

May 13, 2016

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Chair, Department of Radiation Medicine and Applied Sciences
0843

Subject:*Department of Radiation Medicine and Applied Sciences
Report 2016-24*

The final audit report for Radiation Medicine and Applied Sciences 2016-24, 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

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UC San Diego

AUDIT & MANAGEMENT ADVISORY SERVICES

Department of Radiation Medicine and Applied Sciences

Report No. 2016-24

May 2016

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ATTACHMENT A – Audit Results by Business Office Functional Process

I. EXECUTIVE SUMMARY

Audit & Management Advisory Services (AMAS) has completed a review of the Department of Radiation Medicine and Applied Sciences (RMAS, or Department) as part of the approved audit plan for Fiscal Year 2015-16. The objective of our review was to determine whether RMAS business process internal controls provided reasonable assurance that financial results were accurately reported, operations were effectively managed, and activities complied with relevant policies, procedures and regulations.

We concluded that RMAS business process controls were generally adequate, and provided reasonable assurance that financial results were accurately reported, operations were effective, and activities complied with relevant policies, procedures and regulations. We observed that the RMAS Business Office management and staff demonstrated an excellent working knowledge of their business and ensured that appropriate internal controls were in place, despite rapid growth and short staff. The Business Office provided a strong administrative core for faculty, regularly reviewing financial account activity and communicating financial status to faculty, which assisted in maintaining shared fiscal oversight. Our focused review of oversight and reconciliation processes for satellite clinics at Encinitas, 4-S Ranch and Chula Vista indicated that the Department provided strong oversight for these agreements, and was diligent in conducting detailed and timely financial reconciliation to ensure that all Department services were captured, and payments were received.

We noted opportunities for improvement in selected business processes. Management Action Plans to address these findings are summarized below:

A. Cash Handling Procedures

Management has initiated discussions with the Campus Controller's Office and General Accounting to review the process for accepting Credit Card payments at the Chula Vista clinic. Management will ensure that cash handling procedures are improved and in compliance with University policy, including documentation of any transfer of cash; use of pre-numbered receipts; and endorsement of all checks immediately upon receipt.

B. Financial Overdraft Management

Management will work with the SOM Deans office to develop a plan to resolve the (\$234,408) overdraft for fund #60153A, organization #434693.

C. Employee Performance Evaluations

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

D. Transaction Sampling

Management will develop a plan to implement and utilize transaction sampling that best fits their department needs, or discontinue participation (and reconcile 100% of financial transactions).

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 Department of Radiation Medicine and Applied Sciences (RMAS, or Department) as part of the approved audit plan for Fiscal Year 2015-16. This report summarizes the results of our review.

RMAS was founded in 2006 as a clinical department within the Department of Radiology, and became an official School of Medicine (SOM) academic department in 2011. RMAS is an integral member of the Moore's Cancer Center, one of only 41 National Cancer Institutes-designated Comprehensive Cancer Centers in the country, and the only one in the San Diego region. RMAS has 19 faculty members that provide services at locations throughout San Diego County. Their mission is to revolutionize and discover new therapies that enhance the lives of cancer patients while providing state-of-the-art therapies to current patients in a compassionate, caring environment. The Department also has a strong commitment to education and research. RMAS consists of five divisions:

- Clinical Radiation Oncology
- Clinical and Translational Research
- Medical Physics and Technology
- Proton Therapy and Particle Research
- Veterinary Oncology

RMAS has a number of unique agreements to expand UCSD radiation medicine service delivery to community partners. In August 2011 RMAS, along with several other UCSD Health Sciences departments, entered into a Health Care Services Agreement with Southern California Permanente Medical Group for services for members of the Kaiser Foundation Health Plan ("Kaiser" agreement). This agreement provides approximately 40% of the patient population for RMAS, with a annual cash flow of \$14.9 million. This agreement is budgeted to bring in \$839,794 in overhead to the Department in Fiscal Year 2015-16. In February 2014, UCSD formed a partnership with the nearby Scripps Proton Therapy Center to provide proton therapy services to UCSD patients, including those seen through the Kaiser agreement. The Scripps Proton Therapy partnership includes rotations for all UCSD radiation oncology and medical physics residents and joint research programs.

