



# NEW CHAIRS WORKSHOP

## FINANCIAL MANAGEMENT – INTERNAL CONTROLS

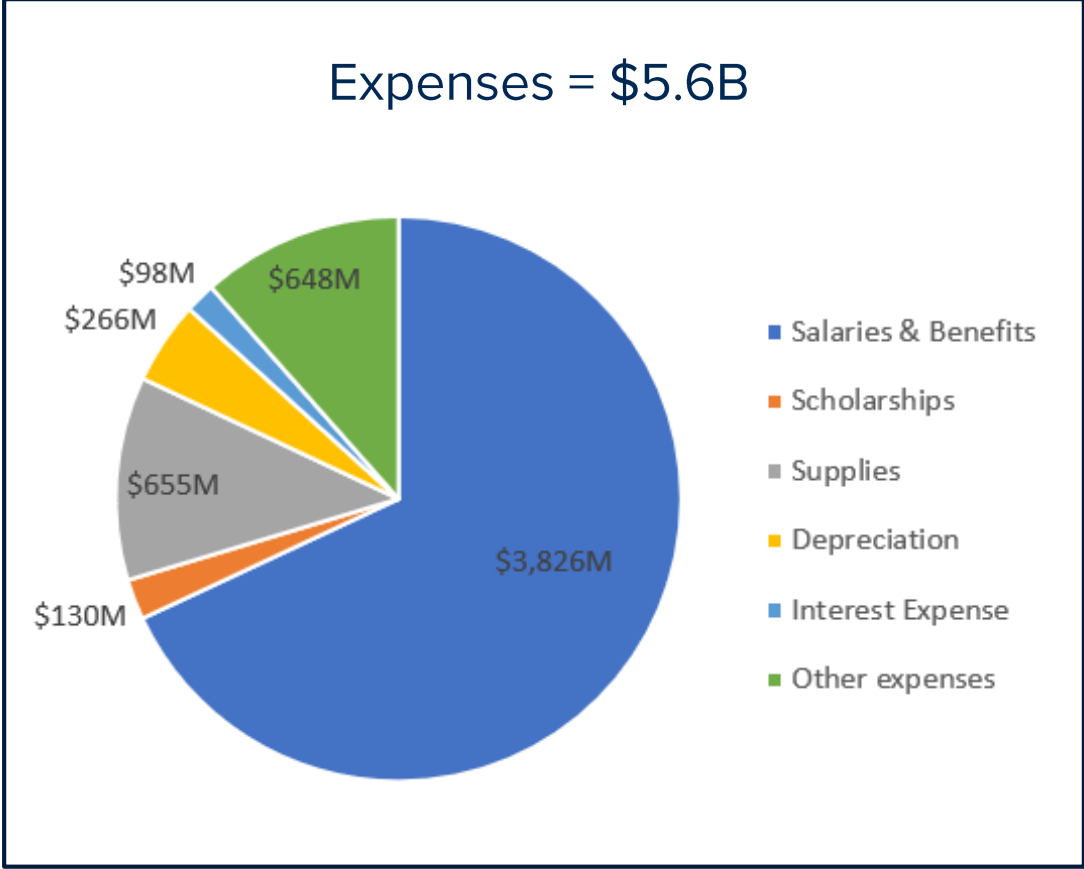
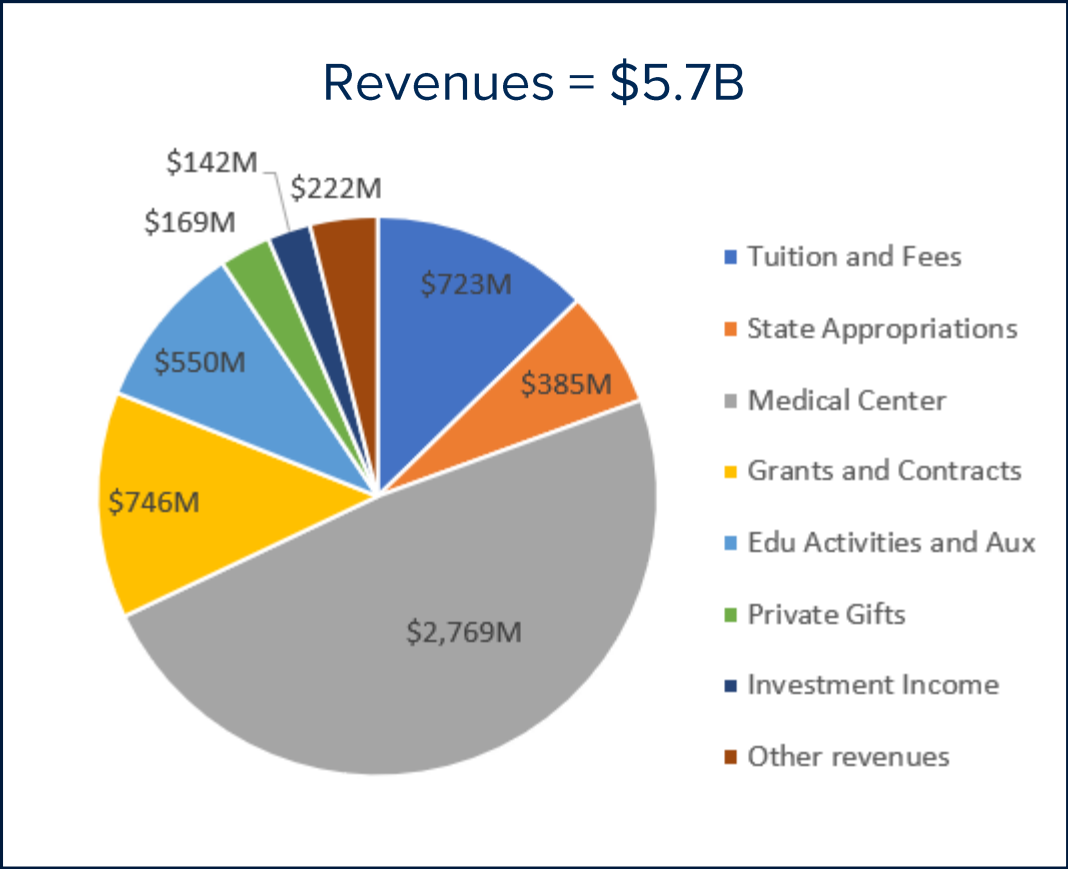
MATT OKAMOTO

