



# *NEW DEPARTMENT CHAIR WORKSHOP*

SEPTEMBER 8, 2020

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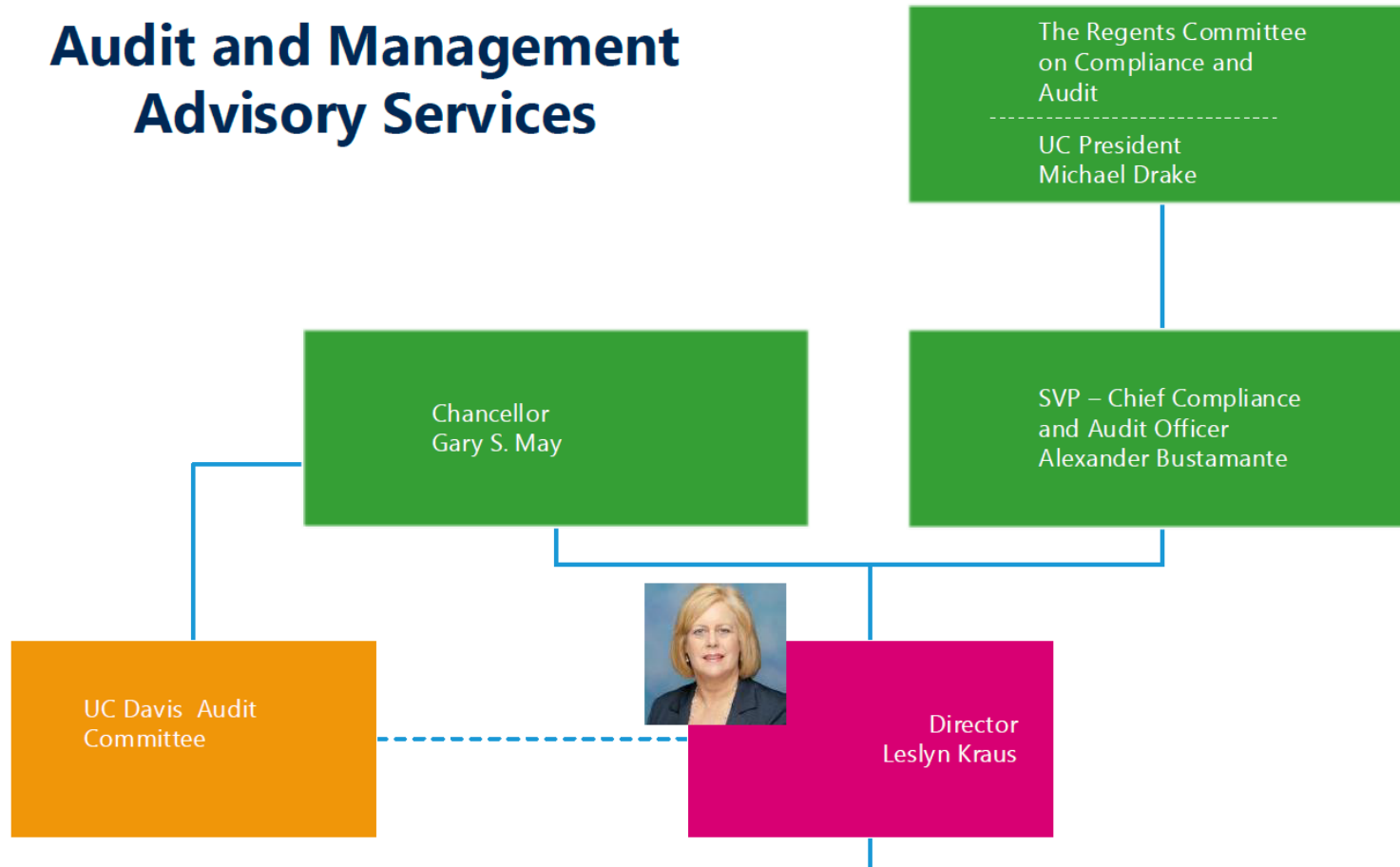
RYAN DICKSON, ASSOCIATE DIRECTOR