RMAS operates four satellite treatment centers located in La Jolla, Encinitas, San Diego (4-S Ranch) and Chula Vista. The locations in La Jolla and Encinitas are fully owned and staffed by UCSD. The Encinitas location has contracted with Revenue Cycle Billing Services, Incorporated (Revenue Cycle) to provide billing and collection services to Encinitas, as well as RMAS Kaiser patients at the other satellite locations. Two other treatment centers operate through agreements with external partners:

- The 4-S Ranch location is owned and operated by California Cancer Associates for Research and Excellence (cCare), with UCSD physicians providing the clinical services, enabling UCSD. The agreement with cCare has an approximately \$2.1 million cash flow, and is budgeted in FY 2015-16 to bring in \$1.2 million to UCSD before taxes and expense.
- The Chula Vista location is owned by UC San Diego Radiation Oncology and operated by Cancer Treatment Services San Diego, a subsidiary of Cancer Treatment Services International. Radiation Oncology South Bay, LLC provides management services, with UCSD RMAS providing all clinical services. The Chula Vista location has approximately \$7.7 million cash flow, budgeted this Fiscal Year 2015-16 to bring in \$1.7 million before taxes and expense.

Department Business Office (Business Office) staff support critical department business processes including financial transactions, analysis and reporting, management of complex clinical service agreements with outside clinics and providers, as well as monitoring of research contract and grant administration. The SOM Service Core – Academic Affairs provides administrative support to the Business Office for faculty and non-faculty performance management as well as timekeeping, hiring and budgeting of faculty salaries. The Academic Resource Center (ARC) provides administrative services such as recruitment and appointment, reviews, personal administration, and compensation to faculty, academics, scholars, and department liaisons. Health Sciences Human Resources (HSHR) provides administrative support for staff and student employee timekeeping and human resource needs, and the Health Sciences Research Service Core provides administrative support for all aspects of pre and post award administration to the department and their faculty. Information Systems (IS) are managed by the Health Sciences IS Support Services.

RMAS uses a UCSD-approved information system, Aria oncology information system, to manage patient treatments from initial diagnosis through post-treatment follow-up. Charges are sent from ARIA to the Epic application, via electronic interface. The Epic Charge Router is the centralized application within Epic that receives all charges and conducts validation checks and other processing, and then routes the charge to the appropriate system for billing. In November 2015, AMAS issued an audit report of a review of the Epic Charge Router which concluded that the Epic Charge Router application was generally functioning as intended to correctly and timely route hospital and professional fee charges from ancillary systems, such as Aria, to the appropriate billing system.

The SOM Corporate Statement of Revenues and Expenses for Fiscal Year 2014-15 reported total RMAS revenue of \$8,447,170 million and total expenses of \$9,850,291 million, for a net loss of (\$1,403,121) million. However an enterprise transfer and other transfers of \$1,288,443 million and a beginning fund balance of \$538,406 offset this loss, resulting in a final fund balance of \$423,728 at June 30, 2015.

III. AUDIT OBJECTIVE, SCOPE, AND PROCEDURES

The objective of our review was to determine whether RMAS business process internal controls provided reasonable assurance that financial results were accurately reported, operations were effectively managed, and activities complied with relevant policies, procedures and regulations. Our scope included a review of partnerships with outside organizations, service agreements and business contracts, current business practices, and the analysis of selected business transactions completed in Fiscal Year 2014-15 and Fiscal Year 2015-16 through February 28, 2016.

