

MAS NEWSLETTER

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Legislative Audit Results

The most recent Legislative Audit of UMBC took place between August 2005 and February 2006. Overall, the results of the audit were encouraging. While the auditors issued 12 fiscal compliance and 13 information technology discussion notes, the final report contains only nine findings, four in the fiscal compliance area and five in the systems security and control area. The auditors determined that UMBC satisfactorily addressed six out of the eight findings from their preceding audit report. We were able to clear findings related to the Purchasing Card, Student Accounts Receivable, Tuition Waivers and three Information System and Control items. The two remaining findings were isolated to one Department and were combined into one item that is repeated in the current report.



Thanks to everyone who took time out of their very busy schedules to work with the auditors when they were auditing in your area.

The current report includes findings and recommendations in the following areas:

- Cash Receipts (*internal controls and timeliness issues*)
- Payroll (*separation of duties in two departments*)
- Bookstore (*internal control and security issues*)
- Health Systems Data Security and Control (*controls over critical data*)
- Information System Security and Control (*various control, security and procedural issues*)

Once issued, the entire UMBC Legislative Audit Report can be found on the Office of Legislative Audits web page @ www.ola.state.md.us, under fiscal audit reports.

Although all of the discussion notes issues did not appear in the final report, we still want to ensure we have addressed each of them prior to the next audit. If any of the items were cited in your area, MAS has already contacted you to discuss corrective actions. As we have done in the past, we will continue to offer internal control education sessions to keep the campus community informed. Additionally, over the next 2 – 3 years we will continue to follow up in various departments with reviews and assistance visits to check on the status of our corrective actions in anticipation of the next audit. Eliminating repeat audit exceptions will still be a primary goal. As always, please contact us if you have any questions about internal controls, campus audits, the audit results, or your corrective actions - and remember - we have come a long way, so keep up the good work!

A Question of Ethics

Did you know that all employees of the State of Maryland or its agencies are subject to the Standards of Conduct of the State Ethics Commission?

“Ethics” in general have been a hot topic in national news lately. What are “ethics” exactly? Well, according to good old Webster’s, ethics can be defined as the discipline dealing with what is good and bad and with moral duty and obligation; a set of moral principles or values; the principles of conduct governing an individual or a group or a guiding philosophy.

Basically, as it applies to all of us working here at UMBC, ethics are the principles of conduct we are expected (and required) to follow while performing our jobs. A few of the standards included in the Maryland Ethics Law are paraphrased below:

- An employee may not hold any employment relationships that would impair their impartiality and independence of judgment.
- An employee may not intentionally use the prestige of their office for personal gain.
- An employee who has duties relating to a contract with the State, may not be or become, while a State employee, an employee of the party contracting with the State.
- An employee may not solicit any gifts nor shall they knowingly accept any gifts directly or indirectly from any person who is doing or seeking to do business of any kind with their agency.
- An employee may not disclose or use confidential information acquired by reason of his or her public position.

Recent MAS reviews of vendor invoices revealed several vendors had sent unordered items (e.g., Mrs. Fields cookies, tote set, hand held massager) with their orders. The vendors noted the free items on their invoices. Some vendors advertise that these are promotional gifts for purchases over a specified dollar amount. The State of Maryland Code of Conduct (Executive Order 01.01.2003.01) for state employees prohibits an employee from soliciting or accepting any gift or other item of monetary value from any person or entity doing business with the employee's agency. In addition, the Code also requires employees act impartially and not give preferential treatment to any private organization or individual. If you have questions regarding this policy, contact John Blecheisen (ext 52071) in the Department of Procurement.

The entire listing of the Maryland State Ethics Commission Standards of Conduct can be found on their web site @ <http://ethics.gov.state.md.us/standard.htm>

Departmental Deposit Tip

By now all Departments should be aware that UMBC policy requires timely deposit (i.e., within one business day) of receipts once they have accumulated \$25, but another good tip is to make sure the employee making your deposit verifies that the PeopleSoft print screen they are provided by the Cashier clearly indicates the five digit assigned deposit ID. If the printout is generated prior to the transaction being saved, the word "NEXT" will appear as opposed to the five digit deposit ID. If the cashier hands the employee making the deposit a printout with the word "NEXT" on it, the employee should ask the cashier for another printout which indicates the deposit ID. It is important this number appear on the printout because the number validates that the deposit has been processed in PeopleSoft and is essential for subsequent reference and reconciliation purposes. If the employee returns to the Department with a printout that has the word "NEXT", and the employee who verifies that the deposit was properly recorded in PeopleSoft can not locate the deposit, the Bursar's office should be notified. If the deposit can be located, the five digit ID number should be recorded on the printout for subsequent reconciliation purposes.

P-CARD CORNER

Recent Revisions to the P-card Transaction Log



The p-card transaction log was recently modified to affect changes as a result of cardholder suggestions and MAS recommendations. Please note the following revisions which were made to ensure proper recordkeeping and compliance with Purchasing Card Program policy:

- The "receipt/packing slip enclosed" column has been changed to "proper documentation enclosed (see reverse side of the log)."
- The "reconciled to bank statement dated" column has been changed. The column has a preprinted date (i.e., __/25/__) on each line of the log. A more detailed explanation of the date to be entered in this column is now printed at

the bottom of the log (see **on the log). Please note, there has not been any policy change in the required date to be recorded in this column. The change was initiated because MAS found a significant number of cardholders were not entering the proper date in the last column. Preprinting the date should help cardholders complete proper monthly reconciliations.

- The certification statement now states that “cardholders and supervisors must certify that the charges on the log are reasonable and appropriate for their using department.”
- A statement has been added to the bottom the log: SEE BACK OF ENVELOPE FOR CHECKLIST.
- The check list on the back of the log has been modified.

If you have any question with regard to the changes, please contact either Ina Caplan at 54558 or Frances Toth at 56257.

P-Card Policies and Procedures User's Guide Revisions

The UMBC Purchasing Card Program Policies and Procedures User's Guide was revised in January 2006. Please review the Guide on Procurement's website at <http://www.umbc.edu/adminaffairs/procurement/>

P-card Food Purchases Clarified

The revised P-card User's Guide clarifies when cardholders may purchase food on their cards. Purchases from fast food establishments (e.g., pizza, sub or donut shops) is still prohibited. The current policy states, “Purchases of food at a *grocery store* are allowed under certain circumstances.” Departments can also pay for food by obtaining a working fund check or by submitting a requisition to Procurement.



KUDOS...

...to the following departments: OIT, Music, Office of the Provost, Institutional Research, International Education Services, Procurement, and the Office of Sponsored Programs. Recently completed purchasing card reviews by MAS show that the Departments are managing the Purchasing Card Program well. Thanks for your efforts and keep up the good work!

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