

UNIVERSITY OF NEVADA, RENO  
ASSOCIATED STUDENTS OF THE  
UNIVERSITY OF NEVADA SCHOOL OF MEDICINE  
Internal Audit Report  
July 1, 2010 through August 31, 2011

GENERAL OVERVIEW

The Associated Students of the University of Nevada School of Medicine (ASUNSOM) is the student government organization of the medical school. Students who are enrolled in the medical school are members of ASUNSOM. The organization is supported by a small percentage of the tuition that is assessed to medical students. The ASUNSOM also sells clothing and other miscellaneous items, primarily to students, which generate additional funds for the organization. The ASUNSOM is governed by a constitution and is comprised of the Student Council, a Student Executive Committee, and various other committees. The ASUNSOM provides funding for student interest groups, the medical school graduation ceremony, and for medical students to travel to educational conferences and seminars.

SCOPE OF AUDIT

The Internal Audit Department has completed a review the ASUNSOM for the period of July 1, 2010 through August 31, 2011.

The scope of our review included tests of the accounting records and other procedures as we considered necessary. The tests included, but were not necessarily limited to, these areas.

1. Reviewing and testing controls over the receipt and disbursement of student government funds.
2. Reviewing minutes of student government meetings for compliance with the Nevada Open Meeting Law.

3. Reviewing the ASUNSOM Constitution for completeness and agreement with student government operations.
4. Examining and testing equipment inventory, telephone charges, and leave records.
5. Reviewing expenditures for reasonableness, supporting documentation, and proper signature approvals.

In our opinion, we can be reasonably assured that the ASUNSOM is operating in a satisfactory manner. However, implementation of the following recommendations would further improve the organization's operations.

#### BANK ACCOUNTS OUTSIDE THE UNIVERSITY

During our review, we became aware that bank accounts have been established by ASUNSOM representatives that were not approved by the Board of Regents, as required. The accounts were created and used to deposit class dues that were collected from medical students.

We recommend the bank accounts be closed and the remaining funds deposited at the UNR Cashier's Office. We recommend the deposits be posted to an appropriate ASUNSOM account within the university's financial accounting system. We also recommend the final bank statement from the accounts be provided to the ASUNSOM Faculty Advisor, or other appropriate employee, to show the accounts were closed.

#### **Institution Response**

**Corrective Action: The bank account referenced has been closed, and the remaining funds have been deposited into a university account on February 2, 2012. The final bank statement indicating that the account has been closed, along with a full accounting of the account, has been submitted to the UNSOM Office of Admissions and Student Affairs. The UNSOM Office of Admissions and Student Affairs serves as record custodian for all Associated Students of the University of Nevada School of Medicine (ASUNSOM) records, where this reporting will be kept.**

A second class bank account has been discovered and closed and the UNSOM Office of Admissions and Student Affairs will follow-up to ensure the remaining funds are deposited to a university account and a final bank statement along with a full accounting of the account is submitted to the UNSOM Office of Admissions and Student Affairs.

**Prevention and Monitoring:** The UNSOM Office of Admissions and Student Affairs, along with the faculty advisor, conduct an annual orientation for ASUNSOM officers (Student Council and Student Executive Committee) each July prior to the fall semester. This orientation includes the distribution of the ASUNSOM Constitution, as well as verbal and written instruction on financial policies, including the prohibition of maintaining bank accounts outside of the university.

## **CONSTITUTION**

The ASUNSOM Constitution was reviewed for completeness and accuracy. The following exceptions were noted.

1. The constitution states the Student Council is the governing board of the association. We were informed, however, that the Student Executive Committee (SEC) acts as the governing body and that the Student Council does not meet on a regular basis.

We recommend that either the constitution be updated to reflect current practice or that ASUNSOM business be brought before the Student Council for review and approval, as stated in the constitution.

