

UW Board of Trustees Fiscal and Legal Affairs Committee  
Agenda  
March 20, 2024

**Closed Session:** If necessary, a separate agenda and materials for the Closed Session.

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# Internal Audit Activity Report

March 2024

INTERNAL AUDIT ACTIVITY CONDUCTED IN ACCORDANCE  
WITH THE AUDIT PLAN FOR THE PERIOD  
September 2022 – August 2023, September 2023 – August 2024

## AUDITS:

- NCAA Compliance Review
- Management Advisory Report – Camps & Clinics
- Continuous Monitoring Annual Report
- 2024 Annual Risk Assessment Report

## FOLLOW-UP REPORTS:

- Follow Up Summary Report

## INFORMATIONAL

- Internal Audit Schedule Review



# UNIVERSITY OF WYOMING

## Internal Audit

# NCAA Compliance

March 4, 2024

Auditors:

Danika Salmans MBA, CIA, CRMA

Rebecca Garcia, MBA, CIA

March 4, 2024

**University of Wyoming Board of Trustees:**

According to the NCAA Principles for the conduct of intercollegiate athletics, it is the responsibility of each member institution to control its intercollegiate athletics program in compliance with the rules and regulations of the Association.

In recognition of this responsibility, Internal Audit completes an annual review of NCAA compliance. This year the review focused on rules related to on and off-campus recruiting, playing and practice seasons, booster organizations, and camps/clinics. This audit reviewed the procedures and controls the Athletic Department has in place to ensure compliance with NCAA rules and regulations. The procedures were reviewed for completeness and effectiveness.

The overall management practices to balance the many moving pieces of compliance are comprehensive and well-developed.

Any concerns and weaknesses that were identified are mentioned in this report and potential modifications were discussed with management.

If the department is not in compliance with criteria, policies, procedures, or best-practice, this deficiency is described in a formal observation so that the department can develop an action plan to mitigate the risks. No observations related to NCAA compliance have been found or made.

We would like to thank Peter Prigge - Associate Athletic Director for Compliance and Olympic Sports as well as the other staff members for the assistance we received on this audit.

Sincerely,



Danika Salmans MBA, CIA, CRMA  
Director of Internal Audit

Sincerely,



Becky Garcia MBA, CIA  
Senior Internal Auditor

## Background

The purposes of an NCAA compliance audit are to:

- Advise institutional decision-makers whether the compliance program is functioning properly;
- Identify policies and procedures that may leave an institution vulnerable to possible inadvertent violations;
- Assist institutional decision-makers in recommending corrective measures to enhance compliance efforts;
- Reiterate the institution's commitment to institutional control through proactive measures; and
- Enhance administrative accountability by providing external oversight

The risks associated with non-compliance with NCAA rules can result in a loss of scholarships, being restricted from post-season play, ineligibility of student-athletes as well as fines and negative publicity.

Like other types of audits, a successful audit does not eliminate the possibility of violations occurring in the future nor of a finding of a lack of institutional control by the NCAA. However, completion of this annual audit will reduce the likelihood of both occurring and serves as mitigation if a violation did occur.

The previous Athletics Certification guidelines required that certain subject areas be reviewed to satisfy a complete review of an institution's compliance program. Over the years, the list has been modified to adapt to current trends in violations. A complete listing of the current 21 areas is below (highlights represent current areas that were reviewed in this audit):

1. Governance and Organization
2. Initial-Eligibility Certification
3. Continuing-Eligibility Certification
4. Transfer-Eligibility Certification
5. Academic Performance Program
6. Financial Aid Administration
7. Recruiting – Off-Campus
8. Recruiting – On-Campus
9. Camps and Clinics
10. Investigations and Self-Reporting of Rules Violations
11. Rules Education
12. Athletic Apparel and Equipment
13. Complimentary Admissions
14. Student-Athlete Vehicles
15. Representatives of the University's Athletics Interests
16. Playing and Practice Seasons
17. Student-Athlete Employment
18. Amateurism/Elite Student-Athletes
19. Coaching Staff Limits and Contracts
20. Head Coach Responsibility
21. Individuals Associated with Prospects

The annual review performs an audit of a few of these sections so that over four years, all of the above sections have been reviewed. The table below shows the rotating schedule of compliance areas to be audited over the next four years.

<b>2022-2023 - Recruiting</b>	<b>2023-2024 - Governance</b>	<b>2024-2025 – Eligibility</b>	<b>2025-2026 - Recruiting</b>
Recruiting: On and Off-Campus (e.g., official and unofficial visits, hosts, entertainment, contacts, phone calls)	Governance and Organization (governing board policies related to athletics, responsibilities, and duties of compliance personnel)	Eligibility --General --Initial Certification --Continuing Certification --Transfer Certification	Financial Aid Administration
Camps and Clinics	Investigation and Self Reporting of Rules Violations	Academic Performance	Extra Benefits --athletic apparel and equipment --complimentary admissions --student-athlete vehicles
Playing and Practice Seasons	Rules Education	Amateurism/Elite Student-Athletes	Student-Athlete employment
Booster and other activities --individuals associated with prospects --representative of the University’s athletics interests	The Commitment of Personnel to Rules Compliance Activities --coaching staff limits and contracts --head coach responsibility		

The University of Wyoming's Compliance Office is responsible for monitoring and evaluating all the NCAA rules and regulations. The compliance staff has developed many policies, procedures, processes, forms, and other monitoring mechanisms to prevent, monitor, and identify non-compliance and correct these errors as soon as possible.

## **Audit Criteria Established by NCAA Regulations**

Compliance with the following NCAA bylaws was reviewed:

**Recruiting – Off-campus:** The purpose of NCAA recruiting legislation is to balance the interests of the prospect being recruited and the interests of the NCAA member who is attempting to gain the enrollment of the prospect at the institution. An individual is a prospect until the individual enrolls at the university or begins practice. Prospects generally do not attain that status until they have started classes for the ninth grade. Recruitment occurs if there is any solicitation of the prospect or the prospect's relatives by a staff member or a representative of the institution's athletics interests (e.g., booster).

**Recruiting – On-campus:** A university can finance only one visit (e.g. an "official" visit) to its campus by a prospect. A prospect may visit the university's campus at the prospect's expense on as many occasions as the university and the prospect wishes. During such an "unofficial" visit, the institution may not pay any expenses or provide any entertainment other than the maximum of three complimentary admissions to a campus athletics event.

**Camps and Clinics:** NCAA legislation allows student-athletes to be employed at institutional (e.g., camps that are wholly or in part owned or operated by coaching staff members) or private camps. The critical issue is whether the student-athletes have similar responsibilities and are paid similar to other employees who have the same responsibilities.

**Playing and Practice Seasons:** NCAA legislation details daily and weekly practice hour limitations for all sports that are in-season and out-of-season. In season generally is defined as the season in which the championship competition for that sport is conducted and no championship competition would be held in the out-of season segment.

### **Boosters and Other Activities:**

#### Representatives of Athletics Interests

An institution has a responsibility for the conduct of its athletics program and this responsibility includes acts of individuals, corporate entities, or other organizations which are considered representatives of the university's athletics interests (e.g., boosters). Generally speaking, an individual is a booster if the individual or group has made financial contributions to the athletics department or an athletics booster organization. The vast majority of all individuals attain the title of representative due to this criterion. An individual, group, or entity also could become a booster if the individual or group is assisting in the university's recruiting efforts, is providing benefits to enrolled or recruited student-athletes, or is otherwise promoting the institution's athletics program. An issue has arisen recently whether apparel companies who have large monetary contracts with a university are considered representatives. The outcome of this issue could have significant impact on an institution.

## Individuals Associated with Prospects

### 11.4 Employment of High School, Preparatory School or Two-Year College Coaches, or **Other** Individuals Associated With Prospective Student-Athletes.

11.4.1 High School, Preparatory School or Two-Year College Coach. An institution may not employ a high school, preparatory school or two-year college coach who remains a coach in the same sport at the high school, preparatory school or two-year college. This provision does not preclude employment of a high school, preparatory school or two-year college coach in a different sport. Men's and women's teams in the same sport are considered different sports for purposes of this legislation. Men's and women's teams in the same sport are considered different sports even if an athlete from the opposite gender is playing on a high school, preparatory school or two-year college men's or women's team, provided the team is classified as a separate team (as opposed to a "mixed" team) by the appropriate institution or the state high school, preparatory school or two-year college governing body. (See Bylaw 13.12.2.2 for regulations relating to the employment of high school, preparatory school or two-year college coaches in institutional camps or clinics.) (Revised: 1/10/91, 3/16/07, 1/16/10)

13.12.2.2 High School, Preparatory School, Two-Year College Coaches or Other Individuals Involved With Prospective Student-Athletes. A member institution (or employees of its athletics department) may employ a high school, preparatory school or two-year college coach or any other individual responsible for teaching or directing an activity in which a prospective student-athlete is involved at its camp or clinic, provided: [R] (Adopted: 1/11/89, Revised: 1/11/94, 6/25/08, 8/12/10)

- (a) The individual receives compensation that is commensurate with the going rate for camp counselors of like teaching ability and camp experience; and
- (b) The individual is not paid on the basis of the value the individual may have for the employer because of the individual's reputation or contact with prospective student-athletes.



## Audit Scope, Procedures, and Outcomes

The following steps represent the extent of work needed to achieve the audit objectives and are summarized below. The scope of this audit focused on FY2023 through current. The status includes an evaluation of risks to the achievement of objectives.

- **Commendation** – The department is operating in an exemplary manner toward satisfying a criterion, policy, or procedure.
- **Satisfactory** – The department currently satisfies a criterion, policy, or procedure.
- **Improvements Recommended** – The department should strengthen areas of compliance with criterion, policy, or procedure to ensure that the quality of the program will not be compromised. These areas are discussed formally with management and may not be subject to formal observation and recommendation.
- **Action Required** – The department is not in compliance with the criterion, policy, or procedures. A formal observation is made, and recommendation is issued that will require the department to develop an action plan to mitigate the risks.

