

UNIVERSITY OF NEVADA, RENO
Campus Card Program
Internal Audit Report
July 1, 2009 through April 30, 2011

GENERAL OVERVIEW

Students and faculty of the University of Nevada, Reno (UNR) can obtain a campus card, referred to as the Wolf Card, through its Campus Card program. The cost of the card is approximately \$10 depending on whether the applicant is a student or employee. The Wolf Card serves as the campus photo identification card and can also be used to access a variety of university services. For example, meal plan purchases and food credit can be loaded onto the card and then used at the various food establishments on campus. The card can also be used to access Lombardi Recreation Center, to check out materials in campus libraries and to obtain student tickets for athletic events.

The administration of the Campus Card program is the responsibility of the Wolf Card Office, which has a staff of two employees. The office is located on the second floor of the Joe Crowley Student Union. In addition to the Wolf Card, the office also issues key access cards to students and faculty, known as “prox cards”, as well as event cards for use by campus visitors. Commissions earned through use of the Wolf Card at contracted vendor locations are used to support the Wolf Card Office.

SCOPE OF AUDIT

The Internal Audit Department has completed a review of the Campus Card Program for the period of July 1, 2009 through April 30, 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 the procedures for issuing campus cards and for collecting and processing payments received from this activity.
2. Examining and testing equipment inventory, telephone charges, student timesheets, and leave records.
3. Reviewing expenditures for reasonableness, supporting documentation, and proper signature approvals

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

EQUIPMENT

A review of the equipment inventory assigned to the Wolf Card Office was performed to determine whether items listed on the equipment inventory report were physically present and whether there were other items that met the \$5,000 reporting threshold that were not included on the report. Two exceptions were noted, which are listed below. We also examined the program's sensitive equipment inventory and noted no exceptions.

1. Two items did not have inventory tags.

We recommend replacement tags be obtained from the Business Center North (BCN)

Purchasing Department and affixed to these items.

Institution Response:

The two tags were obtained during the audit and affixed to the machines.

Prevention and Monitoring:

The WolfCard Manager is responsible to assure items on the annual equipment inventory report have inventory tags.

Follow-Up Response:

No change, the corrective action was implemented as presented in the original response.

2. During a physical inspection of the equipment it was observed that one of the department's machines, used by students and faculty to make deposits and add value to their Wolf Cards, had been vandalized. It appears the person(s) responsible was attempting to force open the machine to obtain the cash located inside. We noted the machine is located in an area of the Davidson Mathematics and Science Center which has little foot traffic and is near an exit door.

We recommend the department determine whether the machine could be placed in a more visible location of the building.

Institution Response:

The WolfCard and Davidson Math and Science building manager have selected a more viable location to move the machine to and are working with IT and Facilities for movement to the new location.

Prevention and Monitoring:

All money machines are balanced and checked regularly for misuse.

Follow-Up Response:

The money machine was moved to the main hallway which is a high traffic area and should be more secure in that location.

EXPENDITURES

A sample of 18 expenditures, incurred by the Wolf Card Office during the audit period, was selected for testing. The expenditures were reviewed for proper supporting documentation, approval, reasonableness, and compliance with established purchasing policies. We noted one purchasing card transaction, which occurred on the same day with the same vendor, was split into two separate transactions. The total of the transactions exceeded the \$2,000 threshold at which purchase orders are required to be completed.

We recommend the department comply with purchasing policies.

Institution Response:

This has been discussed with the WolfCard Manager and this will not happen again.

Prevention and Monitoring:

The WolfCard Manager will assure that all purchasing card purchases conform to university procedures.

Follow-Up Response:

The WolfCard Manager is verifying all university purchasing card purchases to be sure the purchases conform to university procedures.

RECHARGE RATES

The Wolf Card Office charges university departments for the cost of issuing door access and event cards. University procedures require departments with less than \$50,000 in recharge activity, as is the case with the Wolf Card Office, to complete and retain rate calculations and cost analyses each year to substantiate the rates that are charged. We noted this information is not being prepared.

We recommend the Wolf Card Office prepare the rate calculations and analyses, as required.

Institution Response:

Rate calculations have been prepared for department card charges and reviewed by the Controller's Office.

Prevention and Monitoring:

These rates will be calculated annually and submitted to the Controller's Office.

