

## **Senior Administration Accounts**

**Report FY21 - #03**  
**March 7, 2022**

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# Senior Administration Accounts

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## Summary

Our audit of senior administration accounts was included in the approved Fiscal Year (FY) 2021 Audit Plan. This is our second audit of these accounts. This audit was performed in light of the Strategic Plan's Institutional Excellence pillar as we evaluated one facet of administrative operational effectiveness. Moreover, the allocation and use of resources by senior administrators have a direct impact on the Strategic Plan's overall success.

**Background:** Tone at the top is important. But there is no simple way to truly measure this; however, we can certainly examine some aspects of leadership. This audit considered one of those aspects – financial compliance. As some of the most visible employees of the university, senior administrators are expected to guide the university in a direction that fulfills our mission and propels the university into the future. For this audit, we defined senior administration to include the President of the University and all who have a senior vice president designation (see Exhibit).

**Audit Objective:** The objective of this audit is to review activity in senior administration accounts for compliance with university policies and procedures.

**Scope:** The scope of this audit encompassed financial transactions from FY 2020 and FY 2021. Specifically, we focused on accounts where senior administrators were actively involved in deciding how funds were used. We identified accounts supervised by senior administrators, then we confirmed our list with the respective business offices.

**Methodology:** Our audit objective was accomplished through the following activities:

- review of relevant university policies and procedures;
- an information-gathering questionnaire;
- discussions with senior administrators and their respective business offices; and
- detailed testwork of 195 transactions.

These transactions were sampled through:

- data analytics on the entire population (over 10,000 transactions), this generated ~40% of our sample;
  - performed in Microsoft Excel, with data extracted from UAccess Analytics, this identified outliers within the population based on -- transaction amounts, account coding, annual trends, and frequency of vendor use;

## Senior Administration Accounts

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- targeted searches, this yielded ~60% of our sample;
  - also performed in Microsoft Excel, with data from UAccess Analytics, these searches were focused on -- reimbursements, refunds, risky types of vendors, and accounts with spending restrictions.

**Conclusion:** Our audit did not identify instances of noncompliance with university policies and procedures. Through data analytics and targeted searches, we identified and tested 195 transactions which we felt could be of higher risk; see Exhibit for a break-down of our sample. We examined the supporting documentation and considered the related authorizations and reviews. By collaborating with the respective business offices, we were able to complete our testwork relatively efficiently.

Undoubtedly, senior administrators have a large impact on the university; however, their business offices also play a critical role. The professionals who serve in these positions were not only receptive to our suggestions, but also demonstrated great resourcefulness and commitment. From finding and applying discounts to working with Financial Services to identify best practices, all while adjusting to the pandemic, we observed multiple instances where business offices put forth extra effort to benefit the university. That's choosing to care, adapting, and showing what it means to Bear Down.

According to the Institute of Internal Auditors International Professional Practices Framework, an organization is expected to establish and maintain effective risk management and control processes. These control processes are expected to ensure, among other things, that:

- the organization's strategic objectives are achieved;
- financial and operational information is reliable and possesses integrity;
- operations are performed efficiently and achieve established objectives;
- assets are safeguarded; and
- actions and decisions of the organization are in compliance with laws, regulations, and contracts.

Our assessment of these control objectives as they relate to senior administration accounts is presented on the following page.

## Senior Administration Accounts

General Control Objectives	Control Environment	Audit Result	
		No.	Page
<b>Achievement of the Organization's Strategic Objectives</b>			
<ul style="list-style-type: none"> <li>Strategic objectives are supported by senior administration's effective management of university resources.</li> </ul>	Reasonable to Strong Controls in Place		
<b>Reliability and Integrity of Financial and Operational Information</b>			
<ul style="list-style-type: none"> <li>Supporting documents reflect the underlying transaction.</li> </ul>	Reasonable to Strong Controls in Place		
<b>Effectiveness and Efficiency of Operations</b>			
<ul style="list-style-type: none"> <li>Transactions are approved, reviewed, and represent a valid university business purpose.</li> </ul>	Reasonable to Strong Controls in Place		
<ul style="list-style-type: none"> <li>Policy violations are identified and addressed by business office personnel.</li> </ul>	Reasonable to Strong Controls in Place		
<ul style="list-style-type: none"> <li>Expense reimbursements and refunds are valid.</li> </ul>	Reasonable to Strong Controls in Place		
<b>Safeguarding of Assets</b>	Not Applicable		
<b>Compliance with Laws and Regulations</b>			
<ul style="list-style-type: none"> <li>Transactions comply with account restrictions.</li> </ul>	Reasonable to Strong Controls in Place		
<ul style="list-style-type: none"> <li>Account activity complies with university policies and procedures.</li> </ul>	Reasonable to Strong Controls in Place		

