

August 1, 2018

DR. IGOR GRANT
Chair, Department of Psychiatry
0603

**Subject: *Psychiatry Business Operations
 Report 2018-21***

The final report for Psychiatry Business Operations Report 2018-21, is attached. We would like to thank all members of the department for their cooperation and assistance during the review.

Because we were able to reach agreement regarding management action plans in response to the audit recommendations, a formal response to the report is not requested. The findings included in this report will be added to our follow-up system. We will contact you at the appropriate time to evaluate the status of the management action plans.

UC wide policy requires that all draft reports be destroyed after the final report is issued. We also request that draft reports not be photocopied or otherwise redistributed.

David Meier
Director
Audit & Management Advisory Services

Attachment

cc: Jeffrey Anderman
 David Brenner
 Judy Bruner
 Alex Bustamante
 David Folsom
 Steven Garfin
 Gene Hasegawa
 Ata Koryurek
 Pierre Ouillet
 William Perry
 Cheryl Ross

UC San Diego

AUDIT & MANAGEMENT ADVISORY SERVICES

Psychiatry Business Operations
Report No. 2018-21
August 2018

FINAL REPORT

Performed By:

Laurie Ward, Senior Auditor
Christa Perkins, Associate Director

Approved By:

David Meier, Director

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I. EXECUTIVE SUMMARY

Audit & Management Advisory Services (AMAS) has completed a review of the Psychiatry Business Operations as part of the approved audit plan for Fiscal Year (FY) 2017-18. This report summarizes the results of our review. The objective of our review was to evaluate whether internal controls were adequate to provide reasonable assurance that operations were effective, in compliance with University policies and procedures and resulted in accurate financial reporting.

We concluded that Psychiatry internal controls were generally adequate to provide reasonable assurance that operations were effective, in compliance with University policies and procedures and resulted in accurate financial reporting. We observed that the Psychiatry Administrative Management team collaborated well with each other, other Department managers and the VCHS core services to ensure that appropriate internal controls were incorporated into business processes, and operations were as efficient as possible considering limited staff resources for key financial administration and faculty compensation processes.

Our detailed review of faculty salaries and clinical incentive compensation discovered that (although there was a vacancy in the key position to process faculty compensation for six months of FY 2016-17), the new clinical compensation analyst and management were able to reconcile and reorganize faculty salary support documents, and reestablish processes to ensure faculty salary payments were accurately processed in accordance with the Department compensation plan(s). Incentive payments were aligned with the RA initiative and clinical productivity payments. This transition required significant effort during FY 2017-18, however we observed that new processes in place appeared effective, and payments currently appeared to be timely and accurate. Additional support for administration and documentation of faculty compensation procedures and processes would assist to ensure the continuation of a strong administrative control environment for this process.

We identified opportunities for improvement related to administration of faculty compensation, compliance with (APM-671) reporting of outside professional activity, business office controls for transaction sampling, and performance evaluations. Management action plans to address these findings are summarized briefly below:

A. Administration of Faculty Compensation

1. Management will consider adding or reorganizing administrative and financial support for faculty compensation processes.
2. Management will document desk procedures and/or key processes for administering and calculating faculty compensation, including incentive payments.
3. Management will consider additional solutions for ensuring 100% timely compliance for the receipt of the Conflict of Commitment reporting forms. This may include elevating the late statement individuals to the Dean's Office for discussion, or requiring that the form be brought to the annual salary negotiation meeting.

B. Transaction Sampling

1. Management will develop a plan to implement and utilize transaction sampling that best fits their department needs.

C. Performance Evaluations

1. Management will complete currently outdated performance evaluations as soon as possible. In addition, management will conduct, document, and file performance evaluations for all personnel on an annual basis, as required by University policy.

Observations and related management action plans are described in greater detail in section V. of this report.

