

WESTERN NEVADA COLLEGE  
INTERCOLLEGIATE ATHLETICS  
Internal Audit Report  
July 1, 2012 through March 31, 2014

GENERAL OVERVIEW

The Intercollegiate Athletics Department (ICA) at Western Nevada College (WNC) consists of a women's softball team and a men's baseball team. The teams are members of the National Junior College Athletic Association (NJCAA) and compete in the Scenic West Athletic Conference. During the audit period, department personnel included an Athletics Director who also serves as WNC's Dean of Student Services, four professional employees, 26 student employees, and eight volunteers.

The ICA Department is funded from a variety of sources including donations made through the WNC Foundation, bookstore commissions, General Improvement Fees, and ticket and merchandise sales. During fiscal year 2012-13, the ICA Department had an operating budget of approximately \$443,000.

SCOPE OF AUDIT

The Internal Audit Department has completed a review of the ICA Department at Western Nevada College for the period of July 1, 2012 through March 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 expenditures for reasonableness, supporting documentation and proper approval.
2. Testing equipment inventory for proper accountability.

3. Reviewing student employment, volunteer, and leave records for proper completion.
4. Testing controls over the receipt and deposit of funds received from ICA activities.
5. Reviewing contracts for compliance with Nevada System of Higher Education guidelines.
6. Ensuring that the department is in compliance with Board of Regent Policies.

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

### CASH CONTROLS

The ICA Department collects payments for ticket and merchandise sales on game days. We examined the procedures for collecting, storing, and depositing these receipts. The following exceptions were noted.

1. The sales forms completed for the two deposits tested were not completed in that the sequence of tickets sold was not documented.

For improved control, we recommend the ticket sales be recorded on the sales form so this information can be reconciled to the amount of receipts collected.

### **Institution Response**

**WNC agrees with the audit finding and recommendation.**

### **How compliance was achieved.**

The college has developed a sales form with a clearly identifiable field for the ticket sequence. The starting ticket number and ending ticket number will be a required part of the form. The field manager for each game will insure that this form is completed properly and the coaches will review the forms prior to submission to the business office. See attached documentation.

**What will be done to avoid the identified problems and issues in the future.**

The field managers have been trained on the proper procedure for completing the sales form. Coaches will sign off on each completed sales form. The business office monitors compliance and will return any incomplete forms.

**How compliance and future good management and practice will be measured, monitored and assured.**

All sales forms will include the beginning and ending ticket numbers.

**Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The field managers have assumed responsibility for completing the sales forms properly. They will be held accountable to the coaches for the proper completion of the forms.

**When the measures will be taken and on what schedule compliance and good practice will be secured.**

All measures are effectively implemented and will begin to take place for the upcoming 2014-2015 spring sports calendar.

**How compliance and performance will be documented for future audit, management and performance review.**

Sales forms will be completed properly and kept with the cash receipt document for future audit, management and performance review.

**Follow-up Response: As of the 2015 season, this recommendation has been implemented and we request that this finding be closed.**

2. The sales form does not include a space for the employee completing the form to sign.

We recommend the form be updated to include a signature line to document the individual who completed the form and prepared the sales receipts for deposit.

**Institution Response**

**WNC agrees with the audit finding and recommendation.**

**How compliance was achieved.**

The ticket sales form has been updated to include a signature line for the person completing the form and for the appropriate coach. See attached documentation.

**What will be done to avoid the identified problems and issues in the future.**

The field managers have been trained on the proper procedure for completing the sales form. Coaches will sign off on each completed sales form. The business office monitors compliance and will return any incomplete forms.

**How compliance and future good management and practice will be measured, monitored and assured.**

All sales forms will be properly completed and will include signatures from the person preparing the form.

**Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The field managers have assumed responsibility for completing the sales forms properly. They will be held accountable to the coaches for the proper completion of the forms.

**When the measures will be taken and on what schedule compliance and good practice will be secured.**

All measures are effectively implemented and will begin to take place for the upcoming 2014-2015 spring sports calendar.

**How compliance and performance will be documented for future audit, management and performance review.**

Sales forms will be completed properly and kept with the cash receipt document for future audit, management and performance review.

**Follow-up Response: As of the 2015 season, this recommendation has been implemented and we request that this finding be closed.**

## EXPENDITURES

We reviewed 32 ICA expenditures for proper supporting documentation and approval, reasonableness, and compliance with established purchasing procedures. Of the 32 expenditures, no exceptions were noted with 20. The following exceptions were noted with the twelve remaining items.

