

UNIVERSITY OF NEVADA, RENO
ASSOCIATED STUDENTS OF THE UNIVERSITY OF NEVADA
Internal Audit Report
July 1, 2010 through May 31, 2012

GENERAL OVERVIEW

The Associated Students of the University of Nevada (ASUN) is the student government organization of the University of Nevada, Reno. Undergraduate students who are enrolled in the university are members of ASUN. The ASUN is governed by a constitution and the Statutes of the Associated Students (SAS). The organization is comprised of three branches of government including the executive, legislative and judicial.

ASUN is funded by a \$5 fee for each undergraduate credit hour. Nearly \$2 million in student fees was distributed to ASUN during fiscal year 2011-12. These fees are used to fund various ASUN programs, clubs, publications, scholarships and other services.

SCOPE OF AUDIT

The Internal Audit Department has completed a review of the ASUN at the University of Nevada, Reno (UNR) for the period of July 1, 2010 through May 31, 2012.

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

1. Reviewing and testing controls over the receipt, recording and deposit of student government funds.
2. Reviewing the minutes of student government meetings for compliance with governing documents and the Nevada Open Meeting Law.

3. Reviewing advertisements sold in the Nevada Sagebrush campus newspaper for properly executed contracts and timely billing and collection of advertising revenue.
4. Reviewing the ASUN Constitution and the SAS for completeness and agreement with student government operations.
5. Testing ASUN expenditures for reasonableness, supporting documentation and proper approval.
6. Examining and testing equipment inventory, telephone charges and leave records.

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

CASH CONTROLS

The ASUN Accounting Office collects receipts from student clubs and organizations, election fees, bus trips and other activities. We reviewed the procedures for receiving and processing the receipts to determine whether adequate controls are in place. The following exceptions were noted.

General

1. The deposit form that is prepared by the accounting office contains only one signature line and set of employee initials, indicating that only one employee is involved in the preparation of the deposit.

We recommend the deposit form be revised to include two signature lines and that two employees prepare the deposit and sign the form attesting to the accuracy of the count.

The employees' signatures should also signify that the amount deposited is in agreement with the receipts issued and the cash and check log.

Institution Response

Correction: The deposit form has been changed to include two signatures. The process was adjusted to separate the deposit intake at the window and preparation of the deposit for the Cashier's Office. The amount of the deposit is now verified by two employees. A log has been created to document that the process takes place.

Prevention and Monitoring: A newly hired Assistant Director of Accounting reviews all deposits through this office and is responsible for monitoring that staff follows all procedures in the depositing process.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

2. When receipts are collected at the accounting window, the transactions are not immediately recorded on the department's cash and check log. The log should be completed in a timely manner so the information can be reconciled to the daily deposit.

We recommend receipts be entered on the log as they are collected.

Institution Response

Correction: The ASUN Accounting office now enters receipts in the log as they are collected.

Prevention and Monitoring: The Assistant Director of Accounting performs a daily review of the deposit log to ensure receipts are entered as they are received.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

3. Four employees, including three student employees that work in the ASUN Accounting Office, have been provided the combination to the safe, which is used to store cash and other receipts collected from business activities. The employees are then able to remove the receipts from the safe in preparation of the daily deposit. Access to the safe has not been provided to another faculty or staff employee other than the accounting supervisor. We were also informed that, on occasion, the combination has been provided to student employees insecurely through email.

We recommend that access to the safe be reviewed for reasonableness and that consideration be given for providing the combination to another faculty or staff employee in case other employees are not available to open the safe. We also recommend the combination be transmitted to employees in a secure manner and that consideration be given for maintaining a record noting when the combination is changed, the reason for the change and to whom the combination has been distributed.

Institution Response

Correction: The combination to the safe has been changed. No student employees are allowed to have the safe combination. The combination to the safe is transmitted in a secure manner if necessary.