## **Institution Response**

**Corrective Action:** A revision to the Constitution of the ASUNSOM was placed on the ASUNSOM Student Council's January 13, 2012 meeting agenda as an action item. One amendment contained clarification and definition of current meeting practices of the ASUNSOM Student Executive Committee (SEC) and ASUNSOM business practices (Article IV – Meetings; Section 4; Article V – Student Executive Committee; Section 2).

The action item was heard, voted on, and a quorum of the ASUNSOM Student Council approved the Constitution revision. The revised ASUNSOM Constitution is currently being reviewed by UNSOM counsel, and will be forwarded to the NSHE Chancellor for action pursuant to the Board of Regents Handbook, Title 2, Chapter 3, Section 1.3.6.

**Prevention and Monitoring:** The UNSOM Office of Admissions and Student Affairs, along with the faculty advisor, conduct an annual orientation for ASUNSOM

**officers (Student Council and Student Executive Committee) each July prior to the fall semester. This orientation includes the distribution of the ASUNSOM Constitution, as well as verbal and written instruction on the powers and duties of the ASUNSOM Student Council regarding amendments to the ASUNSOM Constitution (Article VI – Student Council; Section 3; Article X – Amendments; Section 1, 2, 3).**

2. Inconsistencies in the constitution were noted. For example, Article VIII, Section One, states SEC meetings are held on a quarterly basis. Article VIII, Section Four, states meetings are held as often as needed to fulfill its responsibilities. We also noted areas that are not adequately addressed in the constitution such as the requirements for establishing a student interest group. We were informed student interest groups must have an advisor, a mission statement, and bylaws. The constitution states only an advisor is needed. We recommend the constitution be reviewed for inconsistencies and areas in which policy is lacking. We recommend proposed updates to the constitution be developed as a result of this review and that updates be brought before the Student Council for approval.

### **Institution Response**

**Corrective Action: The ASUNSOM Constitution was reviewed for inconsistencies and areas in which policy is lacking, and revisions were identified and made. Proposed updates to the ASUNSOM Constitution were made, and the revised Constitution of the ASUNSOM was placed on the ASUNSOM Student Council’s January 13, 2012 meeting agenda as an action item. The amendment contained clarification and definition of current ASUNSOM policies and procedure, including: SEC meetings; establishment of recognition requirements for Student Interest Groups; and the role and responsibility of the Student Council. The amendment rectified inconsistencies in policies and procedures that were present in the previous Constitution.**

**The action item was heard, voted on, and a quorum of the ASUNSOM Student Council approved the Constitution revision. The revised ASUNSOM Constitution is currently being reviewed by UNSOM counsel, and will be forwarded to the NSHE Chancellor for action pursuant to the Board of Regents Handbook, Title 2, Chapter 3, Section 1.3.6.**

**Prevention and Monitoring: The UNSOM Office of Admissions and Student Affairs, along with the faculty advisor, conduct an annual orientation for ASUNSOM officers (Student Council and Student Executive Committee) each July prior to the fall semester. This orientation includes the distribution of the ASUNSOM Constitution, as well**

**as verbal and written instruction on the powers and duties of the ASUNSOM Student Council regarding amendments to the ASUNSOM Constitution (Article VI – Student Council; Section 3 Article X – Amendments; Section 1, 2, 3).**

3. Bylaws for the various committees and other groups that make up the ASUNSOM have not been developed.

We recommend consideration be given to creating bylaws that would be included with the constitution and viewed as the operations document for ASUNSOM.

### **Institution Response**

**Corrective Action: Consideration was given to the creation of bylaws, and a revision to the Constitution of the ASUNSOM was placed on the ASUNSOM Student Council’s January 13, 2012 meeting agenda as an action item. The amendment contained clarification and definition of current ASUNSOM policies and procedures, including ASUNSOM committee and Student Interest Group operational definitions, bylaw requirements, and funding policies of Student Interest Groups (Article IX – Financial Control; Section 4).**