1. On two occasions, a purchase order was issued "after-the-fact", that is, after an invoice for services purchased had already been received.

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

## **Institution Response**

### **WNC agrees with the audit finding and recommendation.**

#### **How compliance was achieved.**

In the future, purchases will not be made that violate purchasing procedure. No purchase orders are to be approved unless completed in advance. Additionally, the coaches and managers have been made aware of the purchasing procedures.

#### **What will be done to avoid the identified problems and issues in the future.**

Purchase orders will be completed in advance to receive approval and follow proper procedures.

#### **How compliance and future good management and practice will be measured, monitored and assured.**

All purchase orders will be completed in advance and comply with purchasing procedures.

#### **Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The coaches have assumed responsibility for insuring that all purchase orders are completed in advance and comply with purchasing procedures.

#### **When the measures will be taken and on what schedule compliance and good practice will be secured.**

Measures will be taken immediately to ensure that purchase orders are now being completed in a timely manner. No purchase orders are approved after-the-fact.

#### **How compliance and performance will be documented for future audit, management and performance review.**

Purchase documents are maintained in the business office for future audit, management and performance review.

### **Follow-up Response: As of the 2015 season, this recommendation has been implemented and we request that this finding be closed.**

2. On three occasions, Nevada sales tax was paid on purchases.

We recommend employees be reminded that vendors should not be charging sales tax. If the payment of sales tax cannot be avoided at the time of purchase or is not noticed until a later date, the employee should request a credit from the vendor and provide an explanation on the supporting documentation.

## **Institution Response**

### **WNC agrees with the audit finding and recommendation.**

#### **How compliance was achieved.**

Coaches have been reminded that vendors should not be charging sales tax. The business office is monitoring this, performing random audit procedures on Pro-Card purchases and requesting that the employee request a credit from vendors when sales tax is charged.

#### **What will be done to avoid the identified problems and issues in the future.**

Coaches will alert vendors in advance that sales tax should not be charged. In the event that sales tax cannot be avoided at the time of purchase, the purchase will not be made.

#### **How compliance and future good management and practice will be measured, monitored and assured.**

The business office will continue to monitor compliance and assure that sales tax is not paid to vendors through purchase orders or pro-card purchases.

#### **Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The coaches have assumed responsibility to ensure that sales tax will not be charged.

#### **When the measures will be taken and on what schedule compliance and good practice will be secured.**

The measures have been taken immediately as they are aware that they should not be charged tax on transactions.

#### **How compliance and performance will be documented for future audit, management and performance review.**

Proper supporting documentation for each purchasing transaction will be obtained for future audit, management and performance review.

**Follow-up Response: The Business Office continues to remind all pro-card holders that we are tax exempt and handles each incident as it occurs through obtaining tax refunds with the vendors and/or suspension of pro-card use. We request that this finding be closed.**

3. One Independent Contractor Agreement form was not approved by the required authorities prior to the services that were provided.

We recommend Independent Contractor Agreement forms be completed and approved in advance.

## **Institution Response**

### **WNC agrees with the audit finding and recommendation.**

#### **How compliance was achieved.**

As this agreement was very time sensitive in nature, it did not obtain all the signatures by the time the contract was set to begin. All of the authorizations were obtained shortly thereafter.

#### **What will be done to avoid the identified problems and issues in the future.**

Independent contractor agreement forms will be completed in their entirety before the contract period is set to begin.

#### **How compliance and future good management and practice will be measured, monitored and assured.**

Personnel have been made aware that contracts need to be executed in advance of the services that are to be performed. Additionally, if the contract cannot be fully executed ahead of time, the services should be delayed or rescheduled until the contract is authorized.

#### **Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The employee initiating and coordinating the agreement/contract will assume responsibility and may be held accountable.

#### **When the measures will be taken and on what schedule compliance and good practice will be secured.**

This recommendation has been completed. All appropriate measures have been taken and implemented.

#### **How compliance and performance will be documented for future audit, management and performance review.**

A review of independent contractor agreements will be done by the Assistant to the Vice President of Legal & Administrative Services on a quarterly basis.

#### **Follow-up Response: As of the 2015 season, this recommendation has been implemented and we request that this finding be closed.**

4. For one hosting transaction reviewed, a host form was not completed.

We recommend that host forms be completed as required.