II. BACKGROUND

Audit & Management Advisory Services (AMAS) has completed a review of the Psychiatry Business Operations as part of the approved audit plan for Fiscal Year (FY) 2017-18. This report summarizes the results of our review.

UC San Diego (UCSD) Department of Psychiatry (Department), founded in 1969, provides psychiatric and behavioral care to individuals throughout the Southern California region. The mission of the Department is to enhance mental wellness and better the lives of people with mental illness across the lifespan by/through:

- basic, clinical, and translational research;
- educating the next generation of scientists and clinicians; and
- providing state of the art care in partnership with our community.

To achieve these goals, clinicians are dedicated to helping patients and families affected by mental illness by providing advanced, evidence-based, personalized and compassionate mental health care. Psychiatry services include both clinic-based and hospital-based services for adults and seniors. Clinical programs span the continuity of care from acute and emergency treatment, in-patient hospitalization, partial and intensive outpatient programs to general outpatient services, and various specialized services.

The Department's research is multidisciplinary, ranging from basic studies on the genetics and molecular mechanisms underlying neuropsychiatric disorders to clinical research on best practices in treatment, including innovative uses of cognitive behavioral therapy, telemedicine and novel pharmacological and psychotherapeutics.

In order to maintain community involvement, Psychiatry maintains strong collaborations with external partners such as the Veteran's Administration (VA) San Diego Healthcare System, Rady Children's Hospital San Diego, the County of San Diego, and many others.

Psychiatry maintains several major research centers including the HIV Neurobehavioral Research Program (HNRP) to initiate and promote translational NeuroAIDS research through the development, coordination and realization of multi-disciplinary studies; and unique specialty programs in areas such as eating disorders and neuropsychological assessment. Program faculty members include psychologists and psychiatrists that are appointed in Psychiatry, as well as faculty with appointments in the Departments of Psychology, Cognitive Science and Neurosciences.

During the Fiscal Year ending June 30, 2017, Psychiatry's revenue from all sources; academic, clinical and research, totaled \$112,241,436 million and expenditures were \$114,761,578 per department financial reports. Psychiatry is the second largest department in the School of Medicine, with approximately 900 employees and 150 salaried faculty.

Over the last few years, a number of UCSD Campus and Health Sciences initiatives have impacted Department financial oversight and operations. These initiatives include:

- Resource Alignment (RA)¹, implemented in January 2016, to align compensation with clinical and academic productivity, and ensure that budget processes give adequate consideration to revenue and fund sources to avoid financial deficits related to faculty clinical compensation.
 - Psychiatry revised compensation plans and built in targets and accountability to promote the clinical, teaching, and research missions of the institution. Psychiatry has two compensation plans:
 1. General Faculty – The UC San Diego Department of Psychiatry Faculty Compensation Plan which supplements the Clinical Compensation plan and applies to faculty purely on the research side with no clinical activity.
 2. Clinical Faculty – Department of Psychiatry UC San Diego Health Clinical Compensation Plan, newly revised for FY 2018-19 for faculty delivering clinical services and MSP care providers not paid strictly at a fixed or hourly rate. This plan describes the methodology for handling clinical compensation.
- Transition of clinical activity to the UCSDH Clinical Practice Organization (CPO). Department clinical operations expenditures were transferred to UCSDH accounts in 2016.
- Transition to accrual accounting and Financial Management System (FINMAN) for financial reporting.