In order to achieve our objective, we performed the following:

- Reviewed and evaluated Department business documentation and information including the Department website, the organizational chart, and academic and financial information;
- Reviewed selected applicable requirements and University policies and procedures including, but not limited to;
 - Academic Personnel Manual (APM), Section 025: Conflict of Commitment and Outside Activities of Faculty Members; and 670 Health Sciences Compensation Plan, University of California;

- UC Business and Finance Bulletin BUS 49 (BUS 49): Policy for Handling Cash and Cash Equivalents Reviewed;
 - UC Business and Finance Bulletin BUS 79: Expenditures for Entertainment, Business Meetings and Other Occasions;
 - UC Business and Finance Bulletin G-28: Policy and Regulations Governing Travel;
 - IA 101: Internal Control Standards: Department Payrolls;
 - UC Personnel Policies for Staff Members (UCPPSM) 23/Performance Management and UCSD Implementing Procedures (HR-S-1);
 - SAS 112/115-The Auditing Standards Board statement on Auditing Standards (SAS) No. 115, Communicating Internal Control Related Matters Identified in an Audit.
- Conducted interviews with Department management including the Department Business Officer (DBO), the Assistant DBO and other key staff members;
 - Reviewed internal control questionnaires and separation of duties matrices with Department management;
 - Consulted with UCSD Equipment Management, Campus Controller, Export Controls Officer, Health Services ARC services, Research Core Services and SOM Director of Business Contracting;
 - Reviewed Department approval hierarchies for electronic transaction processing within the Integrated Financial Information System (IFIS) and Marketplace and evaluated against employee reporting relationships;
 - Verified the financial status of Department funds for the Fiscal Year 2014-15 and Fiscal Year 2015-16 through February 28, 2016;
 - Analyzed Department deficit balances;
 - Obtained and reviewed Clinical Service Agreements with cCare for the 4-S Ranch clinic and Radiation Oncology South Bay for the Chula Vista clinic;
 - Conducted focused review of oversight and reconciliation processes for the following three satellite clinics; Encinitas, 4-S Ranch and Chula Vista; and
 - Analyzed procedures and performed limited transaction sampling in select areas to verify that internal controls were adequate and functioning in compliance with University policy.

The scope of our review did not include detail analysis of the services provided by various Health Services Core units including; Research, Faculty compensation, Human Resources and Timekeeping and Information Systems. In addition, our scope did not include a review of charge capture from the ancillary system, Aria, to Epic based on results of AMAS audit #2015-15 of the Epic Charge Router.

IV. CONCLUSION

Based on our review, we concluded that RMAS business process controls were generally adequate, and provided reasonable assurance that financial results were accurately reported, operations were effective, and activities complied with relevant policies, procedures and regulations. We observed that the RMAS Business Office management and staff demonstrated an excellent working knowledge of their business and ensured that appropriate internal controls were in place, despite rapid growth and short staff. The Business Office provided a strong administrative core for faculty, regularly reviewing financial account activity and communicating financial status to faculty, which assisted in maintaining shared fiscal oversight.

Our focused review of oversight and reconciliation processes for satellite clinics at Encinitas, 4-S Ranch and Chula Vista indicated that the Department provided strong oversight for these agreements, and was diligent in conducting detailed and timely financial reconciliation to ensure that all Department services were captured, and payments were received.

A summary of results by business office functional process is provided as **Attachment A**. Specific management actions planned or in process for those areas that were rated “Satisfactory” or “Improvement Suggested” are noted in **Attachment A**. Those areas which were rated “Improvement Needed” are described in the remainder of this report.

V. OBSERVATIONS REQUIRING MANAGEMENT ACTION

| | |
|---|---|
| A. | Cash Handling Procedures |
| RMAS cash handling procedures did not fully comply with University policy requirements (BUS-49). | |
| Risk Statement/Effect | |
| Non-compliance with policy may result in inaccurate cash processing, lost or stolen receipts, untimely reporting and may put University assets and employees at risk. | |
| Management Action Plans | |
| A.1 | Management has initiated discussions with the Campus Controller’s Office and General Accounting to review the process for accepting Credit Card payments at the Chula Vista clinic. An exception may be granted to allow third-party personnel to accept credit card payments if mitigating controls are in place and approved by Accounting and the Controller’s Office. |
| A.2 | Management will ensure that cash handling procedures are improved and in compliance with University policy. Any third party handling of cash will be tightly controlled and approved by the Controller’s Office. Management will make sure all staff responsible for receiving and processing cash: <ol style="list-style-type: none"> 1. document any transfer of cash; 2. use pre-numbered receipts; and, 3. have the appropriate endorsement stamp and endorse all checks immediately upon receipt. |