**The action item was heard, voted on, and a quorum of the ASUNSOM Student Council approved the Constitution revision. The revised ASUNSOM Constitution is currently being reviewed by UNSOM counsel, and will be forwarded to the NSHE Chancellor for action pursuant to the Board of Regents Handbook, Title 2, Chapter 3, Section 1.3.6.**

**Prevention and Monitoring: The UNSOM Office of Admissions and Student Affairs, along with the faculty advisor, conduct an annual orientation for ASUNSOM officers (Student Council and Student Executive Committee) each July prior to the fall semester. This orientation includes the distribution of the ASUNSOM Constitution, as well as verbal and written instruction on the powers and duties of the ASUNSOM and its various committees and Student Interest Groups.**

4. The constitution has not been approved by the Chancellor as required by Board of Regents policy.

We recommend the ASUNSOM Constitution be forwarded to the Chancellor for approval after it has been reviewed and updated as a result of the recommendations made during this audit.

## **Institution Response**

**Corrective Action:** All action items pursuant to this audit were heard, voted on, and a quorum of the ASUNSOM Student Council approved the Constitution revision on January 13, 2012. The revised ASUNSOM Constitution is currently being reviewed by UNSOM counsel, and will be forwarded to the NSHE Chancellor for action pursuant to the Board of Regents Handbook, Title 2, Chapter 3, Section 1.3.6.

**Prevention and Monitoring:** The UNSOM Office of Admissions and Student Affairs, along with the faculty advisor, conduct an annual orientation for ASUNSOM officers (Student Council and Student Executive Committee) each July prior to the fall semester. This orientation includes the distribution of the ASUNSOM Constitution, as well as verbal and written instruction on the powers and duties of the ASUNSOM Student Council regarding amendments to the ASUNSOM Constitution (Article VI – Student Council; Section 3 Article X – Amendments; Section 1, 2, 3).

## **ASSOCIATION MEETINGS**

Board of Regents policy requires meetings of student government organizations to be held in accordance with the Nevada Open Meeting Law, as provided in Nevada Revised Statute (NRS) 241. We were informed the only minutes that were available were from meetings held by the Student Executive Committee (SEC). No minutes were available from other ASUNSOM groups, including the Student Council.

We recommend meetings held by the Student Council and other officially recognized ASUNSOM groups be documented in compliance with the Nevada Open Meeting Law.

## **Institution Response**

**Corrective Action:** The ASUNSOM and its subcommittees/councils have been reminded and instructed on the requirements to maintain compliance with the Nevada Open Meeting Law.

**Prevention and Monitoring:** The UNSOM Office of Admissions and Student Affairs, along with the faculty advisor, conduct an annual orientation for ASUNSOM officers (Student Council and Student Executive Committee) each July prior to the fall semester. This orientation includes the distribution of the ASUNSOM Constitution, as well as verbal and written instruction on how the ASUNSOM meetings are conducted pursuant to the Nevada Open Meeting Law (Article IV – Meetings; Sections 1-6).

We also reviewed the minutes of meetings held by the SEC to determine whether they were prepared in accordance with the open meeting law. Minutes for five meetings were examined. The following observations were noted.

1. Agendas were not completed or posted for four of the five meetings. An agenda was completed for one of the meetings but it was not posted three days in advance of the meeting and did not include the locations it was posted, as required. The agenda was also missing a list describing the items on which action may be taken and clearly denoting that action could be taken on those items.

We recommend agendas be completed, as required.

### **Institution Response**

**Corrective Action: The ASUNSOM and its subcommittees/councils have been reminded and instructed on the requirements for agendas, including full agenda completion and appropriate agenda posting requirements.**

**Prevention and Monitoring: The UNSOM Office of Admissions and Student Affairs, along with the faculty advisor, conduct an annual orientation for ASUNSOM officers (Student Council and Student Executive Committee) each July prior to the fall semester. This orientation includes the distribution of the ASUNSOM Constitution, as well as verbal and written instruction on how the ASUNSOM meetings are conducted pursuant to the Nevada Open Meeting Law (Article IV – Meetings; Sections 1-6).**

2. At one of the meetings, votes were solicited to change the ASUNSOM Constitution which was approved. As previously mentioned in this report, the Student Council is defined in the ASUNSOM Constitution as the governing board, not the SEC. It was noted that a quorum of Student Council members may not have been present. We also noted the minutes do not reflect any absences of SEC and/or Student Council members.