Follow-Up Response:

No change, the corrective action was implemented as presented in the original response.

CASH CONTROLS

The Wolf Card Office collects receipts from the various kiosk machines located around campus and from payments made at the Wolf Card Office. We reviewed the procedures for collecting, storing and processing the payments to determine whether adequate controls are in

place. We also examined a sample of 12 deposits and the corresponding supporting documentation. We noted the documentation for five of the 12 deposits was not initialed and dated to indicate the deposits were reconciled to the university's Campus Advanced Information System (CAIS), as required by department policy.

We recommend each deposit be reconciled to CAIS and that the documentation be signed and dated by the individual performing this function.

Institution Response:

The Administrative Assistant in the WolfCard Office was reminded that all reconciliations must be signed and dated.

Prevention and Monitoring:

The WolfCard Manager is now reviewing all reconciliations to assure that they are documented appropriately.

Follow-Up Responses:

No change, the corrective action was implemented as presented in the original response.

TELEPHONE

We tested a sample of the department's telephone bills to determine whether the bills were reviewed and approved in accordance with established policies. All telephone bills tested were properly reviewed. During the review, we were informed that in December 2010 the department had requested the removal of one of its telephone lines due to low usage. As of July 2011 the department was still being charged for the line.

We recommend the department follow-up with the Computing and Telecommunications Department regarding removal of the telephone line.

Institution Response:

The telephone line was removed during the audit.

Prevention and Monitoring:

Telephone bills are reviewed monthly by the WolfCard Manager to be sure all charges reflect actual use by the department.

Follow-Up Responses:

No change, the corrective action was implemented as presented in the original response.

STUDENT TIMESHEETS

The timesheets of two student employees, who worked in the Wolf Card Office during the audit period, were reviewed for proper completion and accuracy of work hours. A total of 52 timesheets were reviewed. We also verified the enrollment and other conditions required for student employment were satisfied. The following exceptions were noted.

1. On one occasion, an employee's work hours were calculated incorrectly. As a result, the employee's work hours were understated by 3.5 hours.
2. One timesheet was not signed by a supervisor.
3. On two occasions, minor adjustments were made to an employee's work hours that were not adequately explained on the timesheet.

For items one through three above, we recommend greater care be taken to ensure timesheets are accurately completed and approved, and that adjustments are properly documented on the timesheet. We also recommend the employee noted be compensated for the additional hours.

4. On three occasions, a student did not take a half-hour meal break when their work period exceeded six hours, as required by the university's student employment policies.

We recommend the student be reminded of this policy.

Institution Response:

- 1. The student has since been paid for their hours.**
- 2. The timesheet has since been signed.**

3. **The student employees and supervisor have been advised to document any adjustments on timesheets.**
4. **Student employees have been reminded of this policy. Students are now scheduled for less than six hours shifts. If they are needed to work longer than six hours the supervisor will ensure a one half hour break is taken and the student records it on their timesheet.**

Prevention and Monitoring:

The WolfCard Manager is now reviewing and approving all timesheets before the information is submitted to payroll.

Follow-Up Responses:

No change, the corrective action was implemented as presented in the original response.

OTHER

The following items were noted during this review; however, they are the responsibility of the UNR Business and Finance Office.

LEAVE RECORDS

The leave records of two Wolf Card Office employees were reviewed to determine whether the records were accurately completed and proper record keeping procedures were followed. During the review, we noted Family Sick Leave taken by one employee was not recorded in the appropriate column on the Attendance and Leave Record.

For improved recordkeeping and to help ensure the limits placed on family sick leave are not exceeded, we recommend the leave be recorded in the designated column of the Attendance and Leave Record.

Institution Response:

The leave keeper corrected the attendance and leave record.

Prevention and Monitoring:

The leave keeper was reminded to record the family sick leave in the designated column.

Follow-Up Response:

No change, the corrective action was implemented as presented in the original response.

REFUNDS

Upon request, the Wolf Card Office processes refunds of credit balances that remain on Wolf Card accounts. This occurs most frequently at the end of semesters when students are leaving school. The refunds can be issued by university check, processed on credit cards that were used to make deposits on the accounts, or by transferring the credit balance to another Wolf Card account.

