



# NEW CHAIRS WORKSHOP

## FINANCIAL MANAGEMENT – INTERNAL CONTROLS

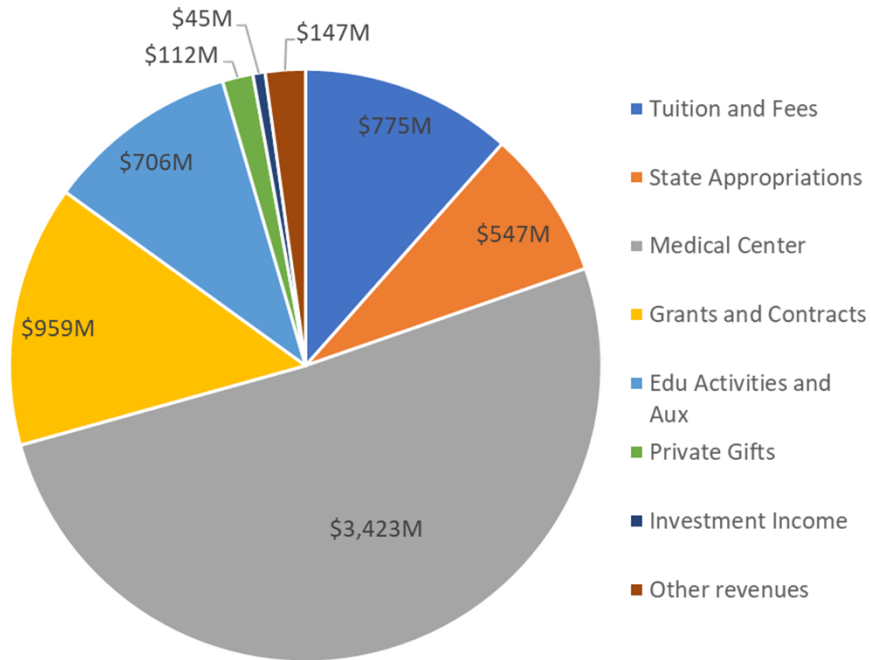
MATT OKAMOTO

ASSISTANT VICE CHANCELLOR, FINANCE

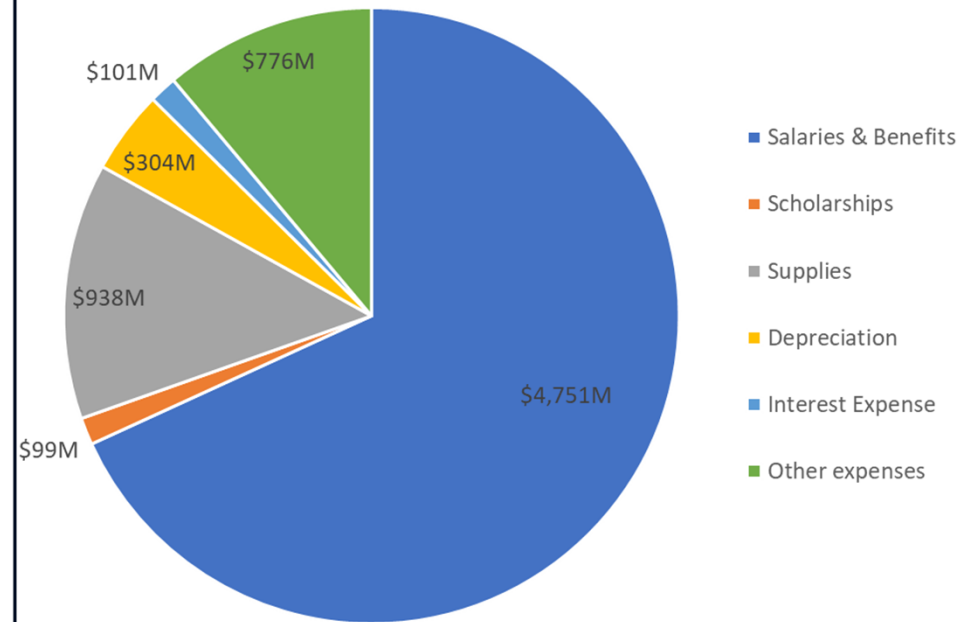
UNIVERSITY CONTROLLER

SEPTEMBER 13, 2023

# FY23 Financial Summary



Revenues = \$6.7B



Expenses = \$6.9B

# Accounting & Fiscal Certification

The University of California maintains comprehensive accounting and reporting systems and processes in order to:

- Meet stewardship responsibilities
- Provide management information to all levels of the University's administration, as well as State and Federal officials.