III. AUDIT OBJECTIVE, SCOPE, AND PROCEDURES

The objective of our review was to evaluate whether internal controls were adequate to provide reasonable assurance that operations were effective, in compliance with University policies and procedures and resulted in accurate financial reporting. In order to achieve our objective, we performed the following:

- Reviewed Department business documentation and information including the website, organizational structure, financial reports and prior audit reports;
- Reviewed selected applicable federal requirements and University policies relating to core business operations, including the Academic Personnel Manual (APM) selected Business & Financial Bulletins and others;
- Interviewed the following Psychiatry key administrative personnel:
 - Vice Chair of Administration
 - Director of Fiscal Affairs
 - Management Service Officer (MSO)
 - Department Funds Manager
 - MSO of HNRP
 - Business Analyst of Clinical Affairs
 - Fund Managers in HNRP and Sponsored Projects Psychiatry Business Office

¹ The Resource Alignment 2016 Implementation affects clinical faculty pay on a monthly basis as the payment model is dependent on monthly clinical productivity based on work relative value unit (RVU) performance and Medical Group Management Association (MGMA) benchmarks. In this model, productivity-based compensation and incentive pay funding for clinical faculty are transferred to the department based on previous month's productivity report.

- Consulted with UCSD General Accounting Asset Management and Health Sciences Faculty Compensation Central Services to obtain additional information and documentation;
- Evaluated department internal controls for key business processes with Department Management;
- Analyzed procedures and traced selected departmental business processes and transactions to supporting documentation, and tested sampled transactions for compliance with relevant University and department policies;
- Obtained and evaluated online transaction approval hierarchies;
- Reviewed E-CERT reports and compliance for reporting period July 1, 2017 – December 31, 2017, due April 30, 2018;
- Verified the financial status of department funds (and indices) for the Fiscal Year ended June 30, 2017 and for the period July 1, 2017 through March 31, 2018;
- Evaluated controls and procedures for managing faculty compensation in accordance with Department compensation plans;
 - Reviewed current Psychiatry Faculty Compensation Plan (s) for FY 2017-18 and revised Clinical Faculty Compensation Plan for FY 2018-19;
 - Reviewed process and calculations for FY 2016-17 incentive payments for productivity paid in September 2017.
 - Performed detailed testing of 15 faculty members compensation for the period July 1, 2017 through March 31, 2018; and
- Performed detailed testing of expenses and award documents for two federal grants (one managed by the HNRP and one by the Department Eating Disorder Division). Testing included review of key personnel effort, subawards, and expenditures such as Express Card, travel, and entertainment.

The scope of our review did not include clinical service agreements and overdraft management, as these areas were reviewed recently (AMAS Project #2017-16). In addition, we did not review in detail operations conducted by Vice Chancellor Health Sciences (VCHS) core units on behalf of the Department. Review of clinical operations and related professional, hospital and research billing processes were also excluded from the scope of this audit.

IV. CONCLUSION

Based on our review, we concluded that Psychiatry internal controls were generally adequate to provide reasonable assurance that operations were effective, in compliance with University policies and procedures and resulted in accurate financial reporting. We observed that the Psychiatry Administrative Management team collaborated well with each other, other Department managers and the VCHS core services to ensure that appropriate internal controls were incorporated into business processes, and operations were as efficient as possible considering limited staff resources for key financial administration and faculty compensation processes.

Our detailed review of faculty salaries and clinical incentive compensation discovered that (although there was a vacancy in the key position to process faculty compensation for six months of FY 2016-17), the new clinical compensation analyst and management were able to reconcile and reorganize faculty salary support documents, and reestablish processes to ensure faculty salary payments were accurately

processed in accordance with the Department compensation plan(s). Incentive payments were aligned with the RA initiative and clinical productivity payments. This transition required significant effort during FY 2017-18 , however we observed that new processes in place appeared effective, and payments currently appeared to be timely and accurate. Additional support for administration and documentation of faculty compensation procedures and processes would assist to ensure the continuation of a strong administrative control environment for this process.

The Department has revised the Clinical Compensation Plan for FY 2018-19, further strengthening the goals of RA in aligning compensation with clinical and academic productivity, and a establishing detailed calculation of clinical productivity targets and compensation. In the past, ramifications for not meeting targets were not clear. This revised plan also includes corrective actions if the targets are not met, with 15% of salary at risk for reduction if goals are not achieved. Starting with FY 2018-19 these procedures will be implemented and incorporated into discussions and actions for salary negotiations.