## **Institution Response**

**WNC agrees with the audit finding and recommendation.**

### **How compliance was achieved.**

Proper host procedures have been discussed with the athletics staff.

### **What will be done to avoid the identified problems and issues in the future.**

Host expense claims will be processed only with the completed host forms.

### **How compliance and future good management and practice will be measured, monitored and assured.**

All hosting expenses will be accompanied by the proper paperwork in order to be processed. Claims that are not correctly completed will be sent back for corrections prior to reimbursement or payment.

### **Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The coaches have assumed responsibility for completing the proper paperwork related to hosting transactions.

### **When the measures will be taken and on what schedule compliance and good practice will be secured.**

The measures are effective immediately and all host expense processing will require the necessary completed host forms.

### **How compliance and performance will be documented for future audit, management and performance review.**

All host expenditure backup will be maintained in the business office for future audit, management and performance review.

**Follow-up Response: As of the 2015 season, this recommendation has been implemented and we request that this finding be closed.**

## **VOLUNTEERS**

Volunteers are utilized as assistant coaches for both the baseball and softball teams. We were informed eight individuals performed volunteer duties during the audit period. The Business Center North (BCN) Workers' Compensation Office also requires campuses to provide volunteers a copy of the NSHE sexual harassment policy. Volunteers must sign and date an acknowledgement form as evidence they received and reviewed the policy. Volunteers are also



required to sign a volunteer agreement form. Upon completion the forms are required to be submitted and maintained by the BCN Workers' Compensation Office. In reviewing the paperwork that was completed for four volunteers, the following exceptions were noted.

1. Each of the individuals reviewed began work before a volunteer agreement was signed. BCN policy states work may not begin until a volunteer agreement has been signed detailing the nature of work to be performed and the relationship of the volunteer to the college.

We recommend an agreement form be completed before volunteers are allowed to begin working.

### **Institution Response**

**WNC agrees with the audit finding and recommendation.**

#### **How compliance was achieved.**

Effective immediately, all volunteers will complete the required paperwork prior to their first day of work.

#### **What will be done to avoid the identified problems and issues in the future.**

The WNC coaches will ensure that no volunteer works until the required paperwork is completed.

#### **How compliance and future good management and practice will be measured, monitored and assured.**

No volunteer will work until the required paperwork is submitted to the proper offices. The coaches will need to confirm that the paperwork is complete before scheduling the person for work.

#### **Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The coaches are responsible and may be held accountable for ensuring that volunteer paperwork has been properly completed.

#### **When the measures will be taken and on what schedule compliance and good practice will be secured.**

All current volunteers have completed the required paperwork. Additionally, effective immediately, any new volunteer will complete the required documents in advance of the scheduled work.

**How compliance and performance will be documented for future audit, management and performance review.**

The required paperwork kept on file will serve as the documentation for future audit, management and performance review.

**Follow-up Response: As of the 2015 season, this recommendation has been implemented and we request that this finding be closed.**

2. A sexual harassment acknowledgement form was not completed for two volunteers.
3. Three of four volunteer agreement forms were not completed in their entirety in that the dates of service, signature of hiring authority, and other information was not included.
4. Volunteer agreement forms and sexual harassment acknowledgement forms were not on file at the BCN Workers Compensation Office for any of the four volunteers reviewed.

For items two through four above, we recommend a volunteer agreement and sexual harassment acknowledgement form be properly completed for each volunteer assignment and that the forms be submitted to the BCN Workers' Compensation Office as required.

**Institution Response**

**WNC agrees with the audit findings and recommendations.**

**How compliance was achieved.**

Effective immediately, all volunteers will complete the required paperwork prior to their first day of work. All paperwork has since been completed.

**What will be done to avoid the identified problems and issues in the future.**

The WNC coaches will ensure that no volunteer works until the required paperwork is completed.

**How compliance and future good management and practice will be measured, monitored and assured.**

No volunteer will work until the required paperwork is submitted to the proper offices. The coaches will need to confirm that the paperwork is complete before scheduling the person for work.

**Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The coaches are responsible and may be held accountable for ensuring that volunteer paperwork has been properly completed.

**When the measures will be taken and on what schedule compliance and good practice will be secured.**

All current volunteers have completed the required paperwork. Additionally, effective immediately, any new volunteer will complete the required documents in advance of the scheduled work.