Area Audited	Test Work Performed	Status	Sample Size	Summary of Findings & Recommendations
Assignment of Compliance Responsibilities Documentation	Review of Job Descriptions	<b>Satisfactory</b>	All	The job descriptions for positions in which NCAA compliance is a key responsibility were reviewed. The job description of the Director of Compliance has adequate language establishing responsibility for compliance. No issues were noted.
Recruiting	Policies and Procedures	<b>Commendation</b>	All	The policies and procedures regarding recruiting were reviewed. The 75 pages of NCAA applicable bylaws are simplified and summarized concisely. Supplemental educational efforts enhance comprehensiveness. No issues were noted.

	Compliance Testing	<b>Satisfactory</b>	Women's Basketball	Compliance automation software (ARMS) records for all unofficial and official visits for Women's Basketball recruits were reviewed. Corresponding financial records for official visits were also reviewed. No issues were noted.
Camps and Clinics	Policies and Procedures	<b>Commendation</b>	All	Written policies and procedures are documented to serve as preventative controls in the mitigation of violations related to NCAA bylaws or institutional risk.
	Compliance Testing	<b>Improvements Recommended</b>	Volleyball/ Soccer/ Tennis	No NCAA compliance issues were noted, though enforcement of Compliance Office pre-approval of camp offerings was discussed with management.
Playing and Practice Seasons	Policies and Procedures	<b>Commendation</b>	All	Athletics requires each coach to complete an annual certification and attestation form as well as submit a detailed calendar. This form is to be completed and approved by Compliance prior to the beginning of the practice season. ARMS compliance software is also utilized as a supplementary control in which actual practice hours are logged against maximum limits (set by Compliance); the two records are reconciled for complete verification.
	Compliance Testing	<b>Satisfactory</b>	Swimming/ Diving & /Golf	Practice season submissions were reviewed for Swimming and Diving as well as Golf. No issues were noted.

<b>Booster and Other Activities</b>	Representatives of Athletics Interests (Booster)	<b>Commendation</b>	All	The Cowboy Joe Clue is a legally separate entity reported as a component unit of the University of Wyoming financial statements because it is organized for the purpose of supporting University athletics programs and is managed by the University Athletics Department. CJC is subject to an annual independent external audit. UW Athletics disseminates a Booster Guide (also available on the Athletics website) for NCAA compliance information and guidance purposes. The CJC Annual Membership Guide provides references and resources regarding NCAA compliance. A Parent’s Guide is disseminated to the parents of all student-athletes. And lastly, informational letters are sent to local Laramie businesses.
	Individuals Associated w/Prospects	<b>Improvements Recommended</b>	All	Due to the rarity of this circumstance occurring at the institution, policy and procedural documentation was not present. In the instance encountered, the Compliance Office completed a thorough investigation resulting in no findings. Management is encouraged to further develop documented policies, procedures, and investigations protocol for this area.

**Response from Athletics regarding Individuals Associated with Prospects (IAWP):** The Compliance Office will add a new policy/process to ensure the institution is completing its due diligence with respect to “Individuals Associated with Prospective Student-Athletes” (IAWPs). The Compliance Office will add an IAWP section to its on-boarding document to ensure it is covered with all new employees. While only applicable to men’s and women’s basketball and football, when the Compliance Office has a potential IAWP (per NCAA rules), it will send an ARMS workflow to the respective new employee that will define who an IAWP is and explain the applicable NCAA rules. The new employee will sign off on the document and will allow the Compliance Office to monitor the relationship between the IAWP and future recruits (if applicable).

**Distribution List**

Edward Seidel, President of the University of Wyoming

Tom Burman, Athletic Director

Matt Whisenant, Deputy Director for Intercollegiate Athletics

Peter Prigge, Associate Athletics Director for Compliance



**What is a Management Advisory Report?**

*The primary objective of a Management Advisory Report is to inform the department or unit of potential internal control or risk exposure concerns identified by the Internal Audit Department during routine testing.*

*This report is consultative in nature. It identifies concerns and provides a mechanism for documenting how the concerns and risks have been addressed.*

*If not completely resolved, a report will be provided to the Board along with management's plan to resolve the issue.*

**IIA Standard 2600**

*When the chief audit executive concludes that management has accepted a level of risk that may be unacceptable to the organization, the [Director of Internal Audit] must discuss the matter with senior management. If the chief audit executive determines that the matter has not been resolved, the chief audit executive must communicate the matter to the board.*

**TO:** President Edward Seidel  
Tara Evans, General Counsel  
Tom Burman, Intercollegiate Athletics Director  
Matt Whisenant, Deputy Director for Intercollegiate Athletics  
Peter Prigge, Associate Athletics Director for Compliance

**FROM:** Danika Salmans, Director Internal Audit  
Becky Garcia, Senior Internal Auditor

In performing the NCAA Compliance Review, Internal Audit identified concerns regarding compliance with institutional policies intended to serve as directive/preventative controls in mitigating risks.

**Criteria:**

**Policy on Conflicts of Interest and Commitment:**

Employees are responsible to disclose any potential, perceived, or actual conflicts of interest when hired, immediately upon acquisition of a new interest, and annually. The existence of a conflict does not necessarily imply wrongdoing on anyone's part; however, they must be identified, disclosed, and either properly managed or eliminated.

**UW Athletic Department Summer Camp Preamble:**

Confirm appropriate institutional staff take vacation time for working camp/s.

**Policy on Minors Participating in University-Sponsored or University-Approved Programs:**

The University of Wyoming is committed to the safety, protection, and wellbeing of minors who participate in University-sponsored or University-approved Programs. This policy establishes minimum requirements with which all University-sponsored or University-approved programs in which minors participate must comply without regard to the location of Program activities.

This policy includes requirements that: all authorized adults having direct contact with minors are required to have a current background check on record with the University before the adult is hired or allowed to begin work with Minors; and that the relationship between the non-university group and the University must be documented in a signed agreement that includes the Group will operate in compliance with this Policy, will indemnify and hold the University harmless for any claims associated with the Program including any claims associated with supervision and safety of Minors and will provide insurance as required by the University's Chief Risk Officer.

**Fee Book:**

The Trustees are responsible for the establishment of all fees, charges, and deposits assessed, and refunds afforded to individuals applying for admission to the university, enrolled students, university employees, and the public.

**Condition:****Conflicts of Interest and Commitment:**

Camps and clinics are conducted by coaches operating independently through established and external LLCs as agreed upon in contractual employment documentation.

- The University's updated Conflict of Interest and Commitment policy requiring all University employees to complete an annual Conflict of Interest and Commitment disclosure became effective August 1, 2023.
- It was reported by the Director of Research Security and Conflict of Interest that external LLCs owned and operated by Intercollegiate Athletics employees would require further consideration and collaboration to ensure integration into and compliance with updated institutional expectations.

Internal Athletics policy currently includes a component of confirmation validating appropriate staff working camps have taken vacation time.

**Policy on Minors Participating in University-Sponsored or University-Approved Programs:**

Camps and clinics are to be managed in a manner ensuring NCAA and institutional compliance expectations are met.

Camp/clinics supporting documentation was reviewed for the 2023 camps held by Soccer, Volleyball, and Tennis. No NCAA violations were identified. However, the following issues were noted:

- No validation of pre-approval for the camp/clinic was found in documentation provided.
- No department procedure was observed to require and validate that background checks were completed for individuals working with minors and on file with UW.
- Though present for Soccer and Volleyball, no evidence for Tennis camps was observed demonstrating compliance with the completion of a Facility Use Agreement to include providing evidence of insurance or paying the institution for facility use.
- No collaborative process was observed engaging the expertise of Risk Management as advised in the Minors on Campus Policy

**Fee Book:**

Coaches LLCs were not charged rates for facility use that are consistent with the Fee Book

**Conclusion/Recommendation:**

**It is recommended** that UW Athletics mitigate the risks associated with camps/clinics by:

- Requiring UW Coaches to collaborate with the Conflict of Interest Director to assess the appropriateness and mechanisms for disclosing potential employe/LLC relations annually and complete Conflict of Interest Management Plans as deemed necessary.

- Enhancing and enforcing current procedural documentation to include detail regarding what staff are required to take vacation to work camps, and a process to confirm submission/approval of vacation has been accomplished.
- Updating procedural documentation to bring practices into compliance with UW Minors on Campus Policy. This would include:
  - A requirement and validation of background checks
  - Collaboration to engage the expertise of Risk Management
  - Completion of the Facilities Use Agreement
- Ensuring fees charged to third parties for use of facilities is consistent the UW Fee Book.

### Response:

We agree. Our action plan to implement the audit recommendations is to:

- a) Establish more consistent applicable of the NCAA rules reviews, policies, and procedures in relation to NCAA Camps and Clinics. Currently, most of the paperwork is tracked via hard copy or email submission by coaches. The Compliance Staff is currently working with the compliance/recruiting software company ARMS to implement a new “workflow” process for camps and clinics where all documentation mentioned in the audit will require online submission, disclosures and approvals by all involved parties (e.g., coaches, compliance, facilities, sports supervisors, etc.). The Compliance Staff is already undertaking steps with ARMS to ensure this is implemented for all camps and clinics taking place in summer 2024. The same general paperwork and requirements will remain, but the software adds an easy clearance and approval process for all parties involved.

Examples of documents that will be required and housed on the ARMS website will be 1) pre-camp approvals (e.g., graphics, brochures, links to camp websites, etc.), 2) compliance signatures after information is submitted by coaches, 3) facility request forms/processes that are approved by the Facilities/Event Management staff, 4) Sport supervisor approval, and 5) final paperwork submitted by coaches for all camps and clinics paperwork for final NCAA Compliance approval.