We recommend a revote of the action taken at the meeting be performed. The revote should be completed at a Student Council meeting at which a quorum of members are

present. We also recommend that the minutes of ASUNSOM meetings include the members who are both present and absent.

### **Institution Response**

**Corrective Action:** A revote was performed by the ASUNSOM Student council on January 13, 2012. The action item was placed on the agenda, heard, voted on, and a quorum of the ASUNSOM Student Council approved the Constitution revision. The revised ASUNSOM Constitution is currently being reviewed by UNSOM counsel, and will be forwarded to the NSHE Chancellor for action pursuant to the Board of Regents Handbook, Title 2, Chapter 3, Section 1.3.6.

The ASUNSOM and its subcommittees/councils have been reminded and instructed on the appropriate conduct of meetings for compliance with the Nevada Open Meeting Law, which include the complete listing of members present and absent notated as required.

**Prevention and Monitoring:** The UNSOM Office of Admissions and Student Affairs, along with the faculty advisor, conduct an annual orientation for ASUNSOM officers (Student Council and Student Executive Committee) each July prior to the fall semester. This orientation includes the distribution of the ASUNSOM Constitution, as well as verbal and written instruction on how the ASUNSOM meetings are conducted pursuant to the Nevada Open Meeting Law (Article IV – Meetings; Sections 1-6).

3. For four of five meetings reviewed, the minutes included business pertaining to the sophomore class but very little ASUNSOM business.

We recommend that meetings for class business be held separately from ASUNSOM meetings and that the minutes pertaining to each be recorded separately.

### **Institution Response**

**Corrective Action:** The ASUNSOM, which is inclusive of all four year classes, have been reminded and instructed on the appropriate conduct of meetings for compliance with the Nevada Open Meeting Law, which include conducting individual class meetings separately from other ASUNSOM meetings.

**Prevention and Monitoring:** The UNSOM Office of Admissions and Student Affairs, along with the faculty advisor, conduct an annual orientation for ASUNSOM officers (Student Council and Student Executive Committee) each July prior to the fall semester. This orientation includes the distribution of the ASUNSOM Constitution, as well as verbal and written instruction on how individual class business and meetings are conducted (Article IV – Meetings; Sections 6).



## FINANCIAL REPORTING

Board of Regents policy requires student government organizations to provide an annual report of revenues, expenditures, and beginning and ending account balances to the Board. The report is to be submitted to the Board of Regents by December for the preceding fiscal year. We noted the ASUNSOM did not submit an annual report to the Board of Regents for the 2009-2010 fiscal year.

We recommend the report be submitted each year as required.

### **Institution Response**

**Corrective Action: The ASUNSOM Student Executive Committee has been reminded and instructed on the compliance with the financial reporting policy and procedures, and has submitted its required annual financial report to the university budget office for the 2010-2011 fiscal year for the December 1, 2011 board meeting.**

**Prevention and Monitoring: The UNSOM Office of Admissions and Student Affairs, along with the faculty advisor, conduct an annual orientation for ASUNSOM officers (Student Council and Student Executive Committee) each July prior to the fall semester. This orientation includes the distribution of the ASUNSOM Constitution, as well as verbal and written instruction on the annual financial report submission requirement to the Board of Regents.**

The ASUNSOM Constitution also requires a complete financial report to be submitted to the Student Executive Committee, the regular Association membership, and the UNSOM Office of Admissions and Student Affairs at the conclusion of each semester. We noted the report was not submitted during the audit period.

We recommend the report be submitted each semester, as required.