Prevention and Monitoring: The Assistant Director of Accounting is responsible for maintaining a record when the combinations is changed, the reason and to whom the combination was given.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

4. A cabinet in the Accounting Office is used to store a variety of items including purchasing cards, gift cards and extra keys to campus escort vehicles. Although there is a lock on the cabinet, it was observed that the cabinet was often left unlocked during business hours.

We recommend the cabinet be kept locked except when it is necessary to access the cabinet.

Institution Response

Correction: The cabinet is kept locked except when access to the cabinet is necessary.

Prevention and Monitoring: The Assistant Director of Accounting is responsible to monitor the day to day activities and ensure compliance with the correction.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

Student Club Accounting

There are approximately 360 student clubs and organizations that have been recognized by ASUN over the years and for which the association maintains accounting records. As previously mentioned, funds collected by the clubs and organizations are taken to the ASUN Accounting Office where they are receipted and then deposited at the university's Cashier's Office. The revenue collected, as well as expenditures incurred by the clubs and organizations, are posted to one account within the financial accounting system. The ASUN Accounting Office maintains a more detailed record of this activity, by club, in an internal accounting application. We reviewed the accounting procedures and internal controls associated with student clubs and organizations and noted the following exceptions.

1. A significant variance was noted between the balance of funds recorded in the financial accounting system and the department's internal accounting application. At the end of fiscal year 2011-12, approximately \$54,000 was available to student clubs and organizations in the financial accounting system compared to more than \$226,000 in the accounting application, a difference of \$172,000.

We recommend that ASUN management review the accounting records of both financial systems to determine the reason for the variance. In the future, we recommend the balances that are recorded in the two financial systems be reconciled on a monthly basis. We recommend the reconciliation be performed by an employee that is independent of the collection and deposit process and that the reconciliations be provided to the ASUN Director for review.

Institution Response

Correction: ASUN management has reviewed the accounting records of both financial systems and determined the reason for the variance. We are in the process of converting

the club accounts from the department's subsidiary internal accounting application to individual accounts in the university financial system. We expect this process to be completed by June 30, 2013.

ASUN leadership are in the process of adjusting their seminal documents to direct the removal of club accounts that have been financially inactive for two full years. The Director of ASUN has initiated a review of club accounts and placed all inactive club accounts and their monies in a new university account called Inactive Clubs.

Prevention and Monitoring:

- 1. A yearly review of inactive club accounts will take place in the month of July to prevent this build up of inactive accounts in the future.**
- 2. Inactive club monies (both debits and credits) will be remitted back to the ASUN central account.**
- 3. The review will be conducted by the Assistant Director of Accounting.**
- 4. The review will be submitted to the Director of ASUN for approval.**

Follow-up Response: We have completed the process of converting club accounts. And ASUN leadership has adjusted their documents. This item is completed.

2. According to the Accounting Office Procedures Manual, deposits and expenditures for student clubs and organizations are posted to the internal accounting application using reports from the Campus Advanced Information System (CAIS). We were informed that the method for posting revenue to the accounting application has varied, sometimes occurring upon receipt of funds at the accounting window and at other times only on a monthly basis using the CAIS reports. In our opinion, the deposits and expenditures should be posted as they occur and the CAIS reports should be used as part of the reconciliation process.

We recommend that deposits and expenditures be posted to the internal accounting application on a daily basis from the accounting records.

Institution Response

Correction: The deposits and expenditures will now be posted to the specific club account in the university financial system on a daily basis.

Prevention and Monitoring: The Assistant Director of Accounting is responsible for ensuring compliance with this new procedure.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

3. Student groups may spend money from their respective club accounts by completing a Request for Service form and returning it to the ASUN Accounting Office for approval and issuance of a purchasing card or other method of payment. We noted the current procedures do not include a verification of club account balances, in ASUN's internal accounting application, to ensure there is sufficient funding available to cover the proposed purchases. In addition, we were informed that the ASUN administrators who provide final review and approval of the request form do not have inquiry access to the accounting application and as a result, cannot verify this information. We noted that 50 of the 360 student clubs and organizations that are maintained in the department's internal accounting application had deficit account balances of \$50 or more as of June 30, 2012.

