



Office of Internal Audit Findings & Recommendations

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Financial Management

1. A Departmental Account Specialist prepares month-end journal entries, change vouchers (CV), and reconciliations, but no formal review process is in place. Additionally, the Transaction Detail Report (TDR) review is not performed through the university established [TDR review process](#).
Recommendation – Management should designate responsibility to perform a monthly review of the Account Specialist's month-end processes ensuring activity is correctly entered and not missed. Additionally, management should designate responsibility for reviewing expenses on the Statement of Accounts and set up an alternative TDR reconciliation process. The monthly TDR should be updated to indicate the accounts have been reviewed.
2. Access to cash drawers is not limited to one clerk per shift.
Recommendation – Only one clerk should have access to a cash drawer during a shift.
3. The department staff is not up to date on required [cash handling training](#).
Recommendation – Management should update cash handling training for employees that are not up to date.
4. Timely Transaction Detail Report (TDR) reconciliations are not consistently completed on a monthly basis.
Recommendation – Management should ensure that all accounts are reconciled monthly as required by [policy](#).
5. Cash handling duties are not always properly segregated, deposits are not always timely, and some checks containing sensitive information are copied and retained.
Recommendation – Management should ensure that cash handling responsibilities are properly segregated and in compliance with [University policy](#).
6. Cash handling procedures are not current. The [University's Cash Handling policy](#) states, “At a minimum local desktop procedures should be reviewed annually by departmental management.”
Recommendation – Management should review and update cash handling procedures. These procedures should be reviewed annually by management and updated when any procedural or staff changes occur.

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Human Resources

1. The Department does not utilize a termination checklist to ensure all required steps are completed to ensure departmental keys, badges, and equipment are being turned in by the departing faculty or staff member.

Recommendation – Department management should create and implement a termination checklist to ensure all required steps are completed.

2. The department lacks standard procedures for hiring and terminating employees.

Recommendation – Management should consider implementing hiring and termination checklists which outline all required tasks. Upon completion, checklists should be retained in employee files.

3. A review of performance appraisal data from the previous fiscal year found numerous delinquent performance appraisals which is not compliant with the [UI Operations Manual Part III, Chapter 3.2](#).

Recommendation – Management should complete all delinquent performance appraisals. In the future management should routinely review the status of all required performance appraisals and complete them as they become due.

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Healthcare

1. Department doors and safe combinations have not been rekeyed/changed for a significant period of time. The hospital has a program to re-key doors within the hospital.
Recommendation – Management should re-key/change the department doors and safe combinations on a regular basis.
2. Approximately 32% of the 111 billing transactions reviewed were missed by the Department from July 2011 to January 2013.
Recommendation – The billing staff should verify that each missed charge is appropriately billed immediately. With the assistance of the department administrator, the billing process should be evaluated and streamlined in order to gain some efficiency and ensure that all charges are appropriately captured.
3. Twenty-Five percent of charges tested averaged a charge lag of 28 days. Department billers manually code charges into the GE billing system once the provider note has been signed.
Recommendation – Providers need to be reminded that the medical notes must be completed timely so the charges can be coded and revenues received in a short timeframe. For proper monitoring, management should work with HCIS to ensure that all Health Service providers are included in the data for the deficiency report.
4. The department does not perform a reconciliation of the amounts paid from the University's student billing system (MARS/MAUI) for patient visit charges.
Recommendation – A monthly reconciliation for reasonableness, of amounts paid from the student billing system to the amounts billed in the previous month should be performed.
5. The department's faculty salary structure is not updated in their faculty practice plan.
Recommendation – The department's faculty practice plan/compensation plan should be updated, documented and approved by the College of Medicine for the current practices in use.
6. Surgeons are currently allowed to schedule and perform more than two concurrent surgical procedures.
Recommendation – Management should consult with the Joint Office for Compliance (JOC) and perform a review of this practice.

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Information Technology

1. Terminated employees system access is not always removed in a timely manner.
Recommendation – Management should remove the terminated employees' access and implement a process that requires the badge center to notify the systems administrator when employees are terminated.
2. Webservers are running an operating system that is not actively supported by the vendor. Security patches are no longer provided by the vendor of this operating system for the version currently installed on these system webservers, which increases the risk of compromise.
Recommendation – Management should upgrade to the most current operating system version across all impacted system infrastructure.
3. System security coordinators do not perform regular reviews of user accounts to ensure access in their functional areas is appropriate.
Recommendation – Each system security coordinator should produce a report listing all users who have roles assigned to them in their functional area. These reports should be reviewed for appropriateness of access within the different modules.
4. Two websites hosted by the department do not encrypt user IDs and passwords while in transit, and passwords do not meet minimum requirements of the university's Enterprise Password policy.
Recommendation – Management should require that all websites requiring log in with user names and passwords be encrypted, and that password configurations adhere to university [Enterprise Password policy](#).
5. The majority of the individuals with access to the server room do not need access to fulfill their job responsibilities. The server room was not identified to Facilities Management as a room needing special restriction resulting in the inappropriate level of individuals granted access.
Recommendation –The server room should be classified as a "restricted access" room with Facilities Management so access can be limited to individuals with a legitimate business need.
6. The department does not perform regular vulnerability scans of devices attached to the network to assess potential security vulnerabilities as outlined in the University's [Network Vulnerability Scanning and Penetration Testing Policy](#).
Recommendation – Management should have regular network vulnerability scans performed by the Information Technology Services (ITS) Security & Policy Office and appropriately address identified vulnerabilities.