A. Cash Handling Procedures – Detailed Discussion

Credit Card Processing

According to policy (BUS-49) University units must seek approval to accept credit or debit cards in payment for goods or services. Any unit wishing to process credit or debit cards must adhere to the Payment Card Industry Data Security Standards (PCI-DSS) as it applies to the unit’s processing environment. Any unit acquiring a payment application from a third party vendor which will be operated on a University system and which will collect, store or transmit cardholder data must only acquire such applications that are certified as complying with PCI-DSS.

Policy (section XIII) further states that relying on third parties to process University cash, cash equivalents and ACH requires extreme care in the selection and on going management of such third parties. The Banking Services Group must approve any third party relationship where the third party is in possession of University assets to process University cash, cash equivalents and/or ACH entries.

During our review we noted that the process for receiving credit card payments for the Chula Vista satellite location was inefficient and cumbersome for Business Office staff. In order to operate in strict compliance with University policy, RMAS had set up its credit card machine at the central business office in La Jolla, and all credit card payments for the Chula Vista location were called in by an employee of the management company to be processed by the Business Office staff. The RMAS staff member in the Business Office would then process the credit card through the UCSD machine. RMAS staff would then have to scan the receipt and email it to the Chula Vista clinic and make sure transactions balanced on a daily basis.

The Campus Controller's Office indicated that, in some instances, alternative options may be considered for departments for outside clinics and credit card processing. Upon proof of appropriate mitigating controls and approval of the Controller's Office and General Accounting, an exception can be made to allow third parties to manage University credit card processing. The third party must comply with our policy including but not limited to background checks, bonding, PCI compliance and other mitigating controls to maintain a strong internal control structure.

Cash Receipts – Chula Vista Clinic

University policy (BUS-49) states that Campus administrators who have management responsibility for cash handling must assure that each individual who has or will have access to cash resources (including temporary, casual and student employees) has been appropriately vetted before access is granted. Background checks demonstrate reliability in previous settings and evidence of cash handling training which are important factors in establishing an individual's qualification. Each employee who handles and processes cash and cash equivalents must be bonded under the University self insurance program upon assumption of cash-handling responsibilities.

During our review we noted that non-University employees were handling cash at the Chula Vista clinic. Although a process was set up for a UCSD faculty member to make the actual deposit at the bank, there were still non-University staff involved in the process and no noted signature of a UCSD faculty member on the receipt to confirm transfer of cash. In addition, we noted that the UCSD receipts for patients were not pre-serially numbered.

Policy implies that only UCSD employees should be handling all cash and cash equivalents. An exception may be requested from the Campus Controller if mitigating controls are in place.

Check Accountability and Endorsement

Policy (section VIII.B.1) requires that immediately upon receipt, checks must be restrictively endorsed with a "U.C. Regents" or "for deposit only" stamp. Policy states that individual accountability must be maintained and documented for all cash handling procedures (section VIII.A.2) and that all cash transfers must be documented and the documentation of accountability maintained by category (i.e., currency, checks and other forms of payment) (section IX.A.3).

During our review we noted that checks received in the Business Office were not handled in accordance with policy. Checks were not always endorsed immediately, there was no log of original

receipt of the check in the mail or transfer between handlers. Cash accountability is required to ensure that cash is accounted for, properly documented and secured, and traceable to specific cash handlers.

| | |
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| B. | Financial Overdraft Management |
| Additional focus on overdraft monitoring and resolution for one fund deficit was needed. | |
| Risk Statement/Effect | |
| Unresolved deficit spending may be interpreted as poor stewardship. | |
| Management Action Plan | |
| B.1 | Management will work with the SOM Deans office to develop a plan to resolve the (\$234,408) overdraft for fund #60153A, organization #434693. |

B. Financial Overdraft Management – Detailed Discussion

The UCSD Overdraft Policy states that “If an overdraft occurs, administrative officials, or their designees, need to determine the cause, evaluate the activity, and take corrective action.” The policy requires that a written plan be developed for the removal of overdraft balances requiring an extended period of time to resolve - usually over 60 days and in excess of \$10,000, and that Department personnel resolve overdrafts in accord with the written plans approved by the cognizant Vice Chancellor or Dean.