AUDIT & MANAGEMENT ADVISORY SERVICES

# Poll: Travel claim word cloud

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# UC Davis Audit and Management Advisory Services



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## Internal Audit Mission

The mission of the University of California (UC) internal audit is to provide the Regents, President, campus Chancellors and Laboratory Director **independent and objective assurance and consulting services designed to add value and to improve operations**. We do this through communication, monitoring and collaboration with management to assist the campus community in the discharge of their oversight, management, and operating responsibilities. Internal audit brings a **systematic and disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes**.

# Poll: Prior Experience with Internal Audit

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1. Have you been part of an internal audit before, at UC Davis or elsewhere?
2. Do you believe the internal audit added value?



“Could you explain this, frankly, implausible spike in travel expenses in late December?”

# FY22 Projects Completed

Audits	Advisory Services, Continued	Small Consultations, Continued
Admissions Donations (C)	Aggie Enterprise (C/H)	Collaboration (C/H)
Annual Report on Executive Compensation (AREC) (C/H)	Diversity, Equity and Inclusion - Phase II (C/H)	PPM 360-21 (C)
Campus Recharge Rates (C)	How to Survive and Audit (C/H)	PPM 260-25 (C)
Chancellor's Expenses (G-45) (C)	Data Analytics Support (C/H)	PPM 260-50 (C)
IET Accounting Structure and Recharges (C)	Admissions UCOP Requests (C)	Clifton Strengths Workgroup (C/H)
Police Complaints (C/H) ^	Innovation Institute - Food & Health (C)	Aggie Enterprise Consultation (C)
Consolidation of Systemwide MCAs (C)	Office of Research ORU Administrative Reviews (C)	AggieBudget User Group (C)
Clinical Engineering (H)	Imaging America (C) ^	Distribution of CARES Act Funding and FEMA Workgroup
Department Compliance Programs (Lab/HHC&H) (H)	Compliance Office (H)	Osher Institute OLLI (C)
Department of Pathology (H)	Health Data Provisioning (H) **	Compliance Support (H)
Exclusion Monitoring (H) **	Payor Portals Access Management (H) ^	PPM 270-50 (C)
Pharmacy (H)	Health Procurement (H) **	Website Team (C/H)
Telehealth (H)	UCDH Environmental Services Supplies Inventory (H) **	PPM 310-10 (C)
<b>Advisory Services</b>	<b>Small Consultations</b>	PPM 330-12 (C)
Academic Affairs (C) ^	PPM 330-05 (C)	PPM 330-31 (C)
Athletics (C)	PPM 230-05 (C)	School of Medicine Department Review Program (H)
School of Education (C) **	PPM 350-10 (C)	PPM 300-30 (C)
Sorority & Fraternity Life (C) ^	PPM 340-25 (C)	PPM 270-05 (C)
	Compliance -Admissions-Follow-up (C)	

\*\*Issued in draft at FYE, and final subsequent to FYE. ^ Issued in draft at FYE, and still in draft.  
Campus Project (C), UCDH Project (H), Both (C/H)

# FY22 Projects Completed(Continued) \*

External Audits	Committees, Continued
OIG-USAID (C)	Cybersecurity Oversight Committee (C/H)
NSF Site Visit (C)	Management Advisory Group (C)
Contract Numbers (C)	ACERC (C/H)
Livermore OIG LBNL Subaward (C)	Lived Name & Gender Marker Implementation Committee (C/H)
EAC Guidance and Administration (C)	TeamMate Super Users (C/H)
California Department of Food & Agriculture FY 22 Specialty Crop Block Grant Desk Reviews (C)	Travel & Entertainment (H)
Carnegie Mellon Subaward Desk Review (C)	Investigations Workgroup (C/H)
Lawrence Livermore National Lab (C)	Health System Operations Compliance (H)
UC Davis Chile - CORFO Audit (C)	Compliance and Risk Council (C/H)
PCORI Post-Award Review (C)	Finance, Operations and Administration (C/H)
California Institute for Regenerative Medicine (CIRM ) Site Visit (C)	UC Data Analytics Committee (C/H)
LLNL Subcontract Incurred Cost Audit (C)	IT Services Committee (C)
Lawrence Livermore National Lab -Subcontract Closeout (C)	
USDA Forest Service 5 Year Review (C)	
Woodville Public Utility District Yellow Book Audit (C)	
Lehigh University Annual Subrecipient Compliance Audit (C)	
Lawrence Livermore National Lab (C)	
Committees	
IT Professional Services (C)	
Executive Compliance Committee (H)	
Aggie Enterprise Governance Group (C/H)	