We recommend the account balances of student clubs and organizations be verified prior to the authorization of purchases. We recommend the Request for Service form be updated to include a space to record the club account balance. We also recommend that inquiry access to the accounting application be provided to employees who are responsible for providing final review and approval of the request forms.

Institution Response

Correction: Account balances are now verified before the clubs are authorized to make purchases. Forms have been updated to include a space for the club balance. Inquiry access has been granted to each professional staff person who is responsible for authorizing the request to make a purchase.

Prevention and Monitoring: The Assistant Director of Accounting and the Director of ASUN are responsible for monitoring the professional staff who authorize expenditures. All forms are now monitored to prevent clubs from making purchases without a sufficient balance to cover their expenses.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

4. During a review of deposits made for student clubs and organizations, we noted \$80 received by the ASUN Accounting Office was not posted to the club account in the internal accounting application. The funds were deposited at the Cashier's Office and posted to the financial accounting system.

We recommend an adjustment to the club's account be made in the accounting application and that greater care be taken when posting revenue and expenditure transactions.

Institution Response

Correction: The error was corrected. An adjustment was made to the accounting application and it now shows the correct balance. The administrative assistant has been reminded that all revenues and expenditures must be posted correctly.

Prevention and Monitoring: The Assistant Director of Accounting monitors deposits and expenditures on a daily basis to ensure correct postings to the university financial system.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

5. As a result of this review, a number of procedural changes have been recommended that are not addressed in the Accounting Office Procedures Manual.

We recommend revisions to the procedures manual be made, as necessary.

Institution Response

Correction: Revisions to the procedures manual have been made as necessary in a number of areas. Completion date is June 1, 2013.

Prevention and Monitoring: The Director of ASUN and the Assistant Director of Accounting will review the procedures manual annually for any needed updates.

Follow-up Response: Revisions to the procedures manual have been completed.

ADVERTISING SALES

The ASUN's Advertising Department is responsible for selling advertisements in the online and print editions of the campus newspaper, the Nevada Sagebrush. We selected a sample of five advertising agreements and reviewed the agreements for proper completion and signing, as well as timely billing and collection of the advertising fees due. The following exceptions were noted.

1. For three agreements, the payment records did not include the supporting documentation that is required to be maintained by the Advertising Department's procedures.

We recommend greater care be taken to ensure payment records are complete.

Institution Response

Correction: Records are now monitored on a weekly basis by the Assistant Director of Accounting to ensure supporting documentation is included.

Prevention and Monitoring: The Assistant Director of Accounting monitors the payment records of the Advertising Department. The Assistant Director of Accounting performs monthly reviews for compliance to prevent this from happening in the future.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

2. Advertising contracts and payments, including checks and credit card information, are maintained in a locked filing cabinet in the Advertising Office. We noted several employees have access to the key that opens the filing cabinet.

We recommend the file cabinet key be restricted to only those employees that need access to the filing cabinet.

Institution Response

Correction: The file cabinet key is now restricted to those employees who need access. The Assistant Director of Accounting is the only administrator that can grant permission.

Prevention and Monitoring: Only the Graduate Assistant who works directly with advertising clients will have access to their information. The Assistant Director of Accounting ensures that documents are kept locked at all times to prevent access by employees.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

3. Check payments are not immediately endorsed upon receipt.

We recommend the department obtain a stamp to restrictively endorse checks when they are received.

Institution Response

Correction: The department has obtained a stamp to restrictively endorse checks when they are received.