**How compliance and performance will be documented for future audit, management and performance review.**

The required paperwork kept on file will serve as the documentation for future audit, management and performance review.

**Follow-up Response: As of the 2015 season, this recommendation has been implemented and we request that this finding be closed.**

## CONTRACTS

We reviewed four of 10 ICA agreements that were in effect during the audit period. We noted one Facility Use Agreement that was not signed by the college and the other party until after the start date of the agreement.

We recommend contracts be signed before the commencement of work or services as required.

### **Institution Response**

**WNC agrees with the audit findings and recommendations.**

**How compliance was achieved.**

WNC obtained all the proper signatures and discussed the issue with all personnel involved with contract approval.

**What will be done to avoid the identified problems and issues in the future.**

In the future, contracts will not be entered into unless all signatures are obtained prior to the start of the contract.

**How compliance and future good management and practice will be measured, monitored and assured.**

Compliance and future good management will be measured by ensuring that each contract is fully executed before the start date.

**Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The Vice President of Administrative and Legal Services will ensure that signatures are obtained prior to the contract start date.

**When the measures will be taken and on what schedule compliance and good practice will be secured.**

Effective immediately, the measures have been implemented.

**How compliance and performance will be documented for future audit, management and performance review.**

The current contract routing sheet contains a field in which the contract period is entered. This should be fully completed each time a new contract is reviewed. This will ensure that contracts are not entered into prior to the start date.

**Follow-up Response: As of the 2015 season, this recommendation has been implemented and we request that this finding be closed.**

**INTERCOLLEGIATE ATHLETIC COUNCIL**

In accordance with Board of Regents policy, the college has organized an Intercollegiate Athletic Council (IAC) to serve as an advisory committee reporting to the president. In reviewing the by-laws established for the IAC, we noted a meeting of the council is to occur each academic semester. During the audit period, the IAC met just once in the spring semester of both 2013 and 2014.

We recommend the IAC meet each semester, as required, or that the by-laws be amended to reflect current practice.

**Institution Response**

**WNC agrees with the audit findings and recommendations.**

**How compliance was achieved.**

The Intercollegiate Athletic Council Board bylaws have been amended to read “meet once an academic year” instead of “once an academic semester”. See attached document.

**What will be done to avoid the identified problems and issues in the future.**

Amending of the bylaws will help to prevent this problem in the future.

**How compliance and future good management and practice will be measured, monitored and assured.**

Future good management will be measured, monitored and assured by conducting the meetings as specified in the bylaws.

**Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The Athletic Director will be held responsible in the future if repeat problems arise.

**When the measures will be taken and on what schedule compliance and good practice will be secured.**

The bylaws have effectively been amended.

**How compliance and performance will be documented for future audit, management and performance review.**

Evidence of minutes of meetings held according to the bylaws will be documented for future audit, management and performance review.

**Follow-up Response: As of the 2015 season, this recommendation has been implemented and we request that this finding be closed.**

**TIMESHEETS**

The ICA Department employs a number of student employees that provide assistance to the baseball and softball programs. Of the 26 students that worked in the department during the audit period, a sample of five was selected for review. The students' timesheets were reviewed for proper completion, accurate work hours and compliance with the college's student employment policies. The following exceptions were noted.

1. The timesheets for four of the five employees selected were not available for review.

According to the WNC Student Employee Handbook, timesheets should be maintained within the department in which students are employed and able to be produced at the request of an audit.

2. Six of the seven timesheets reviewed were not signed by the employee and/or did not indicate the total number of hours worked.

3. For six of the seven timesheets reviewed, the work hours reported did not agree with the number of hours that were recorded and paid in the Human Resources System. Based on these variances, the employee was not paid for 26 work hours.

For items one through three above, we recommend timesheets be completed in their entirety and maintained in accordance with the WNC Student Employment Handbook.

We also recommend the department take steps to ensure work hours are properly reported to the payroll department and that the student employee mentioned in item three be compensated for the time worked.

### **Institution Response**

**WNC agrees with the audit findings and recommendations.**

#### **How compliance was achieved.**

The timesheets and payroll summaries have been reviewed and corrected as necessary. Additionally, the Athletic Director and the coaches have resolved the issue in the third finding.