# Topics To Cover Today

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- What to do if your department is audited by external agency.
- What an internal audit would look for.
- Services available to you.

# Poll: who audits you?

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# Question

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**You receive a notice that an external agency will be conducting an audit in your department. What should you do?**

# Answer

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## You may be tempted to:

Ignore the auditors. But they're not going away.

Prepare documentation you think the auditors might want (or not!) and send it to them. But they don't want it, they probably won't look at it, and it's a waste of your time.

## The best answer is:

Contact your Dean's Office and Audit and Management Advisory Services:

[externalaudits@ucdavis.edu](mailto:externalaudits@ucdavis.edu)

[audit.ucdavis.edu](http://audit.ucdavis.edu)

# The Chair's role in internal control

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## You set the standard

UC Davis expects you to be a champion of policy. This is different from an enforcer of policy, whose job would be to punish noncompliance. A champion of policy:

1. Thinks policy is important and makes efforts to know what policy is and how it can be interpreted;
2. Is visible in their own compliance, and vocal to their team about its importance.

# Question

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**How does a Chair maintain oversight of the department's finances?**

# Answer

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## **Effective Chairs oversee finances by:**

Understanding what they are approving;

Ensuring PI review of expenditures on extramural awards;

Knowing how separation of duties functions in financial transactions;

Ensuring timely performance of general ledger reviews; and,

Monitoring of overall department financial performance.

# Critical Department Practices

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## Approvals:

It is critical that you have an understanding of what you are approving, and that you review supporting documentation.

The financial and travel systems have audit trails showing when and by whom receipts and supporting documentation are reviewed (or not).



# Critical Department Practices

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## **Grant Monitoring:**

Make sure PIs are monitoring grants to ensure expenses are allowable and allocable.

PI is in the best position to assess appropriateness.

Lack of oversight regarding extramural funding creates a huge vulnerability.

# Critical Department Practices

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## **Separation of duties:**

Different components of a transaction should be performed by different, independent people.

The person authorizing should have sufficient knowledge to vouch for validity of the transaction.

# Critical Department Practices

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## General Ledger Reviews:

Who looks at your financial statements?

- Your Dean or VC– Quarterly Ledger Review
- Your MSO – Managerial Ledger Review
- Your fiscal officer – Analytical Ledger Review

Use FIS 420 to see if any of your department's reviews are past due.

# Information Security

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Chairs are becoming more responsible for information security:

UC Electronic Information Security Policy BFB-IS-3

One of your most important relationships is with your IT manager.

Ask about your department's Information Security Management Plan.

# Poll: can you say no to all of the following?

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1. I have username and password information written down somewhere
2. I use shared login credentials (i.e. a departmental username and password)
3. I store important data in Box
4. I use flash drives
5. I email research data to colleagues outside UC Davis
6. I have not installed DUO yet
7. Sometimes I use my personal computer to get work done
8. I access my department's network from home without using a VPN
9. Antivirus software is my best line of cyber defense

# We're Here to Help!

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Audit and Management Advisory Services is available to assist you. Don't hesitate to contact us and take advantage of our advisory services.

- ❖ Leslyn Kraus, Director [lkraus@ucdavis.edu](mailto:lkraus@ucdavis.edu)
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