We recommend the UNR Information Technology Department create a report of refund transactions that were processed by the Wolf Card Office. We recommend the report include transaction information such as Wolf Card account, date, amount, and settlement method. Once developed, we recommend the report be reviewed on a periodic basis by an employee who is independent of the refund process. The report should be reviewed to determine whether refunds issued by the Wolf Card Office are reasonable.

Institution Response:

A report for WolfCard refund transactions has been created by the Information Technology Department. The WolfCard Manager will request this report monthly.

Prevention and Monitoring:

The Controller's Office is responsible to review the report and determine that refunds issued by the WolfCard Office are reasonable.

Follow-Up Response:

This report is being reviewed monthly by the Controller's Office.

STATEMENT OF REVENUE AND EXPENDITURES

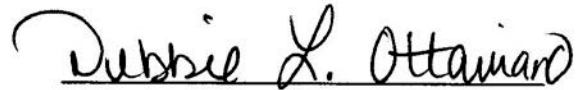
The statement of revenues and expenditures provided below is based on the activity of one state account and three self-supporting accounts that have been assigned to the Wolf Card Office. The revenue and expenditure information was obtained from the financial accounting system and is provided for informational purposes only.


	State Account	Self Supporting Accounts	Total
Balance, July 1, 2009	\$ -	\$ 171,531	\$ 171,531
Transfers In	-	19,224	19,224
Revenues			
State Appropriations	287,598	-	287,598
Vendor Commissions	-	32,604	32,604
Other-Card Deposits	-	315,495	315,495
Total	<u>287,598</u>	<u>348,099</u>	<u>635,697</u>
Transfer Out	-	19,361	19,361
Expenditures			
Salaries	150,581	25,487	176,068
Operations	121,347	305,239	426,586
Sales and Service Recharge	-	(32,488)	(32,488)
Equipment	17,400	69	17,469
Total	<u>289,328</u>	<u>298,307</u>	<u>587,635</u>
Balance June 30, 2010	\$ <u>(1,730)</u> ¹	\$ <u>221,186</u>	\$ <u>219,456</u>
Balance July 1, 2010	\$ -	\$ 221,186	\$ 221,186
Transfers In	-	35,350	35,350
Revenues			
State Appropriations	263,516	-	263,516
Vendor Commissions	-	31,901	31,901
Other-Card Deposits	-	277,230	277,230
Total	<u>263,516</u>	<u>309,131</u>	<u>572,647</u>
Transfers Out	-	12,561	12,561
Expenditures			
Salaries	145,408	34,479	179,887
Operations	114,298	351,222	465,520
Sales and Service Recharge	-	(6,891)	(6,891)
Total	<u>259,706</u>	<u>378,810</u>	<u>638,516</u>
Balance April 30, 2011	\$ <u>3,810</u>	\$ <u>174,296</u>	\$ <u>178,106</u>

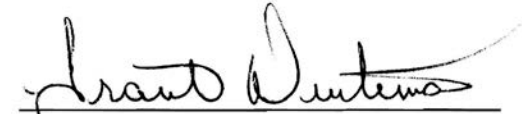
1 According to the UNR Planning, Budget, and Analysis Office, this balance was combined and balanced with the activity in other state funded accounts. It does not reflect a reversion of state funds.

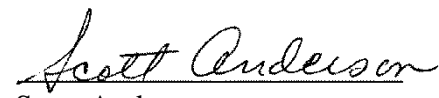
The Internal Audit Department appreciates the cooperation and assistance received from the Wolf
Card Office during this review.

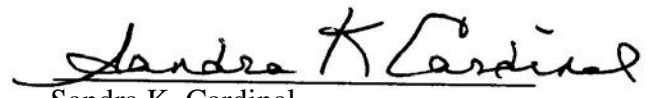
Reno, Nevada
December 16, 2011


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Memorandum

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

From: Tom Judy

Date: July 27, 2012

Subject: Follow-up Response to the Campus Card Program

The purpose of this memorandum is to transmit the follow-up response from the University of Nevada, Reno Business and Finance Office to the audit of the Campus Card Program covering the period July 1, 2009 through April 30, 2011. I have reviewed and concur with all responses.

cc: Marc Johnson, President
Ronald Zurek, Vice President, Administration and Finance