- b) The Athletic Department will collaborate with the Conflict of Interest Director per recommendation.
- c) The Athletic Department will ensure current policies and procedures are followed with regards to applicable staff taking vacation time. More specifically, the Athletic Department will ensure Attachment G is signed by both the (1) Camp Coordinator and (2) Head Coach for all camps (even if/when no institutional staff members worked camp/took vacation time). Furthermore, should Attachment G denote that an Athletic Department staff member did take vacation time, the Compliance Office will work with the Business Office to confirm submission/approval (of vacation time).
- d) Procedural documentation to bring practices into compliance with UW Minors on Campus Policy will be updated. This would include:
  - A requirement and validation of background checks  
The Athletic Department will collaborate/engage General Counsel/Human Resources to discuss issue including best method/process to validate background checks.

- Collaboration to engage the expertise of Risk Management  
The Athletic Department will collaborate/engage General Counsel/Risk Management per recommendation.
  - Completion of the Facilities Use Agreement  
The issue related to this matter was concerning the tennis program. Applicable Athletic Department personnel (including entire tennis staff) have already met to discuss/review matter and ensure they (tennis) adhere to existing policies and procedures regarding facility usage. Furthermore, as noted above, all camp paperwork (including Facilities Use Agreements) will now be submitted/housed on ARMS for consistent documentation purposes.
- e) Ensuring fees charged to third parties for use of facilities is consistent the UW Fee Book. While it should be noted that the fees charged to third parties for facility usage are outlined in the Athletic Department Facility Reservation process (paperwork), the fees are not included in the UW Fee Book. Thus, at the next available opportunity, the Athletic Department will update the UW Fee Book accordingly.

The anticipated completion date for these tasks is July 1, 2024.





UNIVERSITY OF WYOMING

**Internal Audit**

# **Continuous Monitoring Program 2023**

February 1, 2024

Annual Update

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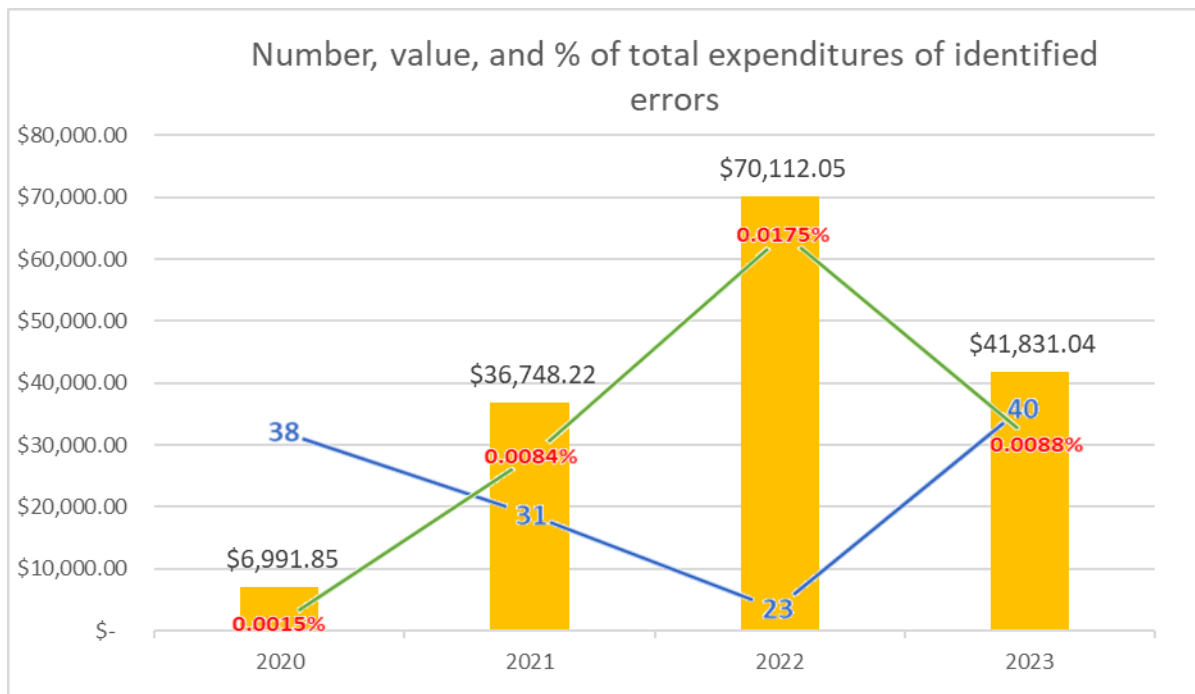
February 16, 2024

**University of Wyoming Board of Trustees:**

In 2020 Internal Audit developed and initiated a continuous monitoring program for the purpose of identifying instances in which University procurement procedures have been violated. This continuous monitoring strategy uses data analysis that identifies anomalies that may indicate errors, waste, and potential fraud.

Internal Audit, Procurement Services, Research Security and Conflict of Interest, and the Tax Office have collaborated to continue the development of this program. This is not a static process and through the work of individuals in these departments, tests are developed and regularly modified to address present and emerging risks.

Since the inception of the program in 2020, approximately \$160,281.39 (.0090% of the total amount of University expenditures) has been reimbursed or credited to the University due to some form of duplicate or errant payment. In limited cases, the department had preemptively acquired credit or reimbursement for the errant payment.



In addition to identifying instances in which funds need to be returned to the University, continuous monitoring also tests for instances when p-cards need to be canceled due to termed employes and potential or undisclosed Conflicts of Interest.

When expenditures errors are identified, Procurement Services takes action to seek reimbursement or credits and identifies processes to improve internal controls. The Director of Research Security and Conflict of Interest provides evaluation regarding potential conflicts and the need for Conflict of Interest Management Plans, and the Tax Office provides evaluation regarding further issues and possible mitigation of employee/supplier conflicts. Internal Audit uses the results of these tests to identify areas that present a higher risk for development of the annual audit plan and audit program.

The attached report discusses the tests and the results in greater detail.

Sincerely,



Danika Salmans MBA, CIA, CRMA  
Director of Internal Audit



Becky Garcia MBA, CIA  
Senior Internal Auditor

## Background

Internal controls that guide procurement processes are critical to protecting the University of Wyoming from financial, compliance, reputational, and operational risks. Institutional policies and procedures are designed to provide guidance and protect funds. Every individual on campus has the responsibility to adhere to these policies and order their university business with the upmost integrity.

The Procurement Services team serves as critical gatekeeper to ensure that policies are followed while still creating a pathway for the campus to obtain the goods and services needed for operations in a timely manner.

Continuously monitoring procurement data and systems is performed to reduce losses and optimize procurement processes. The objectives of the Continuous Monitoring Program are:

- Continuously validate purchasing transactions, using data and analytics to trace patterns, spot anomalies, and reduce fraud, waste, and abuse.
- Monitor to detect non-compliance with legal and ethical business standards.
- Uncover opportunities to improve the efficiency and effectiveness of the end-to-end procurement process, including by finding and closing gaps in controls.
- Identify processes and/or units that might require further review through the auditing function.

The following tests have been developed and/or modified to address identified procurement risks:

- **Test #1:** Was a p-card receipt submitted for personal reimbursement? (2020)
- **Test #2:** Was the merchant name changed when the p-card was reconciled, thus concealing the source of the purchase? (2020)
- **Test #3:** Were duplicate reimbursements or payments made to employees or vendors?
  - #3 – Duplicate payment of an invoice by p-card and direct payment (2020)
  - #3.1 – Duplicate payment of reimbursement to an employee (2020)
  - #3.2 – Duplicate payment of invoice to a vendor (2021)
  - #3.3 – Duplicate payment to employee that was also submitted as a Cash Advance (NEW 2023)
- **Test #4:** Were p-card transactions split to avoid \$5,000 spending limits? (2021)
- **Test #5:** Are there any employees that are also suppliers? (2022)
  - **Test #5.1:** Identify employee / supplier based on common bank account (NEW 2023)
  - **Test #5.1.1:** Identify employee / supplier based on common address (NEW 2023)
- **Test #6:** Do terminated employees still hold active p-cards? (2022)

In the past calendar year (2023), units within the Division of Budget and Finance have collaborated to institute the following enhanced internal controls or policy clarifications that directly mitigate risks identified in continuous monitoring:

- In June of 2023 Procurement & Payment Services developed two new P-card training resources and revamped the p card policies and procedures (deep dive 6/15/2023).
  - [Procurement Card Policies and Procedures \(uwyo.edu\)](#)
  - Updated Procurement violation/misuse violation and process
- In December of 2023, in collaboration with HR, Internal Audit identified data that could be provided to Procurement Services and utilized to cancel p-cards of termed employees on a timely basis.

The procurement card program at UW provides an easy and efficient way for campus users to make simple, low-dollar, low-risk purchases at UW. National benchmarks show that the traditional way of purchasing a good or service (on a purchase order) can result in processing costs ranging from \$50 to \$200 per order. Conversely, transactions processed on a purchasing card create efficiency savings between 55% and 80%.<sup>1</sup>

Below are basic facts regarding UW's p-card program:

- The number of p-cards:
  - 2020: 1,766
  - 2021: 1,674
  - 2022: 1,723
  - 2023: 1,914
- The number of transactions processed on p-cards:
  - 2020: 91,126
  - 2021: 67,790
  - 2022: 91,829
  - 2023: 101,558
- Total spent on p-cards:
  - 2020: \$23,318,029
  - 2021: \$17,887,392
  - 2022: \$26,669,447
  - 2023: \$31,165,360.77
- Average p-card transaction amount:
  - 2020: \$347
  - 2021: \$263
  - 2022: \$290
  - 2023: \$306
- P-Card Rebate
  - Revenue given back to UW in calendar year 2020: \$378,000
  - Revenue given back to UW in calendar year 2021: \$294,281
  - Revenue given back to UW in calendar year 2022: \$435,761
  - Revenue given back to UW in calendar year 2023: \$466,933

Given the rebate generated from p-cards as well as the ability to efficiently make a purchase, p-cards are a valuable tool for both UW and organizations across the nation. UW has individual p-cards, p-cards assigned to departments and those assigned specifically for travel.

Proper internal controls and monitoring processes serve to mitigate the risks related to procurement card usage.

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<sup>1</sup> NAPCP: <https://www.napcp.org/page/WhyUsePCards>

# Continuous Monitoring Program – Testing Detail

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## TEST 1: Was a p-card receipt submitted for personal reimbursement?