We identified opportunities for improvement related to administration of faculty compensation, compliance with (APM-671) reporting of outside professional activity, business office controls for transaction sampling, and performance evaluations. Details are explained in the balance of this report. Our summary of results by business office functional area is provided as **Attachment A**.

V. OBSERVATIONS REQUIRING MANAGEMENT ACTION

A.	Administration of Faculty Compensation
Additional improvements can be made to ensure the continuation of a strong administrative environment for Psychiatry Faculty Compensation.	
Risk Statement/Effect	
Inaccurate or non-compliance with compensation processes, APM 671 and other UC and Federal policies could result in missed or unpaid compensation, loss of revenue, could affect a faculty member’s additional negotiated compensation and/or result in suspension of incentive or bonus compensation.	
Management Action Plans	
A.1	Management will consider adding or reorganizing administrative and financial support for faculty compensation processes.
A.2	Management will document desk procedures and/or key processes for administering and calculating faculty compensation, including incentive payments.
A.3	Management will consider additional solutions for ensuring 100% timely compliance for the receipt of the Conflict of Commitment reporting forms. This may include elevating the late statement individuals to the Dean’s Office for discussion, or requiring that the form be brought to the annual salary negotiation meeting.

A. Administration of Faculty Compensation – Detailed Discussion

Administrative Support of Faculty Compensation

We conducted a detailed analysis of Department faculty compensation practices as part of this review. Total faculty salaries and benefits in the FY 2016-17, were \$34,044,546, total department salary and benefits expense were \$67,693,546. We noted that current faculty compensation, payment processes and controls appear satisfactory and the calculation and payment of productivity incentives appeared reasonable and in accordance with approved clinical productivity and compensation plans. However, this was the result of significant efforts made during the FY 18 to correct, recalculate, and restore Psychiatry faculty members to their appropriate pay status. We noted there was a gap of six months from January 2017 to June 2017 where there was a vacant position for the faculty compensation analyst. During this time, and into the first part of FY18, faculty were not paid correctly (or at all) for on call services, incentives, consults, service contracts and many more unique situations that arise with the faculty of Psychiatry. Once the position was filled in June 2017, significant effort was required to identify salary requirements, determine what had been paid, and calculate amounts still owed to faculty. In addition, expenses were not aligned with revenues within individual indexes, which required correction through numerous journal vouchers. Department staff did a comprehensive job researching, reconciling, and determining all the unique intricacies of faculty compensation in the Department, one of the largest SOM departments with approximately 150 faculty.

We selected 15 faculty to review all compensation from July 1, 2017 through March 31, 2018. We identified all sources of compensation, verified calculations, and traced to source documents. We did observe situations where faculty were initially paid incorrectly for areas mentioned above, but faculty compensation staff had already identified the errors through their review process and implemented the steps to correct and or revise. Supporting documentation existed for all transactions and approvals reviewed.

Although we did note the current process was effective, and now timely, additional improvements can be made to ensure the continuation of a strong administrative environment. To ensure the continuation of a reliable faculty compensation program and to reduce the risk of incorrect payments, lost revenue or staff, strong internal controls need to be implemented and enforced. There were several very competent staff involved with faculty compensation, however, the bulk of the responsibility covering clinical faculty incentive pay was primarily the responsibility of one person. There were no documented procedures because until this point the focus has been on reconstructing faculty worksheets and agreements, and ensuring payments owed are made. Having cross training or back-up, and documented procedures are critical control components for successful departments.

Documentation of faculty compensation process and procedures and the addition or reorganization of a competent financial staff support for faculty compensation would significantly decrease the risk of errors, missed payments and loss of time and revenue if work had to be reconstructed.

APM 671 Reporting Compliance

APM 671 requires that Health Sciences faculty plan participants submit an annual report to the Department Chair that summarizes any outside professional services from which the participant retained income. Timely receipt and review of the annual outside Professional Activity Reports can

alert Department management to situations that may require additional monitoring or education to ensure compliance with University policy, and appropriate campus oversight for potential conflicts.