Prevention and Monitoring: The procedures manual has been changed to require we endorse all checks as soon as they are delivered to the ASUN accounting office. The Assistant Director for Accounting ensures day-to-day compliance with this procedure.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

4. Advertising sales and payment activity is tracked internally by the Advertising Department. We noted payments are not reconciled to the advertising revenue that is deposited at the Cashier's Office and posted to the financial accounting system.

For improved accountability, we recommend a reconciliation be performed on a regular basis.

Institution Response

Correction: Reconciliation of advertising receivables is now performed on a weekly basis by the Assistant Director of Accounting.

Prevention and Monitoring: The Assistant Director for Accounting reviews all work performed by the Graduate Assistant for Advertising. This includes a weekly reconciliation of advertising sales and deposits of payments. This process is a part of the new procedures for depositing and reconciliation of all funds coming through the office.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

STUDENT OFFICER COMPENSATION

ASUN elected and appointed student officers are compensated for their services through the Business Center North (BCN) Payroll Department in accordance with the compensation schedules included in the SAS. We reviewed a sample of 17 officers to determine whether the amount of compensation earned by each was in agreement with the SAS and the amount recorded in the university's payroll system. During the review, we noted two officers were not paid due to extenuating circumstances.

We recommend that ASUN management work with university legal counsel and the BCN Payroll Department to determine whether UNR has a legal obligation to pay the student officers. We also recommend that ASUN develop a policy that addresses exceptions to the compensation of student officers.

Institution Response

Correction: ASUN Management will work with university legal counsel and BCN Payroll department to determine whether or not UNR has a legal obligation to pay these former student officers. We have since developed a policy that addresses exceptions to compensation for newly elected student officers.

Prevention and Monitoring: Going forward all student officers will be placed in employment status. Should they choose to refuse payment, they will sign a form affirming that status. The Associate Director of Student Engagement, Student Government who advises the student officers will ensure compliance with this policy.

Follow-up Response: We have resolved the issue regarding the universities legal obligation to pay these officers with legal counsel. As stated above, we have developed a policy for compensating student officers.

STATUTES OF THE ASSOCIATED STUDENTS

During a review of the Statutes of the Associated Students, discrepancies were noted between the table of contents and the chapter headings and page numbers of the document. Chapter 1 of the statutes states that changes to the document will be updated immediately and the newest version posted on the ASUN website.

We recommend the statutes be maintained and updated as required.

Institution Response

Correction: The Statutes of the Associated Students have been updated and were uploaded to the ASUN website.

Prevention and Monitoring: The Associate Director for Student Engagement, Student Government works closely with the ASUN Speaker of the Senate and the secretarial pool to ensure that all updates occur on a timely basis. They now carry out a monthly review of the SAS to ensure it is up to date.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

CONTRACTS

The university bookstore is owned and operated by the ASUN. The ASUN has entered into an agreement to share a portion of the bookstore profits with the Graduate Student Association (GSA). The contract states it is to be reviewed approximately every five years by the ASUN and GSA presidents and their advisors. We noted a signed copy of the last two agreements, completed during the 2002-03 and 2007-08 school years, could not be located. We were also informed that the 2012-13 contract has not been completed.

If it is desirable for ASUN and the GSA to enter into a new profit sharing agreement, we recommend that the contract be completed and signed and maintained in their files. In the future,

we also recommend that ASUN take greater care to ensure that copies of fully executed agreements are maintained in the association's files.

Institution Response

Correction: The ASUN President and the GSA President will meet to prepare a new profit sharing agreement. A fully executed copy of the contract will be maintained in the ASUN files once it has been completed.

Prevention and Monitoring: In the future, the presidents will meet on an annual basis to review the agreement. The Director of ASUN will distribute the bookstore profits on an annual basis based on the agreement.

Follow-up Response: The President of ASUN, advisors and the director have met and made a determination that it is not necessary to enter into a new profit sharing agreement since the store is fully operated by the Associated Students of the University of Nevada.