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### Purpose/Risk Addressed

This test was designed to identify instances when an individual submitted a UW p-card expenditure for personal reimbursement. If both expenses are paid, this creates a circumstance in which the University paid twice for the same expenditure.

As the p-card reconciliation and the expenditure for personal reimbursement would appear on different expense reports, visual detection is difficult. This error may be accidental or an effort to fraudulently extort funds from the University.

### Results:

In 2023 the test identified 21 errors and approximately \$7,569 in duplicate payments. Actions have been taken to obtain reimbursement.

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## TEST 2: Was the merchant name changed when the p-card was reconciled, thus concealing the source of the purchase?

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### Purpose/Risk Addressed

The moment a p-card purchase is made, a merchant name is associated with that transaction in the raw data. During the reconciliation process, the field that contains the Merchant Name is auto-filled from the p-card data. However, this field can be modified. If this field is modified, it could conceal the source of the transaction.

During the reconciliation process, the field that contains the Merchant Name must remain editable. Due to this, a compensating control has been devised to monitor any modifications to this field.

### Results:

All modifications to the merchant name were investigated to ensure that the change was not made to conceal the true nature of the purchase. In all instances, the Merchant Name was modified to better clarify the source of the purchase.

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### TEST 3: Were duplicate payments made to vendors through a p-card payment and check or EFT?

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#### Purpose/Risk Addressed

Vendors submit invoices to the University for goods or services provided. Some invoices can be paid with a p-card. The potential exists for the same invoice to be paid by a p-card and then processed through other payment mechanisms causing a disbursement of a check or EFT. This would create a duplicate payment for the same service.

#### Results:

In 2023 this test identified 6 errors and approximately \$6,657 in duplicate payments. Actions have been taken to receive credit from the vendors.

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### TEST 3.1: Were duplicate reimbursements or payments made to employees?

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#### Purpose/Risk Addressed

Employees may be reimbursed for UW-related expenses. The process involves submitting an itemized request for reimbursement with supporting documentation. Reimbursements may be submitted more than once, on different dates. This duplicate reimbursement needs to be refunded to the University.

As these would be submitted on different dates, detection is difficult. An employee could submit duplicate reimbursements accidentally or covertly to fraudulently extort funds from the University.

#### Results

In 2023 this test identified 7 errors and approximately \$2,020 in duplicate payments. Actions have been taken to obtain reimbursement.

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### TEST 3.2: Were duplicate reimbursements or payments made vendors?

---

#### Purpose/Risk Addressed

Payments to vendors may be duplicated in many ways and remain undetected.

Data analytics and continuous monitoring will help to identify these duplicate payments so that credit memos and/or refunds to the University can be obtained from the respective vendors.

#### Results:

In 2023 this test identified 6 errors and approximately \$25,582 in duplicate payments. Actions have been taken to obtain credit memos and/or refunds.



---

### TEST 3.3: Were duplicate reimbursements made to employees due to a pending Cash Advance?

---

#### Purpose/Risk Addressed

Cash Advances are available to assist with travel or in other circumstances where cash might be needed for certain business purposes. Procedural documentation states that expenditures related to the Cash Advance should not be submitted until after the close date of the Cash Advance. If receipts are submitted prior to this date, they will not be applied against the Cash Advance and a duplicate payment could result.

#### Results:

In 2023, no errors were identified.

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### TEST 4: Were transactions split to avoid p-card spending limits?

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#### Purpose/Risk Addressed

The p-card transactional spending limit is set at \$4,999. This is set so that spending above that amount is regulated and should go through other spending mechanisms that require the application of additional controls such as contracts and/or bids.

To avoid this transactional spending limit, an individual (or multiple people) can violate p-card policies and split a transaction.

#### Results:

In 2023 this test identified 14 instances in which the spending limit was violated by splitting the transaction. In each instance, Procurement has taken action to educate the individuals regarding the importance of the policy. If repeat instances are identified, additional action may be taken such as revocation of p-card privileges.

---

### TEST 5: Is the relationship between employee/supplier known, and appropriately managed?

---

#### Purpose/Risk Addressed

According to IRS guidelines, it is possible to have a W-2 employee who also performs work as a 1099 independent contractor so long as the individual is performing completely different duties that would qualify them as an independent contractor.

The risk exists that an employee could perform work and submit expenditures as a vendor that conflicts with IRS guidelines. Tests have been designed to identify instances in which an employee is paid as a supplier for work that is similar to their job duties. If conflicts are found, further investigation is performed to understand the nature of the service provided. If a conflict exists, actions are taken to include education of the individual and the department.

In addition, the information is shared with the Director of Research Security and Conflict of Interest for review and potential development of a Conflict of Interest Management plan in accordance with the UW SAPP University Conflict of Interest and Commitment Policy<sup>2</sup> which was released in August 2023.

#### Results:

This test was enhanced in 2023 to further identify potential conflicts between employees and suppliers based on name, direct deposit account, and mailing address. In 2023, 34 potential conflicts have been identified and 4 have required the development of a Conflict of Interest Management Plan. The results of this test are also reviewed by the Tax Office to ensure the proper protocols are being followed.

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### TEST 6: Are there past employees that still have an active p-card in their name?

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#### Purpose/Risk Addressed

Due to the inherent risk of external system processes, it is possible for terminated employees to have an active p-card. These situations need to be identified and cards canceled as soon as possible. In the past, Procurement Services has received information regarding recent terminations so that the card could be canceled. However, in 2023, as a result of an HR On/Offboarding audit, more timely and useful data was found to facilitate a more efficient and timely cancellation of p-cards upon termination.

#### Results:

In 2023 this test identified 52 instances in which cards for terminated employees remained active. Once these are identified through testing and validated by Procurement, the card is canceled. This last year further investigation regarding the root cause was completed during the HR On/Offboarding audit. As a result of that audit, a daily report will be made available to Procurement Services regarding all terminations and transfers. This report should facilitate timely cancellation of p-cards when an employee leaves UW.

## Continuous Process Improvement

The continuous monitoring program has been a vital component of detective internal controls. For this program to be effective, it requires regular review and revision, tests to be run regularly to identify errors and/or potential fraud and that emerging risks be assessed, and new tests developed. Internal Audit will continue to collaborate with Procurement Services, the Director of Research Security and Conflict of Interest, and the Tax Office on this project for continuous development and improvement. This continuous monitoring program will continue to include:

- Internal Audit will leverage the functionality of IDEA data analytics to run the tests mentioned in this initiative on a quarterly basis.
- Validated errors will be communicated to for further action and refunds/credits will be obtained where appropriate.

---

<sup>2</sup> [UW Standard Administrative Policy and Procedure: University Conflicts of Interest and Commitment Policy \(uwyo.edu\)](https://uwyo.edu)

- Internal Audit, Procurement Services, the Director of Research Security and Conflict of Interest, and the Tax Office will meet regularly to exchange information regarding new developments and emerging risks.
- Annually Internal Audit will update the FLAC regarding any changes, additions, or developments in testing protocols.

### **Distribution List**

Edward Seidel, President of the University of Wyoming

Alex Kean, Vice President of Budget and Finance

Ashlie Reese, Associate Vice President of Finance

Skylar Thimens, Director of Strategic Sourcing and Procurement



UNIVERSITY OF WYOMING

# Risk Assessment 2024

March 4, 2023

Auditors:

Danika Salmans MBA, CIA, CRMA

Rebecca Garcia MBA, CIA

In cooperation with Vice President and General Counsel, Tara Evans, and former Chief Risk Officer Tim Wiseman

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# EXECUTIVE SUMMARY:

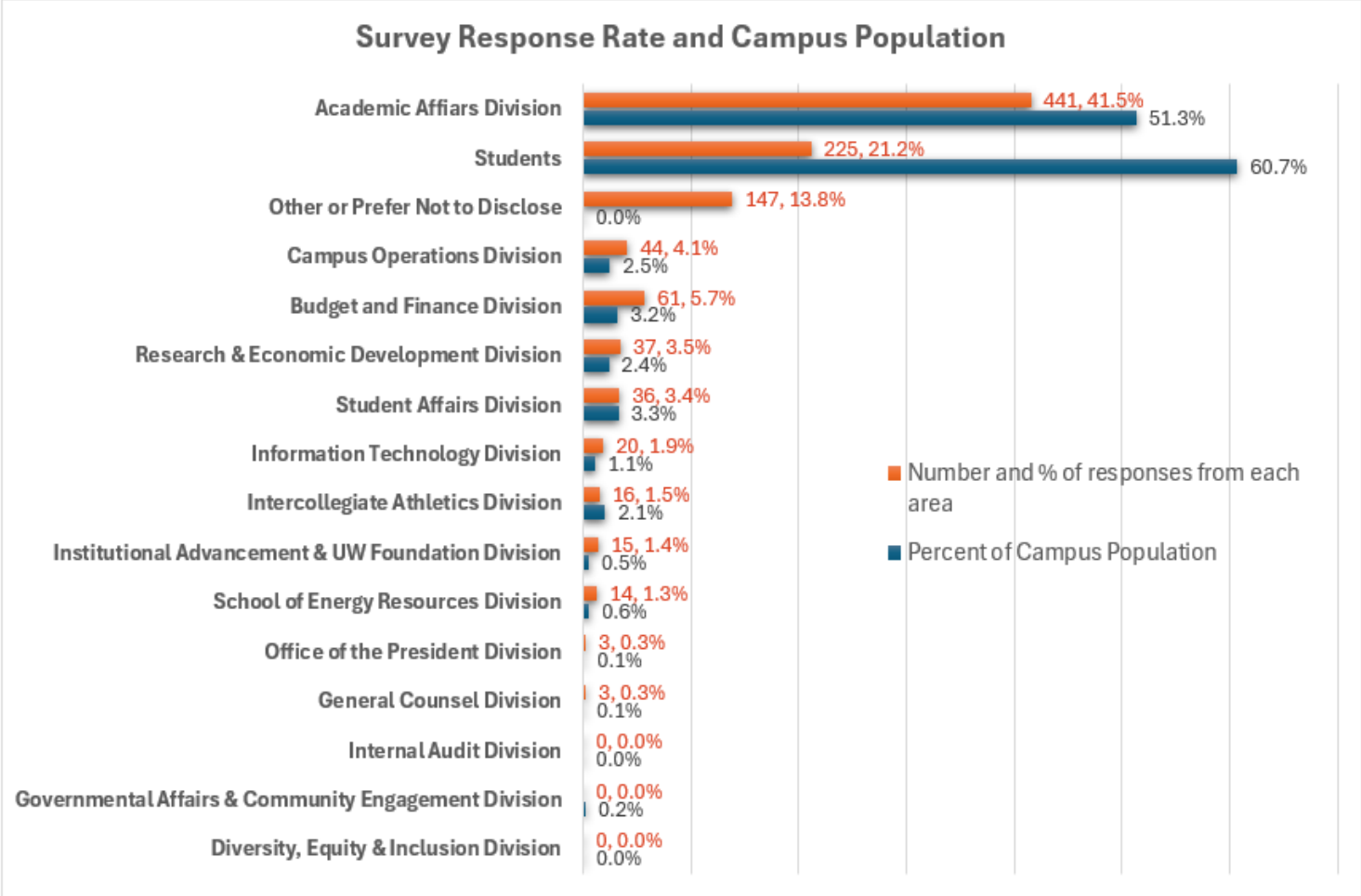
The following report contains the results from the 2024 Risk Assessment. The Risk Assessment survey serves as a mechanism to identify and measure risks to the University’s strategic objectives. It also provides a measurement of culture and factors related to ethical conduct.

