

# **2019 ADMINISTRATION AND FINANCE CONFERENCE**

## **Office of University Audit Update**

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# Agenda

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- Three Lines of Defense and Central / Divisional Finance Organizations
- Policy Awareness Related to Common Internal Audit Findings and Areas of Audit Focus



# Key Takeaways

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- Central and Divisional Finance Offices play a critical role in risk management as providers of both first and second line of defense activities
- Risk management includes all risks, not just financial
- Policy awareness is essential for effective risk management
- Policy awareness does not require an “expertise”, but means being familiar enough to identify potential issues and to alert others as appropriate



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# Three Lines of Defense and Central / Divisional Finance Organizations



# Three Lines of Defense Model

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# Three Lines of Defense and Risk Management

Includes all types of risk:



# Three Lines of Defense and Risk Management

How are Risks Managed?



# Three Lines of Defense and Risk Management





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# Policy Awareness Related to Common Internal Audit Findings and Areas of Audit Focus



# Policy Awareness

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## Data Classification, HIPAA, and Payment Card Industry (PCI) Policies

Applies to a wide range of regulatory requirements

- Protected Health Information (PHI)
  - Personally Identifiable Information (PII)
  - Student information
  - Research data
  - Credit card handling / use
- ❖ These policies are essential for protecting against
- Data breach
  - Regulatory noncompliance / fines and penalties
  - Reputational damage



# Policy Awareness

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## Signature Authorization Policy

Provides instruction for:

- Which employees are authorized to sign contracts
  - University/Medical Center Officers and Deans
  - Chair/Unit Heads/Faculty **do not** have authority
- Internal Consultation and/or Legal Counsel reviews
- Written delegations of authority
  
- ❖ Applies to all contracts between the University and Others (employees, vendors, other entities, etc.)
- ❖ Supplier Invoice Requests (SIRs) can be used to identify non-compliance



# Policy Awareness

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## Computer Equipment Purchases

### Best Practices:

- Purchase through UR Tech Store
- If purchased through third party, notify your central IT organization
- Avoid purchasing through the employee expense reimbursement process
- ❖ Essential for ensuring devices are imaged properly, secured (i.e., encrypted) and capitalized / tracked



# Policy Awareness

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## Taxable Payments to Individuals Policy

Requires:

- IRS and State reporting of income
  - Honoraria, Consulting/Contractor & Subject Fees
  - Monetary prizes, awards & gift cards/certificates
  - Gifts (in excess of nominal value)
- Additional forms and processing by Payroll and AP
- ❖ Policy awareness is key to identify taxable payments before they are paid



# Policy Awareness

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## Programs for Minors and Children Policy

Requires:

- Divisional approval
  - Central registration
  - Background checks
  - Protocols to ensure appropriate supervision
- ❖ Applies to both the River Campus and Medical Center



# Policy Web Links and Contacts

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<http://sites.mc.rochester.edu/departments/hipaa/>

HIPAA contact information included on web page

<https://www.rochester.edu/adminfinance/treasury/pdf/Payment-Card-Policy.pdf>

PCI / Treasury contact information included in Policy

<https://tech.rochester.edu/policies/data-security-classification-policy/>

IT Security contact information included on web page

<https://www.rochester.edu/adminfinance/finance/policy-on-contracts-signatures-and-financial-authority/>

Office of Counsel contact information included in Policy

<https://www.rochester.edu/adminfinance/finance/employee-reimbursements/employee-reimbursements-policies-and-procedures/>

Accounts Payable contact information included on web page

<https://tech.rochester.edu/services/ur-tech-store/>

Tech Store contact information included on web page

<https://www.rochester.edu/adminfinance/finance/taxable-payments-to-individuals/>

Accounts Payable contact information included on web page

<http://internal.rochester.edu/counsel/programs-for-minors.html>

Office of Counsel Contact information included on web page



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Thank you!