Each year, Deans and Vice Chancellors are required to certify that:

- They are responsible for applying policies and procedures to ensure effective and efficient use of University resources and prevent and detect fraud
- No material transactions or liabilities are missing from the financials
- Suspicions and/or allegations of fraud are properly reported
- Funds are managed in compliance with laws, regulations and provisions of contract and grant agreements

## Could this happen in your department?

- A former employee purchases over \$250,000 in fraudulent airfare billed directly to the department account
- An employee alters travel receipts and fabricates business conferences to collect fraudulent travel reimbursement
- A vendor's email system was compromised and used to request a change in payment instructions

# Could this happen to you? It happened to me...

Thank You for Joining PenFed

Please follow the four steps below, as you:

1. Review the accuracy of the information
2. If you did not fund your account by check, enclose a check for a minimum of \$5 made out to PenFed
3. If you are interested in establishing joint ownership, sign, date, and return this form to PenFed

**CHCPD MATTHEW OKAMOTO**

**Member Number:** 59457

**Social Security Number:** [REDACTED]

**Date of Birth:** [REDACTED]

**Name of Joint Owner:** [REDACTED]

**Account Number:** [REDACTED]

**Date Opened:** 02/19/19

**Initial Deposit:** 50.00

**\*If you would like to establish optional joint ownership or beneficiary designation:**

☐ Joint Ownership Designation: Member and joint owner(s) must sign (if this is desired, complete the Joint Ownership Designation and Account Agreement and agree to comply with all its terms)

☐ Joint Account with Beneficiary: On the death of a party to the account, the deceased party's interest in the account will be distributed to the beneficiary named on the account, or by intestacy.

Joint Ownership Designation	Member Name	Signature	Printed Name
Joint Owner	[REDACTED]	[REDACTED]	[REDACTED]
Joint Owner	[REDACTED]	[REDACTED]	[REDACTED]

**Beneficiary Designation:** All beneficiaries will have an equal share. Upon our death, the account will be distributed to the beneficiary named below.

**Beneficiary Name:** [REDACTED]

**Signature:** [REDACTED]

Return this signature card to PenFed, Box 1430, Alliance, NE 68101

**PENFED CREDIT UNION**

**CHCPD MATTHEW OKAMOTO**

000007983259021  
ACCESS AMERICA

Dear Member,

Thank you for choosing to open a Pentagon Federal Credit Union (PenFed) Access America Checking account. It is a pleasure to serve you and your financial needs.

**Account Activation & Check Orders:**

- If you opened your account online or by phone, please sign the back of this letter and return it in the enclosed envelope. Once we receive the signed letter, we will activate your account and place your check order.
- If you opened your account in a branch or by mail, please keep this letter for your records. If you ordered checks, you should receive them in approximately two (2) weeks (overseas members please allow four (4) weeks for delivery).

**Debit Card:** If you would like a debit card and have not received one, please complete the appropriate section of the form on the back of this letter. After approximately seven (7) business days, please contact us at 800-247-0026 to choose your four (4)-digit Personal Identification Number (PIN). Your card will then be generated and mailed to you.

**Direct Deposit:** For security and the convenience of accessing your funds as soon as possible, we encourage you to establish direct deposit for your paycheck, Social Security, Veterans Administration, retirement payments, or other recurring electronic payments.