Survey results are widely distributed to key stakeholder groups: the Board of Directors, Presidential Cabinet, the Enterprise Risk Management Advisory Committee, Staff and Faculty Senate, and others. **The sharing of these results is a pathway to ensure that leaders and compliance partners understand the findings and are equipped to implement controls for addressing risks to strategy, culture, and operations.**

Each year, the assessment process attempts to be more inclusive, reaching additional stakeholders as identified during the previous calendar year.

- 2021 – 295 responses
- 2022 – 462 responses
- 2023 – 639 responses
- 2024 – 1,062 responses

Responses are from individuals representing various stakeholder groups including students and major budget units. This table below provides a more comprehensive view of basic classification groupings for the respondent population.



The results of the 2024 annual Risk Assessment have the potential to diagnose the current state of strategic efforts and identify risks that may challenge the achievement of objectives related to the mission of the University of Wyoming.

The Enterprise Risk Management Advisory Committee (ERMAC) will review this report to evaluate areas of vulnerability. In the past, the committee has used this report to update, formulate and prioritize Enterprise Risk Management (ERM) focus projects and/or recommendations for the coming year.

Internal Audit will also use information in this report to create a risk-based audit plan and make necessary adjustments to the internal audit program.

**According to the survey, the top four risks as identified by faculty, staff, and students facing the University of Wyoming are summarized below.**

<b>2024 Risk Assessment</b>	
<b>Admin, Staff &amp; Faculty Top Concerns</b>	<b>Student Top Concerns</b>
Recruitment, Hiring and Retention	Mental Health Resources
Enrollment	Facilities Maintenance
Operational Pressures and/or Inefficiencies	Safety and Security of Buildings
Facilities Maintenance	Campus Culture

**Just as in 2023, all groups believe that the strategic object most at risk of being advanced is to “Provide a Supportive Community – foster a culture of community that values and cares for students, faculty, and staff.”**



The survey also captured specific risks related to each of the strategic objectives. This information should be used as each unit forms their strategic implementation plans. The risks and challenges should be considered and interpreted through the lenses of expertise that each department possesses. Following this ERM model will greatly enhance the advancement of these objectives.

An assessment of culture and conduct has been completed annually since 2022. This evaluation is important as an assessment of culture can provide information regarding the achievement of goals and may impact the risks related to fraud, theft, compliance, and safety issues. The results were favorable as most agreed that positive cultural elements were present. However, the responses also indicate that this is an area where further attention is needed to make improvements.

In cooperation with General Counsel and the Chief Risk Officer, a Risk Assessment will continue to be completed annually to assess emerging risks. The information will allow both offices to monitor the risk

environment and contribute toward the management of risks that could present challenges to the University of Wyoming achieving great outcomes.

## **SURVEY RESULTS:**

The following tables represent the compiled results from Trustee, Administration, Leadership, Business Unit and Student survey responses.



### **Asset and Access Security and Safety:**

“Do you have any building or asset security concerns?”

In fulfillment of its mission and compliance responsibilities, the University must maintain procedures that safeguard University assets. This includes human capital as well as property and equipment.

#### **2022**

**37%** submitted responses indicating a concern regarding building access or asset security concerns.

#### **2023**

**17%** submitted responses indicating a concern regarding building access or asset security concerns.

#### **2024**

**12%** submitted responses indicating a concern regarding building access or asset security concerns.

The details of these concerns have been reported the Cabinet, the associated Vice Presidents, the Chief Risk Officer and to the ERMAC so that the need for action can be assessed. Internal Audit will also use this information in the creation of the Internal Audit plan and program.



### **Operational Concerns:**

“Please describe a business process, procedure or area that should be reviewed?”

Implementation of the Institute of Internal Audit Performance Standard 2130 requires that the internal audit activity must evaluate the adequacy and effectiveness of controls in responding to risks within the organization’s governance, operations, and information systems regarding the achievement of the organization’s strategic objectives.

The concerns tabled below indicate areas in which operational processes are not meeting expectations.

#### **2022**

**21%** submitted responses indicating operational concerns.



## 2023

16% submitted responses indicating operational concerns

## 2024

12% submitted responses indicating operational concerns

The details of these concerns will be reported to the ERMAC so that the need for action can be assessed. Internal Audit will also use this information in the creation of the Internal Audit plan and program.



### Change in Leadership:

“Please describe the change in leadership your area has experienced?”

Effective operational risk management requires consideration of the impact of turnover on business outcomes and can impact the achievement of strategies and objectives. Turnover in leadership roles can impact internal controls, culture, and governance.

## 2022

19% submitted responses indicating a change in leadership.

## 2023

28% submitted responses indicating a change in leadership.

## 2024

30% submitted responses indicating a change in leadership.

The changes of leadership were identified in the following positions and will be considered in the creation of the Internal Audit plan.

- Managers
- Directors
- Department Heads
- Deans
- Associate Vice President
- Vice President

## Top risks facing our university:

“What risks could threaten the achievement of objectives?”

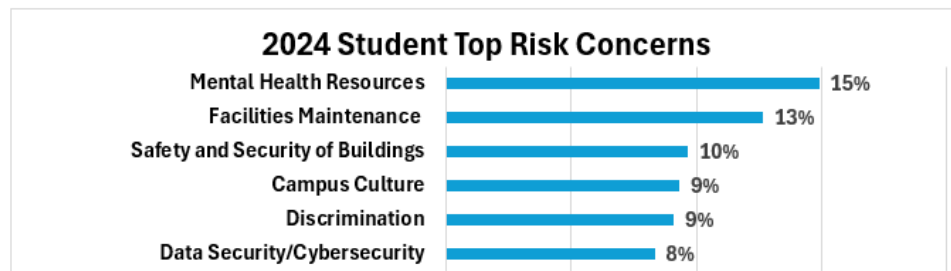
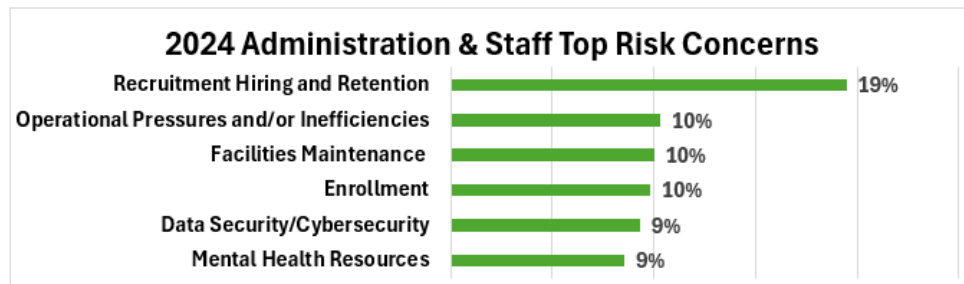
The following chart indicates the top risks facing all colleges and universities today and represents a compilation of top risk as reported by United Educators (UE) and risks identified in past assessments.

2024 Top Risks
Mental Health Resources
Facilities Maintenance
Safety and Security of Buildings
Campus Culture
Discrimination
Data Security/Cybersecurity
Freedom of Expression
Recruitment Hiring and Retention
Enrollment
University Reputation
Operational Pressures and/or Inefficiencies
Advanced Technological Curriculum
Regulatory and Legal Compliance

These risks present challenges to the achievement of our strategic objectives and are highly likely to have a detrimental impact in the next 0-4 years if left untreated.

The respondents were asked to choose the top four risks that deserve the greatest degree of attention and treatment. The top risks prioritized by Faculty, Administration & Staff, and Students are presented below.

The **recruitment and retention of staff, faculty, and students** remain as top issues that challenge the achievement of strategic objectives. However, students were most concerned about the availability of mental health resources, and the condition of facilities.