#### **What will be done to avoid the identified problems and issues in the future.**

The coaches will review the timesheets to ensure that employees are paid for the hours worked, that timesheets and payroll summaries are in agreement prior to submission and that payroll is calculated correctly. If an error is found, the coach will report it to the student employee immediately for revision. In addition, student employees will be reminded to inform the coach if such an error occurs on their paycheck so that necessary action can be taken. Additionally, WNC will be implementing electronic timesheets for all student employees. We anticipate this to be effective for the Spring 2015 semester.

#### **How compliance and future good management and practice will be measured, monitored and assured.**

The coach, or a delegate, will ensure that timesheets are reviewed for accuracy. Timesheets not in compliance will be rejected until appropriate revisions have been made. If an error occurs, students are encouraged to come to the coach so that it can be corrected. Copies of all payroll records will be maintained by the coaches to ensure compliance.

#### **Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The coaches have assumed responsibility for the timesheets and will be held accountable in the future for any issues which may arise.

**When the measures will be taken and on what schedule compliance and good practice will be secured.**

Appropriate measures have been taken and all timesheets will be reviewed for accuracy and completeness before being submitted.

**How compliance and performance will be documented for future audit, management and performance review.**

The coaches will maintain copies of all payroll related records as documentation for future audit, management and performance review.

**Follow-up Response: As of the 2015 season, this recommendation has been implemented and we request that this finding be closed.**

4. On five occasions, the student employee's work hours conflicted with their scheduled class time.

We recommend student employees be reminded that, in accordance with the WNC Student Employment Handbook, they are not to work during class time. If this does occur, we recommend they be instructed to provide an explanation on their timesheet.

**Institution Response**

**WNC agrees with the audit findings and recommendations.**

**How compliance was achieved.**

All student employees have been reminded that they are not to be working during class hours.

**What will be done to avoid the identified problems and issues in the future.**

The coaches have instructed their employees that they must accurately reflect their actual hours worked, and if they worked while they were supposed to be in class, they must note the reason on their timesheet. The reason must be due to class cancellation or another instructor based decision.

**How compliance and future good management and practice will be measured, monitored and assured.**

The coaches will have class schedules for all their employees to ensure there is not a conflict with class time and work hours. The coaches will review timesheets against the class schedules. If a conflict is found, the timesheet will be rejected until appropriate revisions and/or explanations have been made.

**Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The coaches have assumed responsibility for the timesheets and will be held accountable in the future for any issues which may arise.

**When the measures will be taken and on what schedule compliance and good practice will be secured.**

All corrections have been made and all appropriate measures have been taken and all timesheets will be reviewed for accuracy and completeness before being submitted.

**How compliance and performance will be documented for future audit, management and performance review.**

The coaches will maintain payroll summaries, timesheets and class schedules as documentation for future audit, management and performance review.

**Follow-up Response: As of the 2015 season, this recommendation has been implemented and we request that this finding be closed.**

## LEAVE RECORDS

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

The following exceptions were noted.

1. One employee was credited with annual leave that was not earned. The employee began employment in mid-August but was provided with one day of annual leave credit for July and two days for August. Professional staff members earn two working days for each full calendar month of service. Prorated credit is earned for partial months of service.

We recommend the error be corrected and the employee made aware of the correct annual leave balance.

### **Institution Response**

**WNC agrees with the audit findings and recommendations.**

### **How compliance was achieved.**

Human Resources has made the correction to the employee's leave record and notified the employee and their supervisor of the correction.



**What will be done to avoid the identified problems and issues in the future.**

Human Resources conduct annual audits of employee leave records to ensure accuracy. Humans Resources also implemented an electronic leave-tracking system on July 1, 2014. This system eliminates manual posting of employee leave requests and is anticipated to result in significant time savings to the Human Resources department and increased accuracy of employee leave records.

**How compliance and future good management and practice will be measured, monitored and assured.**

Human Resources will continue to conduct annual audits of employee leave records to ensure accuracy.

**Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

Human Resources personnel will be held responsible to maintain employee leave records. Employees and their supervisors are also encouraged to track and audit their personal leave records to ensure that leave has been submitted.

**When the measures will be taken and on what schedule compliance and good practice will be secured.**

Annual audits of employee leave records are completed in January of each year. The electronic leave-tracking system was successfully implemented on July 1, 2014.

**How compliance and performance will be documented for future audit, management and performance review.**

Human Resources document the auditing of employee leave records indicating that an audit has been completed.

**Follow-up Response: This recommendation has been implemented and we request that this finding be closed.**

OTHER

The following was noted during this review; however, it is the responsibility of the WNC Controller's Office.