BUDGETING PROCESS

The ASUN collects \$5 for each credit hour of undergraduate student enrollment. These fees are used to fund various ASUN programs, clubs, publications and other services. The process for determining the manner in which these fees are spent is addressed in detail in the budget section of the Statutes of the Associated Students. In general, the budget is initially prepared by the ASUN President and is then presented to the Senate for approval. According to the SAS, there are 19 steps involved in the preparation and approval of the annual budget. We reviewed the process that was followed in preparing the budget for fiscal year 2012-13 to determine compliance with the SAS. The following exceptions were noted.

1. The budget did not include various types of analyses and other information that is required by 11 of the 19 steps.
2. A supplemental summary of the budget was not submitted to the Senate, as required by the SAS.

For items one and two, we recommend that the ASUN budget be prepared in accordance with the SAS.

Institution Response

Correction: The President of ASUN was reminded to prepare all budgets in accordance with the SAS. Budget preparation by the President of ASUN takes place under the guidance of the Director of ASUN.

Prevention and Monitoring: The Director of ASUN will work with the ASUN President and the Chair of the ASUN Budget and Finance committee to assure that budget preparation complies with the SAS.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

3. The process for preparing the annual budget is complex. During the course of our review, we were informed the process could be simplified.

We recommend the budget requirements included in the SAS be reviewed by the student government to determine whether each of the steps are necessary. If it is determined that steps can be eliminated, we recommend the budget procedures be updated upon approval of the student government.

Institution Response

Correction: The budget procedures have been reviewed in response to this audit by the ASUN Budget and Finance Committee and the ASUN Government Operations committee. The ASUN Student government is in the process of removing 10 of the 19 steps in the budgeting process.

Prevention and Monitoring: The Director of ASUN monitors the process by advising the President of ASUN and the Chair of the ASUN Budget and Finance Committee.

Follow-up Response: The ASUN student government determined that a simplification of the language was more appropriate than removing steps in the budget process at this time. The SAS has been updated for the changes approved by the ASUN student government.

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 reviewed a sample of six ASUN meetings to determine whether the meeting records were properly maintained and in compliance with the open meeting law. The following exceptions were noted.

1. Minutes were not available for one of the meetings reviewed.
2. The minutes for three meetings were not available to the public within thirty working days of the meetings.

For items one and two, we recommend that the minutes from ASUN meetings be prepared and available within 30 working days as required by the Nevada Open Meeting Law.

Institution Response

Correction: Minutes for all meetings are now prepared and available within 30 working days to ensure compliance with Nevada Open Meeting Law. The legislative secretaries were reminded of the requirement to prepare and make available the minutes within 30 working days.

Prevention and Monitoring: The Associate Director for Student Engagement, Student Government monitors the upload of all minutes to the ASUN website. The director ensures that the Speaker of the Senate and the Chairs of the six committees work closely with the legislative secretaries to post draft and final minutes on the ASUN website.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

3. ASUN meeting agendas are prepared using a template which includes a standard statement that the agenda was posted on or before 9:00 a.m. on the third working day before the meeting. The template also lists the locations where the agenda was posted. As this information appears to be routinely recorded on all agendas, it could not be determined whether the agendas were posted at the time and locations listed.

We recommend that the ASUN follow NRS 241.020, section 6.03, which recommends that the person posting the agendas complete a signed certificate stating the time and locations each agenda is posted. We recommend the certificate be retained with the meeting records as evidence the posting requirements were satisfied.

Institution Response

Correction: A certificate of posting has been created and agenda posting procedures have been modified. The ASUN officer posting the agenda now signs a certificate stating the time and location each agenda was posted. The certificate is retained with meeting records as evidence the posting requirements were satisfied.

Prevention and Monitoring: This certificate procedure is being added into the ASUN Senate Rules as a requirement of chairs of the various committees. The ASUN Speaker of the Senate has oversight of this procedure. The ASUN Attorney General ensures compliance. The Associate Director of Student Engagement, Student Government monitors the overall process.

