

UNIVERSITY OF NEVADA, LAS VEGAS
PRESIDENTIAL EXIT AUDIT
Internal Audit Report
July 1, 2012 through January 31, 2014

GENERAL OVERVIEW

The Internal Audit Department performs a Presidential Exit audit each time a president leaves office. The audit focuses on areas for which the president is both directly and indirectly responsible, as noted in the Scope of Audit section below. The Office of the President at UNLV is a small division that currently employs 10 full-time employees and two student employees. The main function of the department is to provide assistance to the president and to coordinate events to help meet the goals of the institution.

SCOPE OF AUDIT

The Internal Audit Department has completed a Presidential Exit review at the University of Nevada, Las Vegas (UNLV) for the period of July 1, 2012 through January 31, 2014.

Our review was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors, and 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. Testing the department's expenditures including host, operating, and travel for reasonableness and compliance with related policies.
2. Examining and testing equipment inventory and employee leave records for proper accountability.
3. Reviewing contracts for compliance with Board of Regents and Nevada System of Higher Education (NSHE) guidelines.

4. Reviewing lawsuits filed against the university.
5. Reviewing capital projects initiated by the university and its president.

In our opinion, we can be reasonably assured that the President's Office is operating in a satisfactory manner and that no major weaknesses exist. However, implementation of the following recommendation would further improve operations.

LEAVE RECORDS

The leave records of two professional and two classified President's Office employees were reviewed for completeness and proper record keeping procedures. We reviewed 92 leave requests related to professional (46 requests) and classified (46 requests) employees in order to determine whether the requests were properly completed and approved. No professional leave exceptions were observed.

Of the 46 leave requests reviewed for classified staff, the following exceptions were noted.

1. Seven of 17 furlough leave requests were approved after the leave was taken, which included four requests that were approved a week or more after the leave was taken.
2. Five of 16 sick leave requests were approved a week or more after the leave was taken.
3. Two of 12 annual leave requests were approved after the leave was taken.
4. One employee did not exhaust compensatory time before annual leave was taken.

We recommend that annual and furlough leave be approved in advance and that sick leave be approved in a timely manner upon returning to work.

Institutional Response

We agree with this recommendation

- **What will be done to avoid the identified problems and issues in the future? We will**

review the records on a quarterly basis to ensure that compliance is maintained.

- **How compliance and future good management and practice will be measured and assured. In order to ensure compliance and good management and practice, the department's Finance and Operation's Manager will review leave records on a quarterly basis.**
- **Who will be responsible and may be held accountable in the future if repeat or similar problems occur. The Chief of Staff and Executive Assistant to the President will continue to be responsible for approving leave.**
- **When the measures will be taken and on what schedule compliance and good practice will be secured. Measures will be taken immediately, leave records will be reviewed quarterly.**
- **How compliance and performance will be documented for future audit, management and performance review. The quarterly review by the Finance and Operation's Manager will be documented to confirm our compliance with this issue.**

We respectfully request that this item be closed.

FOLLOW-UP RESPONSE

This recommendation was fully implemented at the time of the initial responses.

We also recommend compensatory time be exhausted before use of annual leave as required by the Nevada Administrative Code.

Institutional Response

We disagree with this recommendation.

Annual leave was used before compensatory time so the employee would not lose accumulated annual leave (per subsection 2 of the NRS 284.350). According to statute and leave policy (Nevada Administrative Code, Chapter 284, section 2508), this is allowable. In calendar year 2013, an additional use of 1.5 hours of annual leave occurred. In calendar year 2014, the year-end annual leave balance for the single employee in question was 240 hours. As such, there was no similar issue in the most recent year of review and the issues in prior years were de minimus.

We respectfully request that this item be closed.

FOLLOW-UP RESPONSE

This recommendation was fully implemented at the time of the initial responses.

STATEMENT OF REVENUES AND EXPENDITURES

The statement of revenues and expenditures provided below is based on the activity of one state, six self-supporting, and two gift accounts that have been assigned to the President's Office. The statement is provided for informational purposes only.

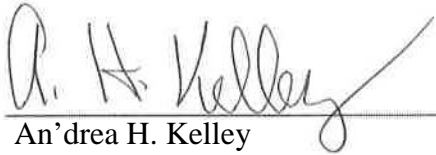
	State Accounts	Self-Supporting Accounts	Gift Accounts	Total
Balance, July 1, 2012	\$ -	\$ 892,218	\$ 903,138	\$ 1,795,356
Transfers-In	-	541,580	-	541,580
Revenues				
State Appropriations	1,216,375	-	-	1,216,375
Endowment Income Restricted	-	9,215	204,100	213,315
Restricted Gifts	-	-	-	-
Indirect Cost Recovery	-	276,138	-	276,138
Unrestricted Gifts	-	16,660	-	16,660
Total Revenue	1,216,375	302,013	204,100	1,722,488
Transfers-Out	-	281,580	-	281,580
Expenditures				
Salaries	1,089,117	42,006	-	1,131,123
Out of State Travel	-	12,340	-	12,340
General Operations	127,258	79,412	105,965	312,635
Hosting	-	108,482	24,120	132,602
Total Expenditures	1,216,375	242,240	130,085	1,588,700
Balance, June 30, 2013	\$ -	\$ 1,211,991	\$ 977,153	\$ 2,189,144
Balance, July 1, 2013	\$ -	\$ 1,211,991	\$ 977,153	\$ 2,189,144
Transfers-In	-	574,697	-	574,697
Revenues				
State Appropriation	1,373,678	-	-	1,373,678
Endowment Income Restricted	-	7,000	137,711	144,711
Restricted Gifts	-	-	100	100
Indirect Cost Recovery	-	177,593	-	177,593
Unrestricted Gifts	-	16,660	-	16,660
Total Revenue	1,373,678	201,253	137,811	1,712,742
Transfers-Out	-	183,697	-	183,697
Expenditures				
Salaries	712,320	19,095	-	731,415
Out of State Travel	-	4,704	-	4,704
General Operations	46,635	647,345	174,574	868,554
Hosting	-	58,973	8,400	67,373
Outstanding Encumbrances	404,315	2,547	2,041	408,903
Total Expenditures	1,163,270	732,664	185,015	2,080,949
Balance, January 31, 2014	\$ 210,408	\$ 1,071,580	\$ 929,949	\$ 2,211,937

Notes:


1. Transfers relate primarily to funds received from the university's Investment Pool account.
2. Transfers relate primarily to funds moved from the President Office's Indirect Cost Recovery account to the President Office's Host accounts and various UNLV operating accounts including Vice President of Diversity, UNLV Now, General Counsel, and Government Affairs.

The Internal Audit Department appreciates the assistance and cooperation received from
Office of the President staff during this review.

Las Vegas, Nevada
July 29, 2014



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Internal Auditor II



J. Vito Hite
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Scott Anderson
Director of Internal Audit



AUDIT: UNLV Presidential Exit

AUDIT PERIOD: 07/01/2012 – 01/31/2014

NUMBER OF FINDINGS: 2

NUMBER OF RECOMMENDATIONS IMPLEMENTED: 2

Nbr	Finding	Agree	Implemented	Est Date of Completion
1	Leave not approved in a proper manner	Yes	Yes	
2	Comp time not used before annual leave	No	Yes	