7. There are excessive generic accounts present in the department's Active Directory organizational units.
Recommendation – Generic accounts should be reviewed and their use minimized.

8. The department research staff does not comply with the [University password policy](#) and do not have documented [back-up and recovery procedures](#).
Recommendation – Users of the department's research database/server should be required to change their passwords on an annual basis per University IT policy. Also, the department should document the backup and recovery procedures to ensure data integrity of the system is not compromised when a crisis occurs.

9. The department has limited documentation available that describes their system functionality & technical details, and Information Technology (IT) staff is not cross-trained on critical system duties as noted in the system administration section on page two of the [ITS Computer Security Protections Overview](#).
Recommendation – Management needs to develop functional and technical documentation that will aid their team in cross-training staff on critical system details and processes. Eliminate single points of failure by ensuring staff members are fully trained and assigned as backups to key system processes.

10. The change control process for internal and external changes to the system is not documented as outlined in the [Information Security Framework policy](#), under Change Control.
Recommendation – Management should document and enforce the change control process to comply with policy.

14. The web application used by external users does not have an encrypted logon page, resulting in user IDs and passwords being transmitted in clear text over the internet. No secure (https) protocol is setup within the web-based application, and no logout button exists for users to clear their account credentials from the web browser once logged in as outlined in the [Computer Security Protections Overview](#).

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Inventory

1. Inventory levels recorded in the electronic inventory system are not accurate.
Recommendation – Management should consider purchasing scanners and implement a barcoding system to better control inventory.
2. Inventory purchases using Pcards are not consistently included in the inventory database, or entered in a timely fashion, which results in inaccurate reports.
Recommendation – Management should document a formal policy for determining what items purchased using Pcards should be included in the inventory database and communicate the policy to all staff.
3. Not all IT devices purchased by the Department are appropriately inventoried.
Recommendation – Management should perform an inventory of all IT equipment in the department and enter relevant equipment information in the T3 system. Management should also consider implementing a process to identify IT devices as they are purchased and require all devices to be inventoried prior to distribution.
4. Merchandise is not properly accounted for and there are no formal documented inventory procedures.
Recommendation – Management should implement formal inventory procedures to include periodic physical inventory counts and the reconciliation of the merchandise purchases and sales.
5. The department inventory process is manual and does not track real time inventory usage, or expiration dates.
Recommendation – Management should review all expiration dates and implement an inventory system which contains expiration dates for all items in inventory so this can be managed more efficiently and effectively.

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Operational

1. The automatic removal of storeroom access for terminated and transferred employees is not currently working as intended.
Recommendation – Management should remove storeroom access to terminated/transferred employees and work with HCIS to reinstate the automated process for removal of storeroom access.
2. Vendor invoices are not consistently entered into the inventory system in a timely manner.
Recommendation – Management should document and implement guidelines for acceptable time lag of invoice entry into the inventory system and communicate this requirement to staff.
3. The Department workflow paths are not current. Workflow paths currently include two employees that are no longer employed with the University.
Recommendation – Workflow paths should be reviewed and updated by the department to ensure only current department employees are included.
4. The review of Employee Time Records (ETRs) by supervisors is ineffective and supporting documentation is insufficient. ETRs are used for reporting used vacation and sick time as outlined in the [University Operations Manual Chapter 18.1](#).
Recommendation – Management should require that each department keep a record of all absences and that supervisor’s review the employee time records in a timely manner to ensure that leave time taken is accurate and properly coded.
5. There is not a consistent process in place to ensure individuals have successfully completed [FERPA](#) training prior to being granted system access. FERPA affords students certain rights with respect to their educational records.
Recommendation – Management should review all active system users and require those that have not completed FERPA training to do so immediately.

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Purchasing and Travel

1. A department Secretary II orders all the supplies used in the clinic and procedural suite. Also, the Secretary II is the primary receiver of the supplies resulting in a lack of segregation of duties.
Recommendation – A clear separation of duties should be implemented in the process so one individual cannot order supplies, receive supplies, and/or count supply inventory.
2. Procedures for vendor reward programs available to the department are not documented (see page 5 “Vendor Rewards Programs” in the [University Procurement Card Manual](#)).
Recommendation – Management should develop procedures for the handling and redemption of vendor reward points, and determine the most cost effective way of entering point codes (mail, scan, or data entry). The procedures should at a minimum provide a segregation of duties, define acceptable uses of points, and address storage of points until redemption. All staff should be trained on these procedures and reminded that vendor rewards/rebates are university property.
3. Procurement card information is not being kept securely. Currently one secretary holds a departmental card but all other departmental secretaries are utilizing the same card for purchases. Per the card holder, these secretaries have the card information documented at their desks to use as they need for departmental purchases.
Recommendation – Management should evaluate the need for other departmental procurement cards based on business need and compliance with [University policy](#) (page 1). All copies of the procurement card information should be destroyed immediately.
4. Trip and travel expense vouchers are not consistently approved by the traveler's supervisor.
Recommendation – All trip and travel vouchers should be approved by a level of management above the traveler. All trip requests should be appropriately approved prior to the dates of travel to ensure compliance with [University Policy](#).
5. A procurement card is being used to purchase ongoing rental storage space to store oversized objects since the flood of 2008. According to [UI Procurement Card Manual](#), rental storage units should not be purchased with the procurement card for leases longer than 6 months.
Recommendation – Management should ensure card holders are following UI Procurement Card Manual for allowable and excluded charges.

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