The Administrative Vice Chair's office oversees faculty submission of Conflict of Commitment reports required for APM 671 compliance. However, we noted that as of March 31, 2018, eleven (6.4%) of 171 faculty required to submit the form had not turned in the forms for FY17.

B.	Transaction Sampling
Transactions selected by the campus Transaction Sampling system were not timely reviewed and reconciled by the Department.	
Risk Statement/Effect	
If selected transactions are not timely reviewed, there could be increased risk that transactions were non-compliant with University policy and/or federal Uniform Guidance. In addition, the inability to adequately review purchases increases the risk of fraudulent reimbursements and/or misappropriation of assets, which may ultimately hamper efforts to obtain future funding.	
Management Action Plan	
B.1	Management will develop a plan to implement and utilize transaction sampling that best fits their department needs.

B. Transaction Sampling – Detailed Discussion
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Psychiatry was enrolled in the UCSD Transaction Sampling process for operating ledger reconciliation. The Transaction Sampling process in Financial Link, managed by UCSD Controller’s office, randomly selects a sample of department financial transactions to be evaluated by department personnel during the ledger reconciliation and account validation process. After the review is completed, transaction processing errors are identified by error type, and corrected. The process can substantially reduce the workload associated with a 100% operating ledger transaction review process. Departments opting to use the system are expected to review all of the transactions that are sampled by the system, without exception, and document the results of the review. The system provides a comprehensive way to electronically document the operating ledger review, and the results of the review are aggregated in a summary report referred to as the Transaction Sampling Management Report. The Transaction Sampling process provides reasonable assurance that errors are timely identified and corrected. Because only a percentage of total transactions are selected for focused review, department resources are used more effectively. Departments may still choose to do 100% review of certain types of high risk areas, such as Express Card and Bookstore expenditures. The monthly management report tracks errors that can be reviewed to potentially improve the department's front-end controls.

Psychiatry has nine organization numbers that have participation in the transaction sampling process. As summarized in the following schedule, for the six month period July 1, 2017 – December 31, 2017 Psychiatry did not document review 100% of the transactions sampled by the Transaction Sampling system.

Organization	Total Population	Sampled	Reviewed	Not Reviewed	% Reviewed
414960 - Psychiatry	32,934	3,290	1,699	1,591	52%
434961 - PSYCH Admin/Misc. Contracts	576	98	55	43	56%
434604 - Psychiatry - Support services	508	37	18	19	49%
434962 - Psych County short / Doyle /GMHC Contract	102	13	0	13	0%
434964 - Psychiatric Services Clearing	148	21	0	21	0%
434963 - UCSD Psychiatric Assoc. Expense	15	0	0	0	0%
784960 - GRAD Student Aid - Psychiatry	174	81	16	65	20%
614977- OCME - PSYCH/General Admin	2	1	0	1	0%
614961 - OCME - Psych/ATTC/SCI	14	1	0	1	0%

Psychiatry management indicated they were current on review of high risk items; such as gifts, grants and contract accounts as well as performing thorough monthly financial reconciliations. Audit sample testing of transactions concurred that the Department does appear to have strong financial reconciliation controls, however transaction sampling management reports indicated that there were still approximately 50% not reviewed or items not checked off. If the Department is reviewing but not checking the transactions off, there is an appearance that department transactions were not effectively reviewed.

C. Employee Performance Evaluations	
Employee performance evaluations were not completed on an annual basis, as required by UC Policy.	
Risk Statement/Effect	
Employee work objectives, progress, goals and feedback may not be clear, which may negatively impact operations.	
Management Action Plan	
C.1	Management will complete currently outdated performance evaluations as soon as possible. In addition, management will conduct, document, and file performance evaluations for all personnel on an annual basis, as required by University policy.