ASSISTANT VICE CHANCELLOR, FINANCE

UNIVERSITY CONTROLLER

SEPTEMBER 8, 2022

# FY21 Financial Summary



# 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 are required to do so:

1. Review the accuracy of the information below.
2. If you did not fund your account by check, please enclose a check for a minimum of \$5 made payable to the credit union.
3. If you are interested in establishing joint ownership, please check the appropriate box.
4. Sign, date, and return this form to PenFed.

**MEMBER**  
**CHCPO MATTHEW OKAMOTO**

Member Number: \_\_\_\_\_  
 Social Security Number: 59457  
 Date of Birth: \_\_\_\_\_  
 Name of Joint Owner: \_\_\_\_\_  
 Account Number: \_\_\_\_\_  
 Date Opened: 02/19/19  
 Initial Deposit: 50.00

**If you would like to establish optional joint ownership or beneficiary designation, please check the appropriate box.**

**Joint Ownership Designation.** Member and joint owner(s) must sign. If this is desired, complete the membership and account agreement and agree to comply with all its terms.  
 **Joint Account with Survivorship on the death of a party of the account, the account party(s) must sign.**  
 **Joint Account without Survivorship on the death of a party of the account, the account party(s) must sign.**

Member Owner	Signature	Printed Name
Joint Owner		
Joint Owner		
Member Owner		
Joint Owner		
Joint Owner		

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

Printed Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Return this signature card to PenFed, Box 1432, Alexandria, VA 22304

**PENFED CREDIT UNION**

**CHCPO MATTHEW OKAMOTO**

000007985259021  
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 investment 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 ordered 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 800-247-0626 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.