### **Institution Response**

**Corrective Action: The ASUNSOM and its Treasurer have been reminded and instructed on the compliance with the financial reporting policies and procedures, and will submit its required financial report to the ASUNSOM Student Executive Committee, ASUNSOM membership, and to the UNSOM Office of Admissions and Student Affairs as required at the conclusion of each academic semester.**

**Prevention and Monitoring: The UNSOM Office of Admissions and Student Affairs, along with the faculty advisor, conduct an annual orientation for ASUNSOM officers (Student Council and Student Executive Committee) each July prior to the fall semester. This orientation includes the distribution of the ASUNSOM Constitution, as well as verbal and written instruction on the role and duties of the Treasurer, including financial report submission requirements.**

## **STUDENT INTEREST GROUPS**

A number of student interest groups have been established within the School of Medicine that provides students with opportunities to learn about different types of medical care. The groups can receive funding from the ASUNSOM upon submission of a proposal to the ASUNSOM Treasurer specifying the purpose of the funding and the amount that is needed.

We examined five student interest groups that were awarded funding during the Fall 2011 semester. We noted proposals are typically submitted by email. An established form has not been created for this purpose. We noted one group received funding that did not submit a proposal. We were informed a method for determining the amount of funding student groups receive has not been created.

We recommend that a form be developed for requesting funding with a deadline indicating the date it must be returned. We recommend funding be provided to those groups who have made a formal request and have been recognized by the ASUNSOM. We also recommend a process be developed for funding student interest groups.

## **Institution Response**

**Corrective Action: The ASUNSOM has developed a form for the purpose of Student Interest Group recognition requirements and funding eligibility status designation by the ASUNSOM. This form indicates the process in which ASUNSOM Student Interest Groups request official recognition under the ASUNSOM, request funding, as well as a specific deadline for the submission of the request.**

**Prevention and Monitoring: The UNSOM Office of Admissions and Student Affairs, along with the faculty advisor, conduct an annual orientation for ASUNSOM officers (Student Council and Student Executive Committee) each July prior to the fall**

**semester. This orientation includes the distribution of the ASUNSOM Constitution, as well as verbal and written instruction on the process in which Student Interest Groups receive official recognition by the ASUNSOM, as well as request and receive funding from the ASUNSOM.**

### TRAVEL REQUESTS

As previously mentioned, the ASUNSOM provides funding for medical students to attend educational related conferences and seminars. To obtain the funding, students must submit a travel request form and provide a budget of projected expenses. We reviewed a sample of 10 travel request forms and noted a section of the form, which is to be completed by the UNSOM Admissions and Student Affairs (ASA) Office, was not completed for seven. For the remaining three forms, this section was partially completed.

We recommend the ASA section of the form be completed.

### **Institution Response**

**Corrective Action: The travel coordinator within the UNSOM Office of Admissions and Student Affairs has been reminded and instructed on the Student Travel Request for procedures, which include full completion of that form by the coordinator.**

**Prevention and Monitoring: The UNSOM Office of Admissions and Student Affairs has developed a checks and balance system between the office's travel coordinator and manager, wherein two reviews and signatures must be notated on the Student Travel Request form prior to authorization for travel.**

### VOLUNTEER AGREEMENT FORMS

A Volunteer Agreement form is not completed by ASUNSOM officers to formally document their work assignments and right to worker's compensation coverage.

We recommend ASUNSOM officers be required to complete a Volunteer Agreement at the beginning of each officer's term and that the forms be submitted to the Business Center North Worker's Compensation Office. We also recommend the Worker's Compensation Office be notified when the terms of previously reported officers concludes.

## **Institution Response**

**Corrective Action:** The ASUNSOM has been instructed and reminded to obtain Volunteer Agreements from each ASUNSOM officer, each academic year. The ASUNSOM has performed this requirement for its current officers. The UNSOM Office of Admissions and Student Affairs is in possession of copies of current Volunteer Agreements from each current ASUNSOM officers. The office maintains copies for the ASUNSOM records, and has and will forward the originals to the Business Center North Worker's Compensation Office.

