

ILR School Internal Control Activities

During the 2016 - 2017 fiscal year, the ILR School created the functional activities of internal control and review and placed these responsibilities within the office of Financial Operations and Budget Planning. The Internal Control unit is responsible for conducting transaction and operating audits; reviewing, evaluating, and modifying - if necessary - the school's system of internal controls; helping to assure the school's compliance with university policies and procedures; development and implementation of the School's Conflict of Interest policies; special investigations; and other areas of interest and concern. The primary tools used to carry out these activities are: an ILR-specific Account Review Dashboard, Transaction and Operational Audits, Training Sessions, Conflict of Interest Questionnaire, and general communications with faculty and staff. The activities of the Internal Control unit are coordinated with and the unit reports to the ILR Director of Finance and the Associate Dean of Finance and Administration.

Account Review Dashboard

Development: The ILR Account Review Dashboard was developed during the 2017 fiscal year and fully distributed to the Resident and Outreach divisions in fiscal 2018. The dashboard consists of three monthly, interactive functional reports, by account: Transactions, Encumbrances, and Budget versus Actual. By monitoring these reports a departmental administrator can maintain appropriate oversight of the financial activities and status of their unit.

Distribution and Use by ILR Staff: Before the dashboard was distributed to school administrators, the Fiscal office worked with the units to assure adequate separation of duties through the assigning of roles of transaction preparer and transaction reviewer. The units also determined who would be reviewing the Transaction, Encumbrance, and Budget versus Actual dashboards. As noted, each of the dashboards are interactive which gives the user the ability to access all transaction and encumbrance related documents, and to communicate directly with fiscal staff regarding any current year financial activity.

Account Review Dashboard Survey: During the spring of 2018 a survey was distributed to the Account Review Dashboard users to obtain their feedback regarding the review dashboard. Nearly 40% responded, with the main takeaways being: 1. Most users found the system somewhat or very user friendly; 2. Most of the issues that were registered could be easily addressed with additional training; and 3. Almost all respondents found our training sessions to be helpful and would like for additional sessions to be offered.

Transaction and Operating Audits

Fiscal Year 2018 Activity : During the year, 20 operational audits were performed on the academic, administrative and outreach units in the School. The results were generally positive with most units using the dashboard at some level. Each audit would include a sample review of approximately eight to ten transactions. Most of these transactions were deemed to be appropriate. However, there were two areas of concern across many units which were noted: 1. Several transactions did not have an adequate business purpose as part of the documentation; and 2. Several transactions had incorrect object codes, especially in cases where federal, unallowable object codes were not used. The transactions involving an inadequate business purpose are departmental issues, while incorrect object code usage is mostly an issue to be corrected by the University Business Service Center.

In addition to operational audits, 10 transactional audits per month were performed for a total of 120 for the year. This review examined transactions more extensively by determining if an appropriate transaction initiator and approver were involved, whether the expense was appropriate for the unit, the amount of the purchase was reasonable, and the transaction supported the mission of the school. Similar to the findings from the operational audits, most issues involved the lack of an adequate business purpose, and possible incorrect account and object code usage.

Conflict of Interest Questionnaire

In December of 2016, in an effort to strengthen ILR's internal controls, the School issued its first Conflict of Interest survey to all non-faculty, non-bargaining unit staff. The survey, distributed to over 200 people, had a 100% response rate. Staff and Extension Associates were asked to identify and disclose any potential or actual conflicts of interest and commitment that they might encounter in their positions. The survey asked five questions which were designed to document possible related-party transactions. The intent is to reissue the survey every other year, with the next installment being issued in the fall of 2018.