We appreciate the assistance of the senior administrators and the respective business offices during the course of this audit.

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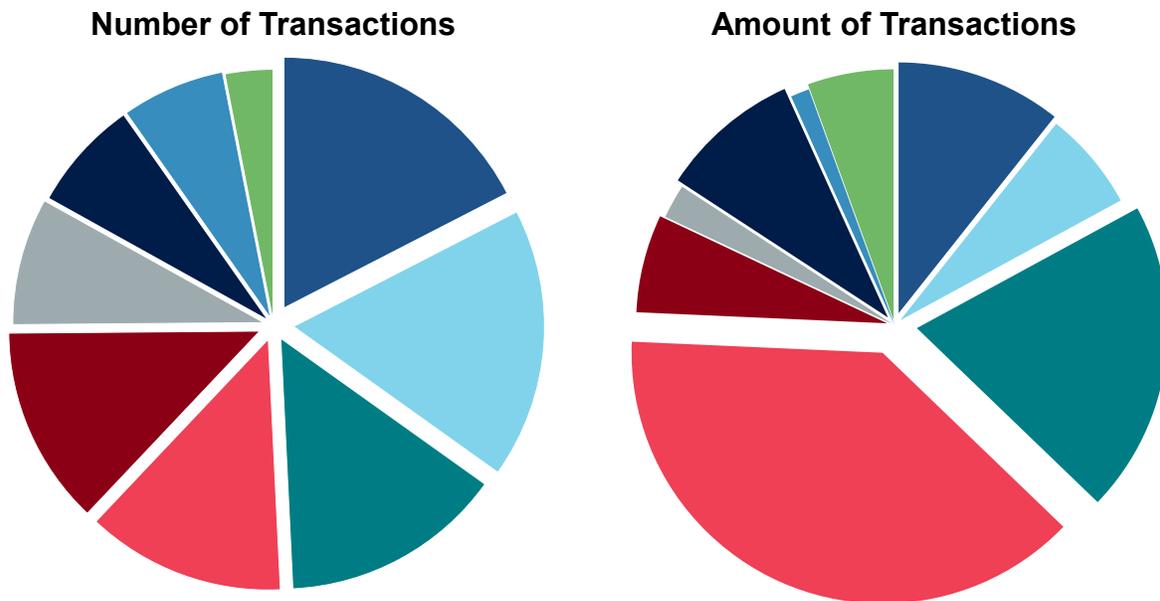
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# Senior Administration Accounts

**Exhibit  
Sample Size by Senior Administrator**



<b>Senior Administrator</b> <i>(presented by number of transactions sampled)</i>	<b>Number of Transactions</b>	<b>Amount of Transactions</b>
President of the University	34	\$215 K
Senior Vice President, Health Sciences	34	\$129 K
Senior Vice President for Academic Affairs and Provost	28	\$407 K
Senior Vice President, Research and Innovation	25	\$777 K
Senior Vice President, Chief Marketing/Communications Officer	25	\$127 K
Senior Vice President, Legal Affairs/General Counsel	16	\$44 K
Senior Vice President and Chief Financial Officer, Business Affairs	14	\$182 K
Senior Vice President, Senior Associate to the President / Secretary of the University	13	\$24 K
Senior Vice President, Native American Advancement and Tribal Engagement	6	\$112 K
	<b>195</b>	<b>\$2.02 million</b>