Follow-up Response: The certificate procedure was added and the ASUN Attorney General has oversight of the process. The Associate Director, Student Engagement monitors.

FEE DISTRIBUTION

As previously mentioned, the ASUN is funded by a \$5 fee for each undergraduate credit hour. These fees are distributed to an ASUN account, within the financial accounting system, each semester by the university. We noted ASUN does not have a process in place to verify the amount of fees received is accurate.

We recommend that ASUN management request the number of undergraduate enrollment credits from the Office of Planning, Budget and Analysis at the end of each semester. We recommend that the fees that distributed to ASUN be reconciled to the credits taken.

Institution Response

Prevention and Monitoring: The Director of ASUN will request the number of undergraduate enrollment credit hours from the Office of Planning, Budget and Analysis

at the end of each semester. From this a reconciliation of the fees distributed against the credits taken will be completed.

Follow-up Response: In December 2013, the Director of ASUN will request the number of undergraduate enrollment credit hours from the Office of Budget, Planning, and Analysis and reconcile against fees distributed.

GUEST SPEAKERS

The ASUN frequently enters into agreements with guest speakers to provide entertainment or services to students groups. We examined a sample of four guest speaker transactions that were entered into during the audit period. The following exceptions were noted.

1. A Guest Speaker Payment Request Form was not completed for one transaction. Two guest speaker forms were completed or approved after-the-fact. One guest speaker form was not approved by the NSHE Independent Contractor Review Authority, as required.

We recommend the Guest Speaker Payment Request Form be completed and approved by the designated authorities prior to an event, as required by university policy.

Institution Response

Correction: An email has been sent to the student leadership and staff reminding them of the university policy and procedure that Guest Speaker Payment Request Forms must be completed and approved by the designated authorities prior to an event.

Prevention and Monitoring: The Assistant Director of Accounting and the Assistant Director of Clubs and Organizations monitor all requests for speakers. Both are responsible for teaching the student leadership the procedures.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

2. For three transactions tested, the event flyer included in the supporting documentation did not include the event topic, location, and/or the guest speaker's name, as required by university policy.

We recommend event flyers for ASUN activities include the required information.

Institution Response

Correction: Event flyers for ASUN activities containing the event topic, location and guest speaker name are now included with the request for speaker contract.

Prevention and Monitoring: The Assistant Director of Accounting monitors the intake of all requests for speakers and ensures the appropriate documentation accompanies each request.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

3. The amount paid to one guest speaker did not match the amount stated on the guest speaker form, resulting in an overpayment of \$63.

We recommend greater care be taken to ensure the correct amount is paid.

Institution Response

Correction: The contract was reviewed and the difference was due to transposed numbers.

Prevention and Monitoring: The Assistant Director for Accounting now reviews all documents submitted for payment to assure accuracy.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

EXPENDITURES

We reviewed 72 ASUN expenditures for proper supporting documentation and approval, reasonableness, and compliance with established purchasing procedures. Of the 72 expenditures, no exceptions were noted with 61. The following exceptions were noted with the 11 remaining items.

1. On four occasions, purchase orders were issued "after-the-fact", that is, after services had been provided.

We recommend that purchase orders be completed in advance as required by NSHE purchasing guidelines.

Institution Response

Correction: Purchase orders are now completed in advance as required by the NSHE purchasing guidelines. Staff and student leadership have been reminded that purchase requisitions are submitted to BCN Purchasing to request a purchase order in advance.

Prevention and Monitoring: The employees working in each of the areas monitor all requests for purchase orders. That monitoring includes the attachment of quotes and prevents orders from being placed in advance of university approval.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

2. Six expenditures involved the purchase of airfare for students to attend conferences. We noted travel claims were not filed to document the business purpose of the trips as required by university policy.

We recommend that travel claims be filed as required.

Institution Response

Correction: The staff and student leadership have been reminded to file claims as required.