We noted that as of December 31, 2015, resolution plans had been developed to address all but one of the ten identified fund deficits which exceeded \$10,000 for over 60 days. The one exception was a deficit of (\$234,408) for a laboratory service agreement that was never fully implemented. This fund had been in deficit for 71 months at the time of our report. Since there is no opportunity for recovery of these funds, a plan should be developed to address this deficit per the policy.

| | |
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| 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. 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

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 and to establish agreed upon performance expectations, while promoting a correlation between pay and performance. We noted that appraisals were not on file for any of the administrative staff, including the Assistant Business Officer for Fiscal Year, 2014-15.

We also noted that with the recent change in the performance review cycle, evaluations for 2015-16 should be completed by departments by June 10, 2016, which will enable employee increases through the Merit-Based Pay for Performance program to be effective July 1, 2016. Timely and current performance evaluations will ensure that appropriate consideration of employee performance is given to future merit increases.

| | |
|--|--|
| D. | Transaction Sampling |
| Transactions selected by the campus Transaction Sampling system were not timely reviewed and reconciled by RMAS. | |
| 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 cost accounting standards. 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 | |
| D.1 | Management will develop a plan to implement and utilize transaction sampling that best fits their department needs, or discontinue participation (and reconcile 100% of financial transactions). |

D. Transaction Sampling – Detailed Discussion

RMAS was enrolled in Transaction Sampling for operating ledger reconciliation. The campus Transaction Sampling process in Financial Link is managed by UCSD Controller’s office. It 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.

RMAS has three organization numbers that have participation in the transaction sampling process. As summarized in the following schedule, for the six month period July 1, 2015 – December 31, 2015 RMAS did not effectively review 100% of the transactions sampled by the Transaction Sampling system. Only one of the organizations, MSCCP Radiation Oncology had 100% of their transactions reviewed. The other two organizations only marked review of 2% and 0%, respectively.

| Organization | Total Population | Sampled | Reviewed | Not Reviewed | % Reviewed |
|--|-------------------------|----------------|-----------------|---------------------|-------------------|
| #414868 – <i>SOM Radiation Oncology Unit</i> | 2174 | 332 | 7 | 325 | 2% |
| #434843 – <i>MSCCP Radiation Oncology</i> | 114 | 58 | 58 | 0 | 100% |
| #434692 – <i>SOM Radiation Oncology Encinitas Practice</i> | 64 | 7 | 0 | 7 | 0% |

We noted in our review that the RMAS Business Office conducted a manual review of 100% of all expenditures, and did not mark the ledger reviewer in the Transaction Sampling system. Because RMAS did not check off items reviewed through the transaction sampling process, there was an appearance that department transactions were not effectively reviewed.

Transaction sampling can significantly reduce department workload versus departments that practice 100% reconciliation. Controller's Office studies of past participants proved they had experienced an average of 64% savings in workload because it allowed the department to focus on high-risk transactions. The Department may wish to consider full use of Transaction Sampling, in lieu of 100% ledger review as a way to improve efficiency in monthly ledger reconciliations.

| 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) | | | |
| Cash Handling | √ | √ | √ | Walked through cash handling process for Business Office and satellite locations with Department Business Office management and staff. | No | Satisfactory/ Improvement Needed | Certain cash handling processes did not comply with sections of BUS-49. Audit Report Finding A |
| Operating Ledger Review & Financial Reporting | √ | √ | √ | Examined selected operating ledgers and financial reports, and reviewed overdraft balances as of 12/31/15. Reviewed SOM Corporate Financial Statements. | No | Satisfactory/ Improvement Needed | In general, overdraft deficit plans and monthly monitoring were in place. However we noted one fund which did not have a deficit reduction plan. Audit Report Finding B |
| Transaction Processing – Non Payroll Expenditures | √ | √ | √ | Analyzed 10 judgmentally selected transactions for reasonableness, and traced them to supporting documentation. | Yes | Satisfactory | Separation of duties appeared adequate. Non-payroll expenditures appeared reasonable and supported by documentation. |
| Non Payroll Expense Transactions/ Transaction Sampling | √ | √ | √ | Analyzed Transaction Sampling Reports for the six month period, 7/1/15 – 12/31/15. | No | Satisfactory/ Improvement Needed | Transaction Sampling reviews were not documented in the system to evidence Department ledger review. Audit Report Finding D |