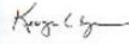
**To establish direct deposit for your checking account:** Contact your payroll office to receive the appropriate form to initiate direct deposit of your paycheck. You will need your checking account number (see above), the account type (checking), PenFed Routing/ABA number (see below), and PenFed's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

<b>Direct Deposit Information</b>	Routing/ABA Number: 2560-7844-6
Financial Institution:	Account Type: Checking
Pentagon Federal Credit Union	Account Number: See above
P.O. Box 247008, Omaha, NE 68124-7008	

**Need additional assistance?**

If you have additional questions regarding your new checking account, please call us at 800-247-5826. 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  
 Executive Vice President

L-571 (05/18) © Pentagon Federal Credit Union, 2018

**PENFED CREDIT UNION**

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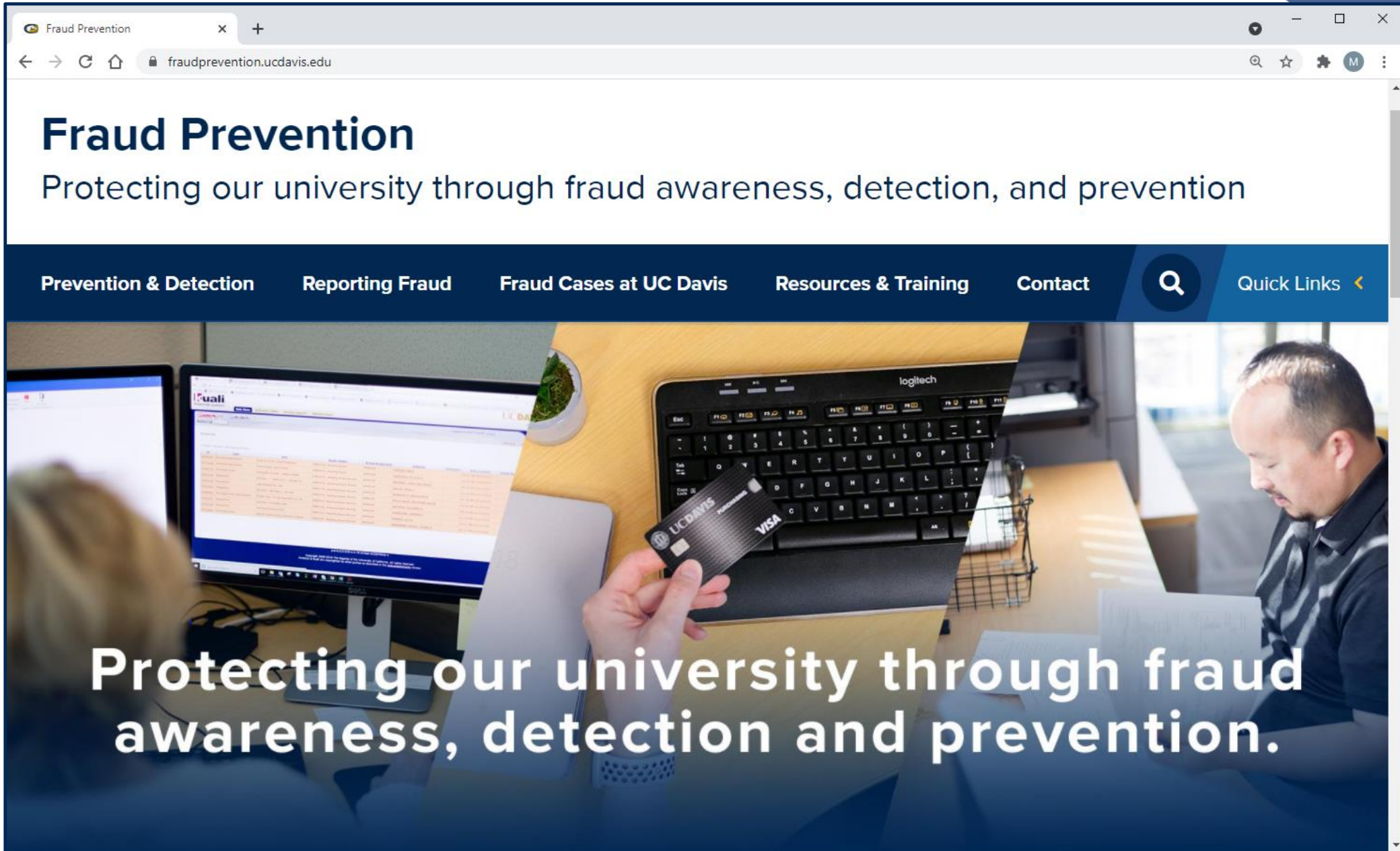
tips. Here are a few features you're

- Access accounts at more than 56,000 ATMs for a list of ATM machines near you at select ATMs. Plus, use your Debit Card for payments using your Debit Card and your account and \$0 liability\* on personal identification number.
- Access to your accounts. Download the PenFed app to your smartphone. See the enclosed EFT statement for the date of the fraudulent transaction.