To establish direct deposit for your checking account: Contact your payroll office to receive the appropriate form to initiate direct deposit of your paycheck. You will need your checking account number (see above), the account type (checking), PenFed Routing/ABA number (see below), and PenFed's mailing address (see below).

Direct Deposit Information	Routing/ABA Number: 2560 7844-8
Financial Institution: Pentagon Federal Credit Union	Account Type: Checking
P.O. Box 747009, Omaha, NE 68114-7009	Account Number: See above

**Need additional assistance?**

If you have additional questions regarding your new checking account, please call us at 800-247-5528. If you reside overseas, you can call from an on-base, Class A DSN line at 510-376-7328 or visit us at PenFed.org.

We hope you enjoy the features associated with your new Access America Checking account. We appreciate your business and look forward to serving you through this new account.

Sincerely,

*Kevyn L. Myers*  
Kevyn L. Myers  
Executive Vice President

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*Kevyn L. Myers*  
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Executive Vice President

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<https://fraudprevention.ucdavis.edu/>

**Fraud Prevention**  
Protecting our university through fraud awareness, detection, and prevention

Prevention & Detection   Reporting Fraud   Fraud Cases at UC Davis   Resources & Training   Contact   Quick Links

Protecting our university through fraud awareness, detection and prevention.

FINANCE



# Control Responsibilities

## What are Internal Controls?

- Internal controls are an integral part of the University's operations and are the responsibility of all faculty and staff. Core internal control objectives include:
  - Effectiveness and efficiency of operations.
  - Ensure reliability of financial reporting.
  - Compliance with applicable laws and regulations.

Internal control website is a great resource for additional information:

<https://financeandbusiness.ucdavis.edu/finance/controls-accountability>



## Controls & Accountability

- › [Administrator's Responsibilities Handbook](#)
- › [Internal Controls](#)
- › [Ledger Review](#)
- › [Common Approval Types & Policies](#)
- › [Security & Passwords](#)
- › [Separation of Duties](#)
- › [Help & Resources](#)
- › [Our Staff](#)

In an organization with an effective control environment, people understand their responsibilities, limits of their authority, and are knowledgeable, mindful, and committed to doing what is right.

The information below was designed to help you understand the requirements to achieve high standards of business and ethical practices:

### Establishing an ethical environment

Establishing an ethical environment and setting the tone at the top of the organization is the most important element of the accountability and control environment. Each of the components work together to create a comprehensive system capable of deterring fraud, and preventing, detecting, and correcting problems based on an overall assessment of risk and exposure.

The university has adopted an internal control methodology developed by the Committee of Sponsoring Organizations (COSO), in which internal control is defined as a process implemented by management that provides reasonable assurance that:

- A. Operations are effective and efficient.
- B. Financial and operational reports are reliable.
- C. Compliance with applicable laws, regulations, and internal policies and procedures has been achieved.



# Components of Internal Control

- **The control environment** sets the tone for the organization
- **Risk assessments** identifies and analyzes relevant risks
- **Control activities** are policies and procedures that ensure compliance
- **Information and communication** provide meaningful data to the right people
- **Monitoring activities** assure processes are working

# Resources

- Finance
  - <https://financeandbusiness.ucdavis.edu/finance>
- Fraud Awareness & Prevention
  - <https://fraudprevention.ucdavis.edu/>
- Fiscal Officer Resources
  - <https://financeandbusiness.ucdavis.edu/finance/accounting-financial-reporting/fiscal-officer>
- Guide to Research Compliance *For Principal Investigators and Department Administrators*
  - [https://research.ucdavis.edu/wp-content/uploads/UCDavis\\_Guide\\_to\\_Research\\_Compliance\\_-\\_20132.pdf](https://research.ucdavis.edu/wp-content/uploads/UCDavis_Guide_to_Research_Compliance_-_20132.pdf)
- Administrator's Responsibilities & Resources Handbook
  - <https://financeandbusiness.ucdavis.edu/finance/controls-accountability/admin-handbook>
- Travel & Entertainment
  - <https://supplychain.ucdavis.edu/travel-entertainment>