Prevention and Monitoring: Purchasing cards are no longer distributed to purchase airfare unless a travel request has been submitted. The Assistant Director of Accounting will ensure compliance with this procedure to prevent this error from occurring in the future.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

STUDENT TIMESHEETS

The timesheets of five student employees were reviewed for proper completion, accurate work hours and compliance with the university's student employment policies. Of 35 timesheets reviewed, the following exceptions were noted.

1. On one occasion, a student's work hours for the same day were recorded on two timesheets. As a result, the student was paid twice for the same hours.

2. On five occasions, students' work hours were calculated incorrectly.
3. The pay period was not recorded on seven time sheets.
4. On four occasions, the time in and time out was not recorded on the timesheet.

For items one through four above, we recommend the department take greater care to ensure timesheets are properly completed and work hours are accurate.

5. On three occasions, students worked during their scheduled class time.

We recommend students be reminded that, in accordance with the university's student employment policies, they are not to work during class time. If this does occur, we recommend students be instructed to provide an explanation on their timesheet.

Institution Response

Correction: All staff have been reminded to complete timesheets as required and in a timely manner. Student employees have been reminded that they cannot work during class time. If this does occur, the student must place a note of explanation on their timesheet.

Prevention and Monitoring: Each supervisor monitors timesheets submitted to ensure that they are filled out appropriately. The Assistant Director of Accounting reviews all timesheets and returns for correction those that do not comply with university policy.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

LEAVE RECORDS

The leave records of three ASUN employees were reviewed to determine whether the records were accurately completed and proper record keeping procedures were followed. The following exceptions were noted.

1. On one occasion, a leave request form could not be located.
2. One sick leave request form was not signed and dated by a supervisor.
3. Three sick leave request forms were not approved in a timely manner.

For items one through three, we recommend greater care be taken to ensure leave request forms

are completed in a timely manner and are properly approved and maintained.

Institution Response

Correction: The staff have been reminded to complete leave request forms in a timely manner. All errors have been corrected or adjusted.

Prevention and Monitoring: The Assistant Director of Accounting monitors and reviews all leave transactions on a monthly basis to prevent leave request errors.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

TELEPHONES

We tested a sample of the ASUN's landline and cellular telephone bills to determine whether the bills are being reviewed and approved in accordance with established policies. The following exceptions were noted.

1. None of the six bills tested were signed and dated to indicate they were reviewed.

We recommend telephone bills be reviewed by a supervisor, as required.

Institution Response

Correction: All telephone bills are now reviewed signed and dated on a monthly basis by the administrative faculty responsible for that area.

Prevention and Monitoring: The Assistant Director of Accounting reviews all telephone bills on a monthly basis to ensure university policy is followed.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

3. Twenty-two telephone lines were charged to ASUN that were not listed on the departmental telephone listing. ASUN personnel could not identify the lines at the time of our review.

We recommend ASUN determine whether the telephone lines are needed. We recommend the UNR Campus Computing and Telecommunications Department be requested to remove any lines that are not needed.

Institution Response

Correction: An audit of all 63 telephone lines in ASUN was conducted. Twenty-one lines were terminated and the rest will continue to serve the ASUN employees.

Prevention and Monitoring: The Assistant Director of Accounting reviews telephone lines on a semester basis to make sure there is still a need for that resource. Lines no longer needed will be removed.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

4. A number of ASUN employees have been issued a Personal Identification Number (PIN) in order to make long-distance calls from the department's telephones. We noted one PIN has been assigned to the position of Sagebrush Editor. We were informed the PIN is passed on to the new employee whenever there is turnover in this position. According to NSHE policy, PINs should not be shared and should be cancelled when employees terminate employment.

We recommend personal identification numbers be issued to individual employees rather than to a position. We also recommend PINs be cancelled upon termination of employment and reissued as new employees are hired.