C. Employee Performance Evaluations – Detailed Discussion

During our review we evaluated the overall status of compliance for performance evaluations for the period May 1, 2017 - April 30, 2018, due June 8, 2018². Policy (*UC Personnel Policies for Staff Members 23 Performance Management*) states that “The performance of each employee shall be appraised annually in writing by the employee’s immediate supervisor, or more frequently, in accordance with local procedures.” The appraisals serve to foster communication between supervisors and employees

² Original completion date of 5/31/18 was extended by HSHR due to system issues.

and to establish agreed upon performance expectations, while promoting a correlation between pay and performance.

Through the UCSD Health Sciences Human Resources (HSHR) website each supervisor has the capability to review status of performance evaluations online. It is the responsibility of management upon hiring to make sure this document is reviewed, signed by the employee and filed in their personnel file.

As of June 28, 2018 the status was as follows:

Performance Evaluation Status	Number (Percent)
Complete	254 (82%)
In Process	2 (.05%)
Drafted	54 (17.5%)
Total	310

We noted in our review the Department Human Resource Manager who typically manages this process has been on leave. However, this responsibility ultimately relies on each individual Manager to complete the evaluations they are responsible for in a timely manner. Timely and current performance evaluations will ensure that appropriate consideration of employee performance is given to future merit increases.

Business Office Process	AMAS Audit Review Procedure				Risk & Controls Balance Reasonable (Yes or No)	Audit Conclusion ¹	Comments
	Analytical Review of Financial Data	Internal Control Questionnaire/ Separation of Duties Matrix	Process Walk-through (Limited Document Review)	Transaction Testing (Sample Basis)			
Faculty Compensation	√	√	√	Reviewed a judgmental sample of 15 faculty employees, traced payroll to salary agreement worksheet, Compensation Plan, Financial Link, and PPS entry. Reviewed payroll charges and incentive payments, traced to productivity reports and reviewed incentive rate calculation and source documents.	Yes	Satisfactory	Faculty compensation and payment process and controls appear satisfactory. Calculation and payment of productivity incentives appeared reasonable and in accordance with approved clinical productivity and compensation plans. Although we did note the current process was effective, additional improvements can be made to ensure the continuation of a strong administrative environment. Refer to Report Finding A.
APM 025/671 Reporting	√	√	√	Reviewed Outside Professional Activity Reporting process and forms collected for FY 2016-17 due in November 2017.	No	Improvement needed	Eleven out of 171 faculty required to submit APM025/671 reports did not submit their annual report as of November 1 due date. Refer to Report Finding A.
Timekeeping & Payroll	√	√	√	Reviewed Distribution of Payroll Expense (DOPE) reports for period July 2017 to March 2018	Yes	Satisfactory	The online timekeeping system requires supervisors to review and approve employee timesheets, including overtime and leave activity. Financial Managers regularly review DOPES which are accessible online, and management documents the review by certifying in Control Tracker the quarterly reconciliation of permanent staffing list.

¹ Scale: Satisfactory - Improvement Suggested - Improvement Needed - Unsatisfactory