CASH CONTROLS

We noted the college does not have a documented policy in place that addresses the procedures for handling cash receipts, other than the dollar amount at which deposits are required to be made.

For improved control and to promote consistency across the campus, we recommend a cash handling policy be developed and included in the WNC Policy Manual. We recommend the policy address the manner in which receipts should be handled and accounted for from collection to deposit.

### **Institution Response**

**WNC agrees with the audit findings and recommendations.**

#### **How compliance was achieved.**

The Controller has developed a cash handling procedure that has been published on the Business Office web page. See supporting documentation.

#### **What will be done to avoid the identified problems and issues in the future.**

Approval of the cash handling document will mitigate future issues.

#### **How compliance and future good management and practice will be measured, monitored and assured.**

Compliance with the approved document will promote future good management.

#### **Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The Controller is responsible for developing the procedural document and for future updates. Adherence to the document is the responsibility of each department.

#### **When the measures will be taken and on what schedule compliance and good practice will be secured.**

The cash handling procedure has been published on the web and is effective immediately.

#### **How compliance and performance will be documented for future audit, management and performance review.**

Compliance and performance will be documented with the acceptance of a new cash handling procedure.

**Follow-up Response: This recommendation has been implemented and we request that this finding be closed.**

## **STATEMENT OF REVENUES AND EXPENDITURES**

The statement of revenues and expenditures provided below is based on the activity of four self-supporting and four gift accounts that have been assigned to the ICA Department. The

revenue and expenditure information was obtained from the financial accounting system. During a review of this information, we noted three gift accounts had deficit balances at the conclusion of fiscal year 2012-2013. The deficit balances carried forward to fiscal year 2013-14.

We recommend a review of the gift accounts be performed and that an adjusting entry be made to bring the account balances to zero.

### **Institution Response**

**WNC agrees with this finding and recommendation.**

#### **How compliance was achieved.**

The correcting entry has been made within the financial accounting system and the account balance is now accurately stated.

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

Accounts will be reviewed at the beginning of each fiscal year to identify any accounts that did not roll over properly from year to year. Additionally, the Controller has started a review of all accounts on a monthly basis to identify accounts have a deficit balance. If a deficit balance is discovered, the Controller will discuss this with the signature authority on the account and come to a resolution on how to clean up the balance and appropriate action will be taken.

#### **How compliance and future good management and practice will be measured, monitored and assured.**

Compliance will be measured and monitored by reviewing the year end roll over and reviewing account balances throughout the year for reasonableness and making any necessary corrections.

#### **Who will be responsible and may be held accountable in the future if repeat or similar problems arise.**

The Business Office will assume responsibility for ensuring that accounts properly roll each year. Additionally, departments will be held responsible for deficit accounts and will work with the Business Office to rectify any overspending.

#### **When the measures will be taken and on what schedule compliance and good practice will be secured.**

All corrections have been made and the measures to review deficit balances have already been implemented.

#### **How compliance and performance will be documented for future audit, management and performance review.**

The Business Office will run an Advantage report at year end that will show the ending appropriation balances. A second report will be run at the beginning of the fiscal year to compare the ending and beginning balances to ensure that balances rolled forward properly. In the event that some accounts did not, they would be corrected at that time. Additionally, a

monthly focus report is provided to the Controller to review for negative balances. These reports are saved electronically with notes on accounts that have been corrected, etc.

**Follow-up Response: This recommendation has been implemented and we request that this finding be closed.**

	Self- Supporting Accounts	Gift Accounts	Total
Balance, July 1, 2012	\$ 25,860	\$ 323	\$ 26,183
Transfers In	\$ 157,219	\$ 177,500	\$ 334,719
Revenues			
WNC Foundation	\$	\$ 75,000	\$ 75,000
Sales Auxiliary	-	3,886	3,886
Other	-	3,717	3,717