## Strategic Risks:

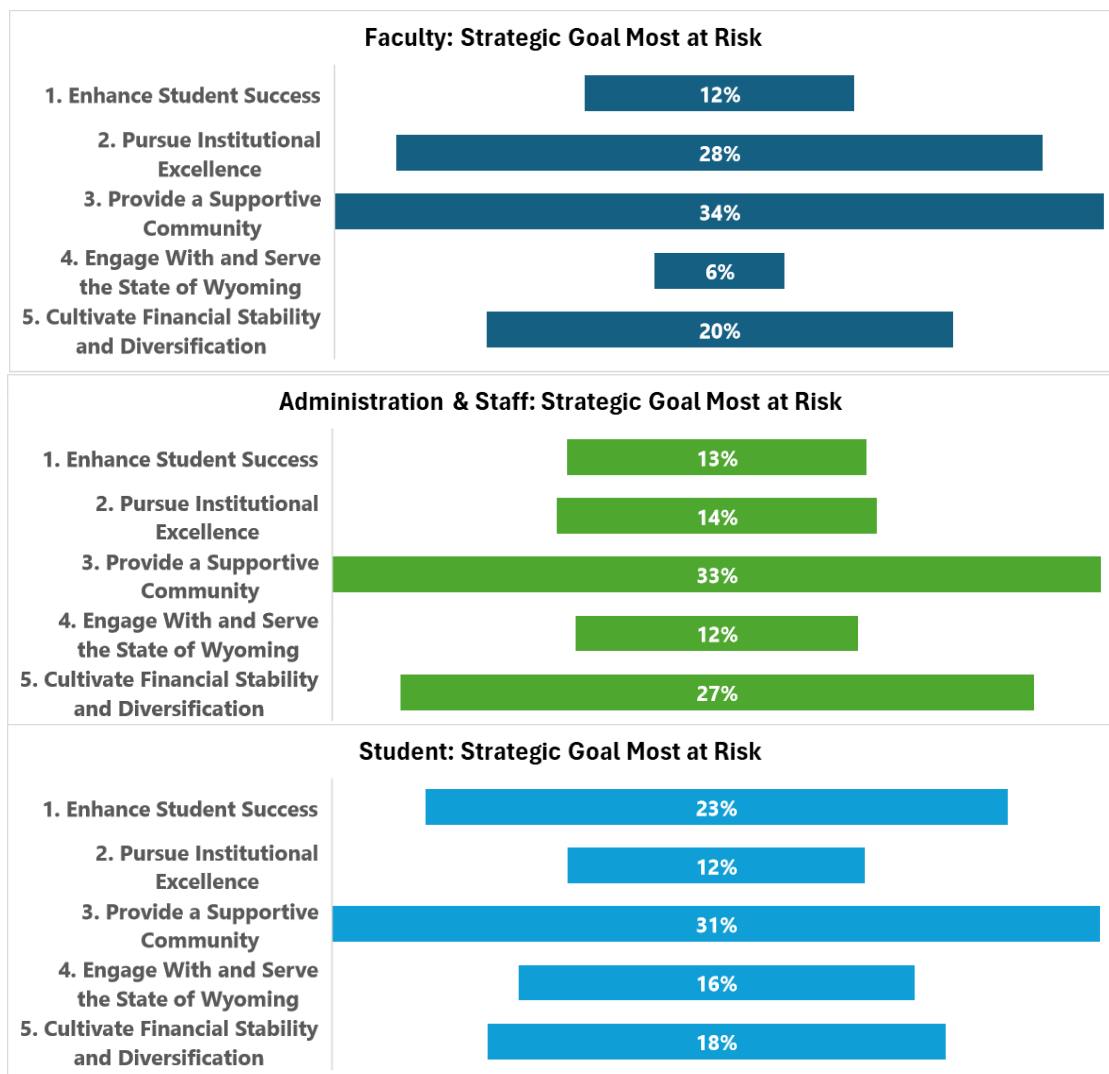
“Which strategic objective do you feel is most at risk of not being advanced?”

In the Strategic Planning process, the University must take account risks in its implementation and planning phases. This consideration increases the likelihood that these strategic objectives will be achieved with limited, unanticipated disruptions.

The University has committed to five major objectives as a part of the 2023+ Strategic Plan. The information in the following section can be used to:

- Inform the implementation and reporting phases of the strategic plan at all levels of planning
- Inform the budgeting process so that funds can be funneled strategically to mitigate risks, and take advantage of opportunities
- Inform our understanding of culture and perceptions that will impact success
- Inform and direct the Internal Audit Plan

In 2023, the strategic objective that was most at risk was “Providing a Supportive Community” by approximately 8 percentage points. The overall risk associated with each strategic objective was prioritized by Faculty, Administration & Staff, and Students.

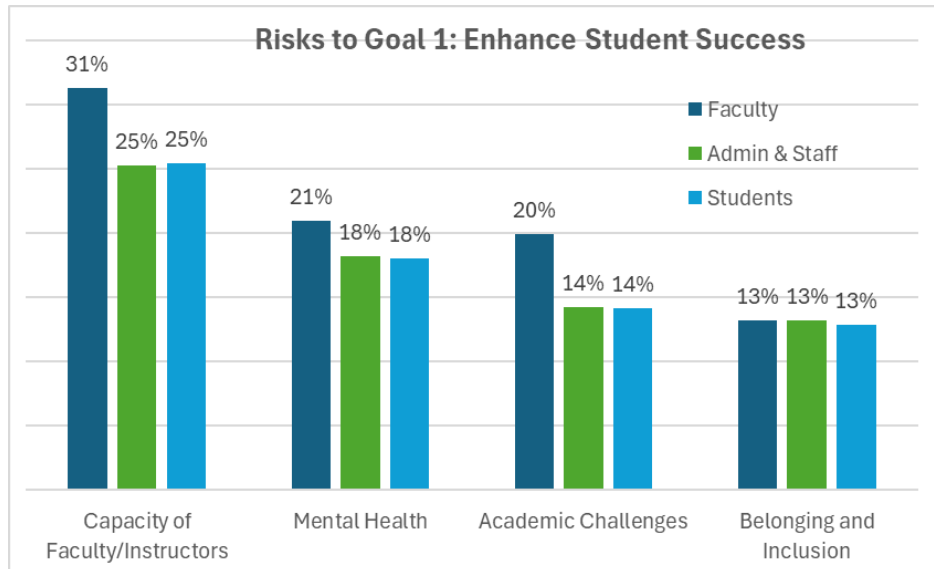


## Strategic Objectives:

“Select the risks you believe are certain to have a significant impact on our advancement of each objective?”

The next part of the survey explored situational risks to each of the strategic goals. As departments continue to devise and revise unique strategic and implementation plans, the following information can be used to fine-tune those plans to ensure that risks are addressed. Hurdles can be acknowledged, averted, and opportunities maximized.

**Enhance Student Success** - Integrate best practices in teaching and learning to produce skills required for life, work, citizenship, and adaptation to the needs of a changing world.



In interviews with stakeholders, the following summarized concerns add context to the survey results and should inform further development of implementation plans by addressing perceptions, beliefs, and situations.

A belief that we are already doing all that needs to be done or an attitude that growing enrollment is not a shared responsibility. These attitudes stand against strategic thinking.

A belief that we do not have strong faculty which is due to a lack of funding to hire and retain individuals.

A belief that academic affairs and student affairs are not in alignment regarding academic programs that will enhance student success.

A belief that decreased enrollment and the lack of physical presence of students on campus will negatively impact the student experience.

A belief that the methodologies used to enhance student success are not in alignment with the political environment in Wyoming.

A belief that we do not have the mechanisms to identify and help students that are not finding/feeling success. (Advising, Mental Health resources, etc.)

A belief that there is not an institutional-wide commitment to growing enrollment and a perception that the legislature and the board do not want to increase enrollment.

The perception that the University will not deliver on promises, and a lack of transparency will create a reputation that will not attract students and thus impact enrollment.

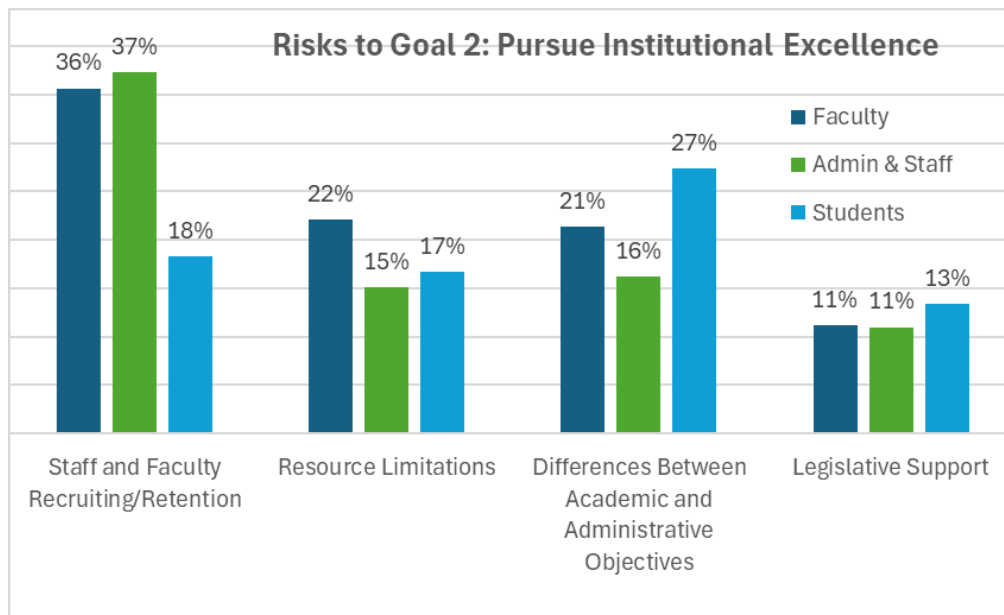
Aging facilities and lack of modern updates impact the student experience.

Community colleges and trade schools are meeting the desire of students to achieve high results in a short amount of time. They are attracted to the “learn and earn” model of education and the traditional higher education model cannot deliver those quick results.

Fewer number of students are graduating from HS, thus reducing the college-going rate. In addition, there is a need for increased partnership with K-12 entities to ensure that students are ready for success in higher education.

A belief that we are not telling our story and in such a way that resonates with the culture of the students we are trying to attract.

**Pursue Institutional Excellence** - Nurture a culture of diverse ideas and knowledge creation that promotes teaching, learning, community engagement, economic development, and world-class research.



In interviews with stakeholders, the following summarized concerns adds context to the survey results and should inform further development of implementation plans by addressing perceptions, beliefs, and situations.