To activate your card  
 Call 1-800-562-1341  
 Need to change your PIN?  
 Logon to PenFed.org  
 Select Account Actions - Update Profile

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 DEBIT VISA  
 02/22  
 MATTHEW OKAMOTO

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



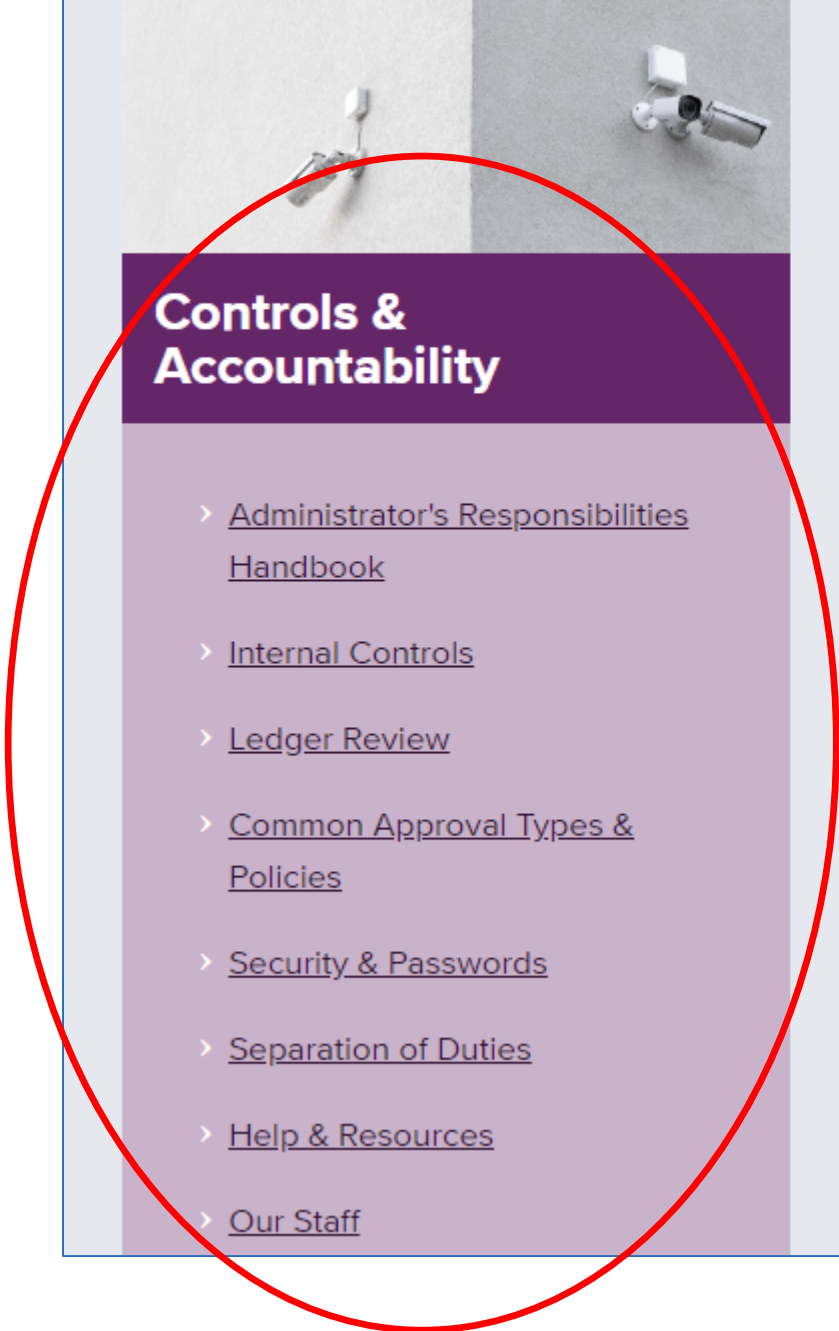
# Control Responsibilities

## 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:

- Operations are effective and efficient.
- Financial and operational reports are reliable.
- 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>