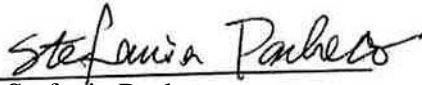
Total Revenues	\$ -	\$ 82,603	\$ 82,603
Transfers Out	\$ -	\$ -	\$ -
Expenditures			
Salaries	\$ 174,658	\$ -	\$ 174,658
Travel	-	210,573	210,573
Operations	-	51,421	51,421
Total Expenditures	\$ 174,658	\$ 261,994	\$ 436,652
Balance June 30, 2013	\$ 8,421	\$ (1,568) <sup>1</sup>	\$ 6,853
Balance, July 1, 2013	\$ 8,421	\$ (1,568)	\$ 6,853
Transfers In	\$ 170,094	\$ 231,849	\$ 401,943
Revenues			
WNC Foundation	\$ -	\$ 37,530	\$ 37,530
Sales Auxiliary	-	3,571	3,571
Total Revenues	\$ -	\$ 41,101	\$ 41,101
Transfers Out	\$ 119	\$ -	\$ 119
Expenditures			
Salaries	\$ 173,330	\$ -	\$ 173,330
Travel	-	132,070	132,070
Operations	-	47,097	47,097
Total Expenditures	\$ 173,330	\$ 179,167	\$ 352,497
Balance March 31, 2014	\$ 5,066	\$ 92,215	\$ 97,218

Footnotes:

<sup>1</sup> Accounts ended the fiscal year with a negative balance. The negative balance was rolled over to the next fiscal year. This exception has been noted in the audit report.


The Internal Audit Department appreciates the cooperation and assistance received from the ICA Department and other WNC staff during this review.

Reno, Nevada  
October 2, 2014

  
Stefania Pacheco  
Internal Auditor



Eric Wilber  
Senior Internal Auditor

  
Scott Anderson  
Director of Internal Audit

## Memorandum

**TO:** Scott Anderson, Director of Internal Audit, NSHE

**FROM:** Coral Lopez, Controller

**SUBJECT:** Follow-Up Audit Response for Western Nevada College Intercollegiate Athletics July 1, 2012 – March 31, 2014

**DATE:** April 29, 2015

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Attached are the follow-up responses to WNC's Intercollegiate Athletics audit for the period of July 1, 2012 – March 31, 2014. The recommendations and status of corrective actions are provided below.

#	Recommendation	Agree	Completed
1.	We recommend the ticket sales be recorded on the sales form so this information can be reconciled to the amount of receipts collected.	Yes	Yes. WNC has developed a sales form that will include the ticket sales information.
2.	We recommend the form be updated to include a signature line to document the individual who completed the form and prepared the sales receipts for deposit.	Yes	Yes. The ticket sales form has been updated.
3.	We recommend that purchase orders be completed in advance as required by NSHE purchasing guidelines.	Yes	Yes. All purchases going forward will comply with purchasing policy.
4.	We recommend employees be reminded that vendors should not be charging sales tax.	Yes	Yes. All employees have been reminded that vendors should not be charging sales tax.

#	<b>Recommendation</b>	<b>Agree</b>	<b>Completed</b>
5.	We recommend Independent Contractor Agreement forms be completed and approved in advance.	Yes	Yes. All authorizations and agreements have been obtained.
6.	We recommend that host forms be completed as required.	Yes	Yes. Proper host procedures have been discussed with the athletics staff.
7.	We recommend an agreement form be completed before volunteers are allowed to begin working.	Yes	Yes. All volunteers will complete the required paperwork prior to their first day of work.
8.	We recommend a volunteer agreement and sexual harassment acknowledgement form be properly completed for each volunteer assignment and that the forms be submitted to the BCN Workers' Compensation Office as required.	Yes	Yes. Effective immediately, all volunteers will complete the required paperwork prior to their first day of work.
9.	We recommend contracts be signed before the commencement of work or services as required.	Yes	Yes. WNC obtained all the proper signatures and discussed the issue with all personnel involved with contract approval.
10.	We recommend the IAC meet each semester, as required, or that the by-laws be amended to reflect current practice.	Yes	Yes. The bylaws have been amended.
11.	We recommend student employees be reminded that, in accordance with the WNC Student Employment Handbook, they are not to work during class time. If this does occur, we recommend they be instructed to provide an explanation on their timesheet.	Yes	Yes. All student employees have been reminded that they are not to be working during class hours.
12.	We recommend a cash handling policy be developed and included in the WNC Policy Manual. We recommend the policy address the manner in which receipts should be handled and accounted for from collection to deposit.	Yes	Yes. WNC has developed a cash handling procedure.



#	Recommendation	Agree	Completed
13.	We recommend a review of the gift accounts be performed and that an adjusting entry be made to bring the account balances to zero.	Yes	Yes. The correcting entry has been made within the financial accounting system and the account balance is now accurately stated.