There is a belief that an “us versus them” attitude exists between units within the University, the Legislature, and UW administration and this will hinder advancement. There is no common definition of excellence and differences of definition can be divisive.

It is financially, logistically, and strategically difficult to pursue new ambitions and shore up historical foundations.

Salary constraints prohibit attracting those that can bring excellence to the campus; however this further exacerbates the perception of salary inequities. This impacts the University’s ability to attract and/or retain quality faculty and researchers. In addition, this contributes to the perception that the pursuit of excellence devalues the impact and value of current staff.

The perception that there has been a lack of candor, transparency, and truthfulness and this will impact the reputation of the University and damage relationships with those that can enhance the excellence of the institution.

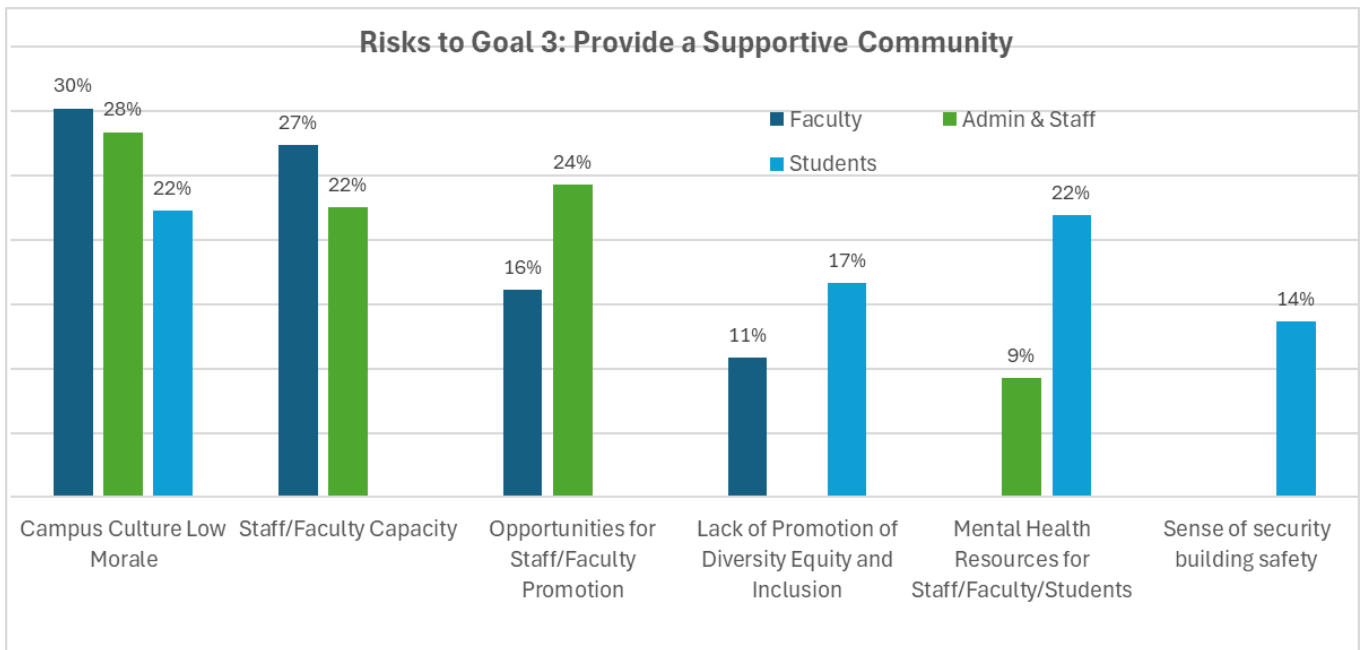
The belief that we do not effectively enhance our relationship with our external partners by communicating our efforts related to outreach, impact, and service to the state so that it is purposeful, visible, and appropriately languaged.

The perception that the pursuit of excellence combined with budget constraints has left foundational elements of the University to degrade; this includes infrastructure as well as service units and associated personnel.

The belief that the political environment will hinder freedom of speech, DEI objectives, and academic freedom which are all pinnacle to pursuing institutional excellence.

The perception that there are too many academic programs which demands heavier teaching loads from limited faculty. This hinders the ability for faculty to pursue research endeavors and thus contributing to research excellence.

**Provide a Supportive Community** - Foster a culture of community that values and cares for students, faculty, and staff.



In interviews with stakeholders, the following summarized concerns add context to the survey results and should inform further development of implementation plans by addressing perceptions, beliefs, and situations.

The belief that it is “us versus them” and this does not lend itself to the sense of community and consistent care across all areas of the University.

The perception that the University will not deliver on promises, and a lack of transparency will create a reputation that individuals will not be supported.

The belief that there are not adequate policies and procedures in place to ensure freedom of speech in a collaborative and non-combative environment which is pinnacle to individuals feeling valued.

The perception that there is instability, and it will take changes to foster a culture of community and the University is not prepared for this and will resist change.

A belief that the lack of transparency is pandemic and prohibits the understanding of trust and sense of community.

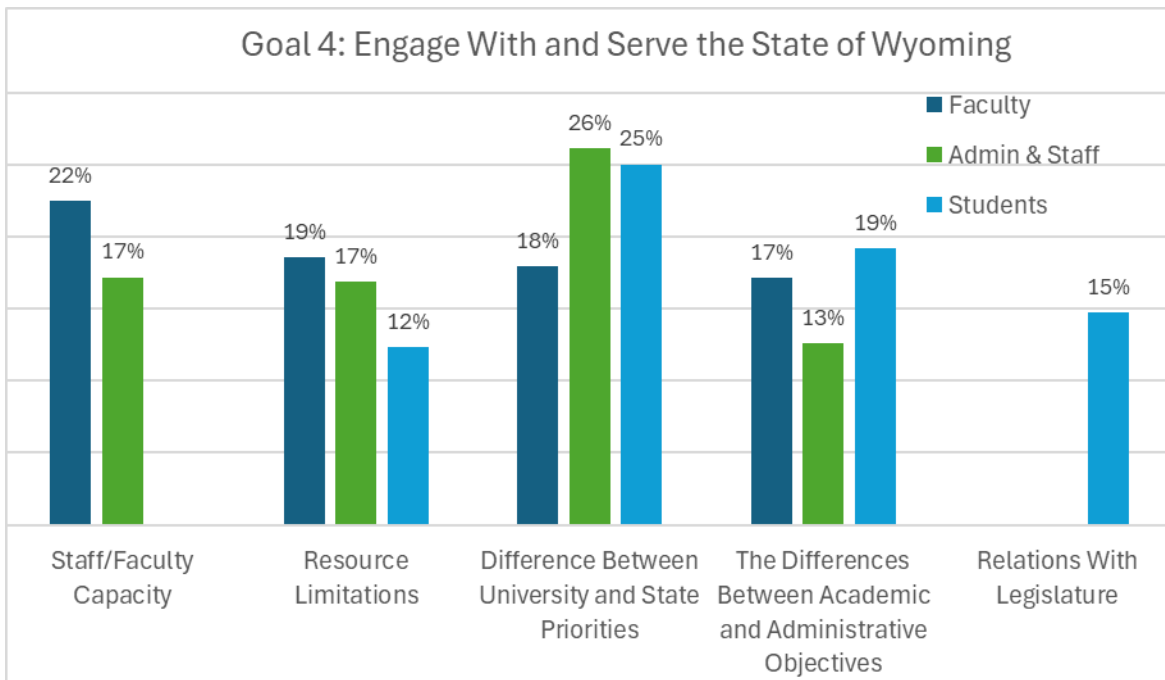
The belief that staff and faculty turnover creates a loss of community and the loss of institutional knowledge contributes to a lack of stability. In addition, limited funding, and the distribution of these resources to special “pet” projects creates the perception of priorities and a misalignment of supporting foundational elements of fostering community.

A belief that we do not have the mechanisms to identify and help students that are not finding/feeling success. (Advising, Mental Health resources, etc.)

The perception that faculty and staff do not have adequate opportunities for on-boarding, ongoing training, and promotion/tenure.

The perception that individuals will not be protected from retaliation if concerns are submitted appropriately.

**Engage With and Serve the State of Wyoming** - Sustain and enhance our extensive service to and engagement with the State to improve the mental, physical, and economic health of Wyoming and its residents.



In interviews with stakeholders, the following summarized concerns add context to the survey results and should inform further development of implementation plans by addressing perceptions, beliefs, and situations.

The belief that it is “us versus them” and this does not lend itself to the ability to identify efforts toward service to the state and the state not understanding the direction of the University to meet the needs of students.

The perception that the University will not deliver on promises made to the state, and a lack of transparency will perpetuate that reputation. In addition, the promises are made without supporting budget.

The belief that we do not effectively enhance our relationship with the state/legislature by communicating our efforts of service to the state so that it is purposeful, visible, and appropriately languaged.