**Prevention and Monitoring:** At the conclusion of each academic year, wherein ASUNSOM officers' terms conclude, and new ASUNSOM officers are established, the UNSOM Office of Admissions and Student Affairs notifies the Business Center North Worker's Compensation Office in writing (via e-mail) the ASUNSOM officers' statuses.

The UNSOM Office of Admissions and Student Affairs, along with the faculty advisor, conduct an annual orientation for ASUNSOM officers (Student Council and Student Executive Committee) each July prior to the fall semester. This orientation includes the officer statuses identification, as well as the Business Center North Worker's Compensation Office notification process.

## **OTHER**

The following item was noted during this review; however, it is the responsibility of the Physiology & Cell Biology Department.

## **LEAVE RECORDS**

The leave records of two UNSOM employees were reviewed to determine whether the records were accurately completed and proper record keeping procedures were followed. During the review, two occasions were noted in which leave request forms for annual leave were not submitted and/or approved in a timely manner. On ten other occasions, leave request forms were not dated by the employee approving the forms.

We recommend leave request forms for annual leave be submitted and approved prior to the leave being taken and that the approval date be recorded on the form.

## Institution Response

**Corrective Action:** Employees in the department have been reminded that leave request forms be submitted and approved prior to the leave being taken. The supervisor approving the leave request has been reminded that the approval date must be recorded on the leave request.

**Prevention and Monitoring:** The leave keeper is responsible for notifying the supervisor of any missing or incomplete leave request form as soon as it becomes known.

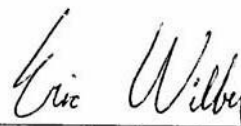
## STATEMENT OF REVENUE AND EXPENDITURES

The statement of revenues and expenditures provided below is based on the activity of one self-supporting and nine agency accounts that have been assigned to the ASUNSOM. The revenue and expenditure records were obtained from the financial accounting system and are provided for informational purposes only.

	Auxiliary Enterprise Funds	Agency Funds	Total
Balance July 1, 2010	\$ 9,130	\$ 11,912	\$ 21,042
Transfers In	4	3,467	3,471
Revenues			
Tuition and Fees Unrestricted	18,202	-	18,202
Other Sources Restricted	-	92	92
Total Revenues	18,202	92	18,294
Transfer Out	11,000	3,467	14,467
Expenditures			
Travel	7,147	1,952	9,099
Host	4,610	(3,279)	1,331
Operations	2,339	829	3,168
Total Expenditures	14,096	(498)	13,598
Balance June 30, 2011	\$ 2,240	\$ 12,502	\$ 14,742

The Internal Audit Department appreciates the cooperation and assistance received from the ASUNSOM and the Admissions and Student Affairs Office during this review.

Reno, Nevada  
January 30, 2012



Eric Wilber  
Internal Auditor



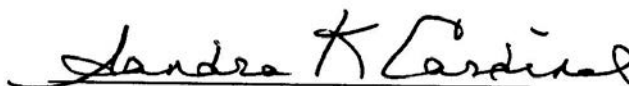
Joyce Stauffenberg  
Senior Internal Auditor



Grant Dintiman  
Information Technology Auditor



Scott Anderson  
Internal Audit Manager



Sandra K. Cardinal  
Assistant Vice Chancellor for  
Internal Audit



**Memorandum**

**To:** Sandi Cardinal, Assistant Vice Chancellor for Internal Audit and Risk Management, Nevada System of Higher Education

**From:** Tom Judy

**Date:** March 30, 2012

**Subject:** NSHE audit of ASUNSOM

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The purpose of this memorandum is to transmit the response from the University of Nevada, Reno School of Medicine to the audit of the Associated Students of the University of Nevada School of Medicine (ASUNSOM) covering the period July 1, 2010 through August 31, 2011. I have reviewed and concur with all responses.

cc: Marc Johnson, President  
Ron Zurek, Vice President, Administration & Finance