculty summer research activity
- Independent approval of disbursements
- Controls over cash receipts
- Independent review of student financial aid awards and adjustments
- Controls over non-cash credit adjustments to student accounts receivable
- Controls over adjustments to dining services meal plans
- IS security and controls over critical data files and databases
Legislative Audit – Salisbury

- IS security and controls – access to critical financial system functions
- IS security and controls – Personally Identifiable Information (PII) stored in clear text
- IS security and controls – protection against malware
- Controls over non-cash credit adjustments to student accounts receivable
Legislative Audit – USM Headquarters

• IS security and controls – protection against malware
• IS security and controls – network security
• Monitoring reporting requirements of affiliated foundations
Legislative Audit – UMES

- Affiliated foundation - oversight of grants, conflict of interest, compliance with BOR policies, and federal funds disbursed for purposes inconsistent with federal regulations
- Controls over financial aid awards/adjustments, non-cash credits to student accounts, and changes to student residency status
- Referrals of delinquent accounts to CCU
- Controls over collections and reconciliation of accounts
- Execution of agreements in accordance with policies and monitoring compliance with contract terms
- IS access, security, malware, PII
Legislative Audit at UMB – What to Expect

• Starting by 6/30/15
• Audit period is FY 13 – 15 and most of FY 12
• Fiscal Compliance and IS Security & Controls
• They will follow up on prior audit findings – no repeats
• They will look for many of the same or similar findings
• Let us help you and UMB by keeping us informed when the auditors are working in your area
• Surviving an Audit information session
USM Internal Audit – School-wide Audit Reminders

- Selecting SOM departments
- They are looking for documentation, approval signatures, evidence that expenditures are reviewed for accuracy/validity, compliance with policies
- Trying to understand complex transactions
- Take time to properly and completely answer their questions
- It’s OK to say you don’t know the answer – refer them to who would know or contact MAS
- Let us help you and UMB by keeping us informed when the auditors are working in your area
Study Participant Payment Reviews - Monitoring Results

• Started Sept 2014
• Reviewed 61 Projects/34 Departments
• Results update
  – Counts not always done, not documented, not independent
  – Journal entries not always processed or not processed consistently