Institution Response

Correction: All long distance PINs for students have been deleted. Each student must now request a new PIN. PINs are deleted upon termination of employment.

Prevention and Monitoring: The Assistant Director of Accounting monitors the request for long distance access by student and professional staff. A yearly review of the PINs is performed.

Follow-up Response: The original prevention and monitoring is working and there are no changes.

STATEMENT OF REVENUE AND EXPENDITURES

The statement of revenues and expenditures provided below is based on the activity of twenty seven auxiliary enterprise, one self-supporting and four grant accounts that have been assigned to ASUN. The revenue and expenditure information was obtained from the financial accounting system and is provided for informational purposes only.

	Auxiliary Enterprise Accounts	Self Supporting Account	Agency Accounts	Grant Accounts	Total
Balance, July 1, 2011	\$ <u>869,458</u>	\$ <u>4,072</u>	\$ <u>46,029</u>	\$ <u>30,581</u>	\$ <u>950,140</u>
Transfers In	<u>1,979,007</u>	¹ <u>164,654</u>	<u>2,919</u>	<u>-</u>	<u>2,146,580</u>
Revenues					
Tuition & Fees, Unrestricted	1,939,632	13,000	-	-	1,952,632
Sales and Service of Auxiliary Enterprises	148,895	-	-	-	148,895
Private Gifts, Grants, & Contracts, Restricted	-	-	-	3,000	3,000
Endowment Income, Restricted	-	-	-	50,985	50,985
Other Sources, Restricted	<u>-</u>	<u>-</u>	<u>255,891</u>	<u>-</u>	<u>255,891</u>
Total	<u>2,088,527</u>	<u>13,000</u>	<u>255,891</u>	<u>53,985</u>	<u>2,411,403</u>
Transfers Out	<u>1,906,504</u>	¹ <u>-</u>	<u>-</u>	<u>-</u>	<u>1,906,504</u>
Expenditures					
Salaries	932,737	106,740	3,441	-	1,042,918
Travel	53,676	-	49,035	-	102,711
Host	84,770	-	49,374	-	134,144
Operations	738,395	44,542	147,677	-	930,614
Tuition & Fees	37,065	-	-	-	37,065
Scholarships	-	-	1,500	24,250	25,750
Equipment	<u>12,064</u>	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>20,064</u>
Total	<u>1,858,707</u>	<u>151,282</u>	<u>251,027</u>	<u>32,250</u>	<u>2,293,266</u>
Balance June 30, 2012	\$ <u><u>1,171,781</u></u>	\$ <u><u>30,444</u></u>	\$ <u><u>53,812</u></u>	\$ <u><u>52,316</u></u>	\$ <u><u>1,308,353</u></u>

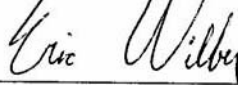
1 Of the \$1,979,007 transferred in, \$1,906,504 consisted of transfers between ASUN accounts. The remaining amount transferred in was from other university accounts.

The Internal Audit Department appreciates the cooperation and assistance received from the ASUN during this review.

Reno, Nevada
January 18, 2013


Debbie Ottaviano

Senior Internal Auditor



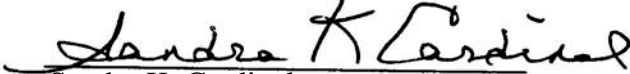
Eric Wilber

Internal Auditor II



Scott Anderson

Internal Audit Manager



Sandra K. Cardinal

Assistant Vice Chancellor for Internal Audit



Memorandum

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

From: Tom Judy

Date: October 24, 2013

Subject: ASUN audit response

The purpose of this memorandum is to transmit the follow-up response from Student Services to the audit of ASUN for the period July 1, 2010 through May 31, 2012.

I have reviewed and concur with all responses.

cc: Marc Johnson, President
Ronald Zurek, Vice President, Administration and Finance
Shannon Ellis, Vice President, Student Services
Gerald Marcynski, Associate VP Student Life Services