Business Office Process	AMAS Audit Review Procedure				Risk & Controls Balance Reasonable (Yes or No)	Audit Conclusion ¹	Comments
	Analytical Review of Financial Data	Internal Control Questionnaire/ Separation of Duties Matrix	Process Walk-through (Limited Document Review)	Transaction Testing (Sample Basis)			
Performance Evaluations		√	√	Discussed employee evaluation process with Vice Chair of Administration.	No	Improvement needed	Psychiatry Business Office Human Resource Manager had a process in place to communicate, track, and follow up with all supervisors on a consistent basis. We noted 56 of 310 required evaluations were not completed by the due date of 6/8/18. Refer to Report Finding C.
Transaction Processing - Non-Payroll Expenditures	√	√	√	Reviewed judgmentally selected transactions; traced to supporting documents.	Yes	Satisfactory	Segregation of duties appeared adequate; Non-payroll expenditures appeared reasonable and supported by documentation.
Transaction sampling	√	√	√	Analyzed Transaction Sampling reports for the nine month period of July 1, 2017 through March 31, 2018.	No	Improvement needed	Transaction Sampling reviews were not documented consistently in the system to provide evidence of department ledger review. Refer to Report Finding B.
Travel and Entertainment	√	√	√	Reviewed and discussed internal controls and segregation of duties. Reviewed 12 travel and entertainment during Contract & Grant testing; traced to vouchers and supporting documents.	Yes	Satisfactory	Segregation of duties appeared adequate. Controls over travel and entertainment expenses appeared reasonable and in compliance with UC policies.
Operating Ledger Review & Financial Reporting	√	√	√	Examined operating ledgers and financial reports.	Yes	Satisfactory	Budgets were consistently monitored at several IFIS levels. Operating ledgers were reconciled and discussed with management and principal investigators (PIs).
Contract & Grant Activity	√	√	√	Reviewed ledger activities and balances for sponsored project funds. Reviewed	Yes	Satisfactory	Financial activity was monitored for compliance with relevant regulations. We did not identify

Business Office Process	AMAS Audit Review Procedure				Risk & Controls Balance Reasonable (Yes or No)	Audit Conclusion ¹	Comments
	Analytical Review of Financial Data	Internal Control Questionnaire/ Separation of Duties Matrix	Process Walk-through (Limited Document Review)	Transaction Testing (Sample Basis)			
(Pre and Post Award Admin.)				award files, operating ledger detail, and supporting documentation for one HNRP grant and one Eating Disorder Division Department Grant.			any costs that were inappropriately allocated to the grants.
Effort Reporting	√	√	√	Reviewed E-CERT Reports and Effort Reporting Query.	Yes	Satisfactory	Controls over effort reporting and certification for the reporting period 4/30/18 (July – December 2017) appeared satisfactory.
Payroll Expenditure Transfers (PET)	√	√	√	Verified appropriateness for PETs and adjusted payroll charges per operating ledgers & DOPEs.	Yes	Satisfactory	Controls over expense transfers appeared satisfactory.
Non-Payroll Expenditure Transfers	√	√	√	Reviewed timeliness, and business justifications for reasonableness.	Yes	Satisfactory	Controls over expense transfers appeared satisfactory.
Equipment Management	√	√	√	Reviewed inventory listing and equipment file for purchases, transfers, and deletes. Discussed department processes for review and monitoring of equipment inventory.	Yes	Satisfactory	An equipment inventory was satisfactorily completed in the Department with General Accounting Asset Management in September 2017 with no exceptions.
Express Card Management	√	√	√	Selected and reviewed 23 Express Card transactions during the Contract & Grant testing, traced to the supporting documents.	Yes	Satisfactory	Segregation of duties appeared adequate. Controls over Express Cards appeared reasonable and in compliance with UC policies.
Information Systems Environment		√		Discussed department business systems. IS environment oversight resides with internal data	Yes	Satisfactory	The IS environment oversight resides with the Department IT group and Health Sciences Core IT group.

Business Office Process	AMAS Audit Review Procedure				Risk & Controls Balance Reasonable (Yes or No)	Audit Conclusion ¹	Comments
	Analytical Review of Financial Data	Internal Control Questionnaire/ Separation of Duties Matrix	Process Walk-through (Limited Document Review)	Transaction Testing (Sample Basis)			
				management center within HNRP and the Health Sciences core Information Technology Group.			
Cash Handling	√	√	√	Discussed and verified cash handling processes Reviewed and analyzed petty cash internal controls, reporting documentation and requirements.	Yes	Satisfactory	Segregation of duties appeared adequate. Cash handling processes were reasonable and documentation was adequate and in compliance with UC policies.