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) | | | |
| Non-Payroll Expenditure Transfers | √ | √ | √ | Discussed the process with the DBO. Evaluated 10 judgmentally selected non-payroll transfers and reviewed the business justifications. | Yes | Satisfactory | Controls over non-payroll expense transfers appeared reasonable and supported by documentation. |
| Clinical Service Agreements | √ | √ | √ | Reviewed the service agreement process and reconciliation in detail for the three satellite locations; Encinitas, Chula Vista and 4-S Ranch. Reviewed the terms and conditions of the Kaiser agreement. | Yes | Satisfactory | A plan had been established to monitor the agreements and conduct a monthly reconciliation that appears reasonable and in compliance with terms and conditions of the agreements. |
| Entertainment | √ | √ | √ | Reviewed 10 judgmentally selected transactions for reasonableness and compliance with policy. | Yes | Satisfactory | Separation of duties appeared adequate. Controls over Entertainment expenses appeared reasonable and in compliance with UC policies. |
| Travel Expenditures | √ | √ | √ | Reviewed 10 travel events and traced to vouchers (TEV's) & supporting documents for authorization and compliance with policy. | Yes | Satisfactory | Separation of duties appeared adequate. Controls over travel expenditures appeared reasonable and in compliance with UC policies. |

| 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) | | | |
| Express Cards | √ | √ | √ | Reviewed 10 judgmentally selected transactions for reasonableness and compliance with policy. Traced to supporting documentation. Reviewed user and reviewer lists for conflicts. | Yes | Satisfactory | Separation of duties appeared adequate. Controls over Express Cards appeared reasonable and in compliance with UC policies. |
| Internal Control Certification SAS 112/115 | √ | √ | √ | VCHS Controller's Office and Research Core certify key internal controls. | Yes | Satisfactory | Verified Control Tracker usage with the Campus Controller's Office. The VCHS Controllers Office and Research Core Services are certifying for department. |
| Equipment Management | √ | √ | √ | Discussed equipment acquisition, transfer and disposal processes with the Custodian and Campus Asset Manager. Verified inventory reports with Campus Management. | Yes | Satisfactory | An equipment inventory was completed in the Department with Campus Asset Management in October 2015. No findings were noted. |

| 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) | | | |
| Timekeeping/ Payroll and Human Resources | | √ | √ | Interviewed Department and service core management in addition to reviewing the internal control questionnaires. | Yes | Satisfactory | RMAS management reviews monthly DOPE reports and approves payroll requests and timekeeping reports. RMAS relies on the Health Services Core for Academic Affairs, Payroll, timekeeping, effort reporting and human resources for staff and faculty. |
| Employee Performance Evaluations | | √ | √ | Discussed employee evaluation process with DBO and Assistant DBO. | No | Improvement Needed | None of the administrative staff including the Assistant DBO had current employee performance evaluations on file for the 2014-15 Fiscal Year. Audit Report Finding C |
| Academic Personnel Manual (APM) 025 Compliance | | √ | √ | Reviewed process for Outside Activity Reporting and forms collected by Department for Fiscal Year 2014-15 and prior. | Yes | Satisfactory | All faculty had submitted forms for all Fiscal Years through 2014-15 signed by the Department Chair. |
| Contract & Grant Activity (Post Award Admin.) | | √ | | Interviewed RMAS administrative staff responsible for Contract & Grant activity and discussed the internal control questionnaire. | Yes | Satisfactory | Department relies on the Health Services Research Core to provide oversight for the department Contracts & Grant Activity, with some monitoring performed by RMAS staff. |