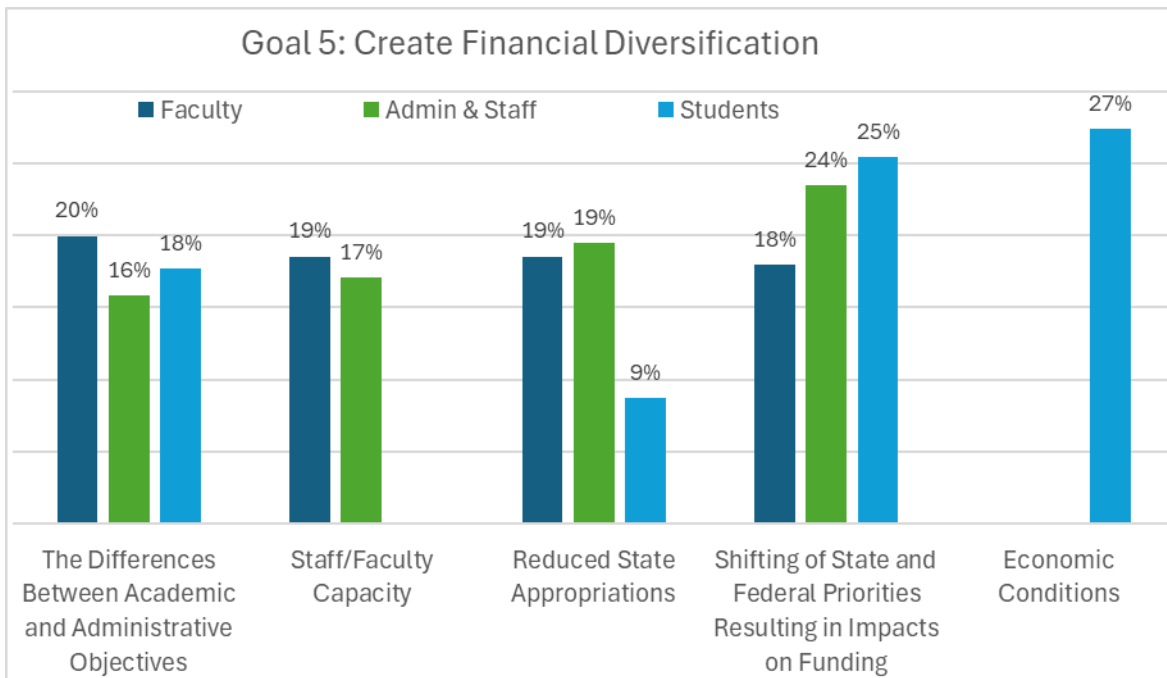
The belief that the University is not listening to the legislature nor the citizens of the state to ensure that the University meets expectations. In addition, it is believed that students of the state desire quick results and/or majors that emphasize and support Wyoming businesses.

The belief that staff/faculty shortages and turnover create sub critical mass to deliver on expectations and maintain core programs, extension, and programs in education, engineering and agriculture.

The perception that the University is competing with community colleges and there no longer exists a partnership.

The belief that initiatives related to economic development are not being advanced, and variety of initiatives create confusion regarding resources that are offered to the state. Due to the dismantling and inception of programs, the offering or programs to the state has not been consistent.

**Cultivate Financial Stability/Diversification** - Ensure the long-term vitality of UW through diversification and growth of revenue streams and effective application of resources, infrastructure, and processes.



In interviews with stakeholders, the following summarized concerns add context to the survey results and should inform further development of implementation plans by addressing perceptions, beliefs, and situations.



The belief that we are doing all we can to encourage enrollment manifests as a resistance to creative thinking.

The belief that the University is not thinking like a business. For example, it is not charging market price for online programs, has too many degrees and due to a resistance to change (shared business model) is unwilling to cut programs.

The belief that current spending habits, including the lack of budgeting for major maintenance, and compliance with procurement policies is creating financial difficulties.

The perception that the current budget model does not incentivize excellence by encouraging colleges to pursue financial and enrollment growth and limited resources are being used to starve the foundational elements of the organization to feed temporary agendas.

The perception that entrepreneurial advancements are not a priority and thus the associated benefit to the University is limited.

The perception that there are too many academic programs which demands heavier teaching loads from limited faculty. This hinders the ability for faculty to pursue research endeavors which brings in additional funding.

A belief that increasing tuition will not be tolerated by students, the legislature, and other stakeholders.

The concern that to cultivate financial stability the University will have to make agreements that cannot be fulfilled.

The concern that the Research and Economic Development Office is underfunded so that opportunities (to include entrepreneurial advancements and private partnerships) cannot be pursued on a timely basis thus minimizing the financial potential and limited diversification.

The belief that the access to state funding will be dependent upon the economic health of the state and the relationship with the Legislature, caused by reputational issues, could result in limited funding.

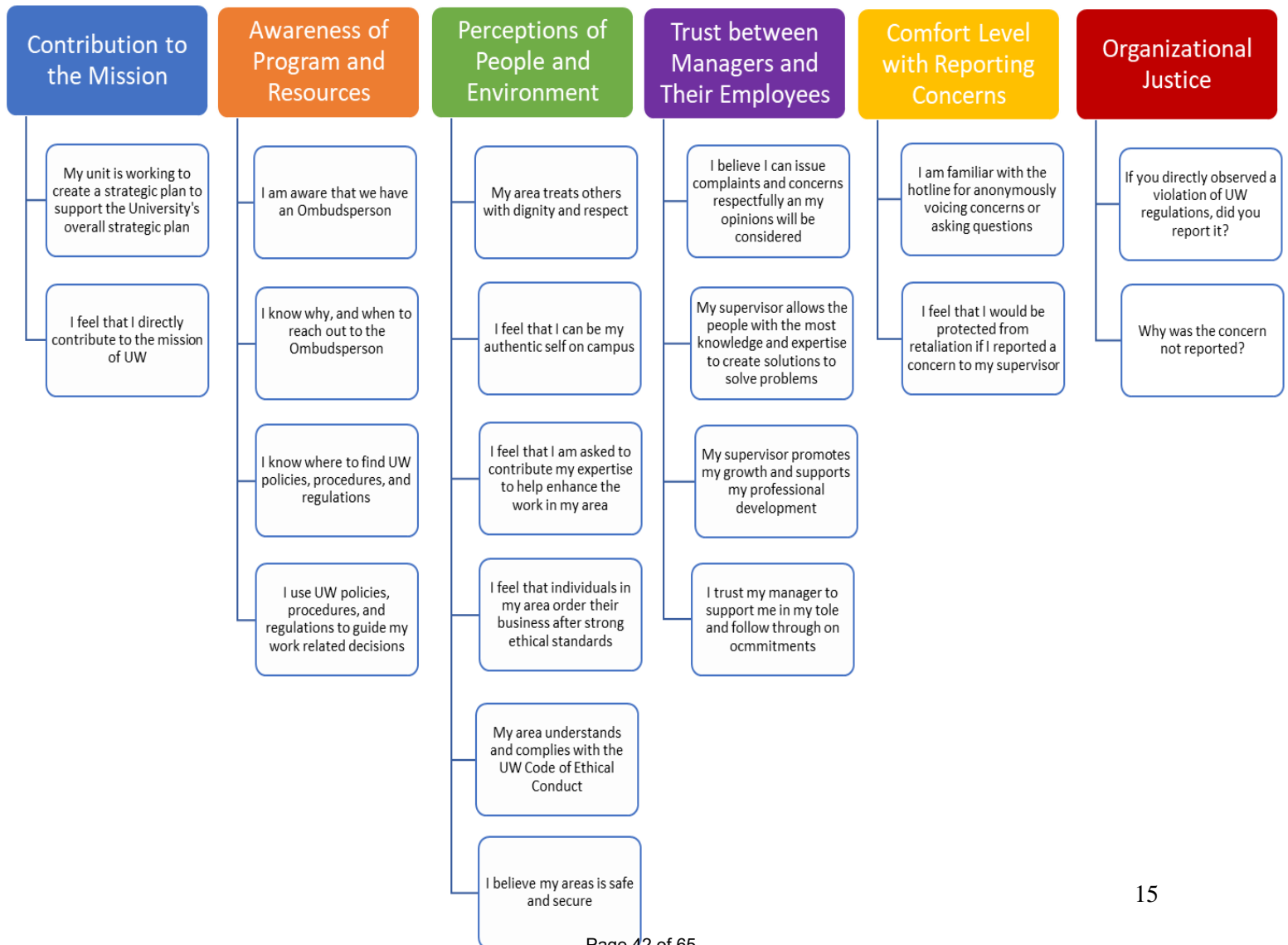
## Culture and Ethics – Faculty, Administration, Staff

“Please provide answers related to the culture and ethical climate in your area.”

An assessment of culture and conduct can provide information regarding the achievement of goals and can impact the degree of issues related to fraud, theft, compliance, and safety issues.

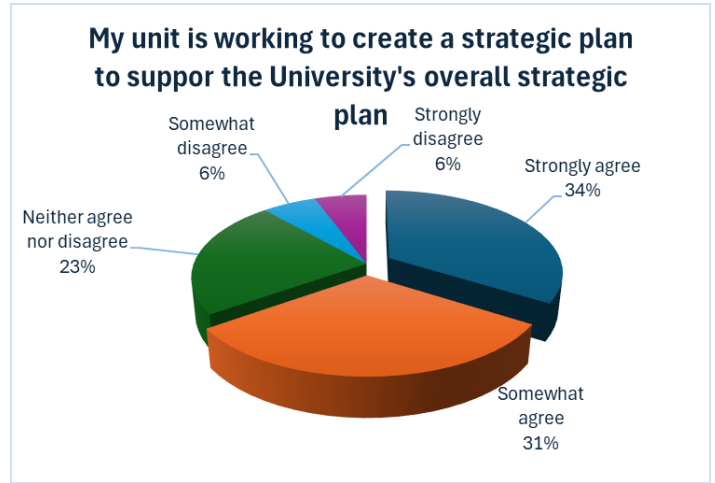
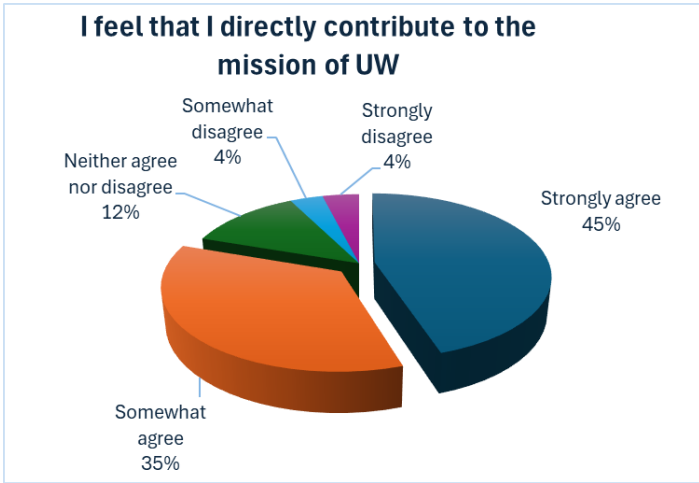
Peter Drucker (an Austrian American management consultant) famously said, “culture eats strategy for breakfast,” and that is why so many organizations spend millions on strategy and get poor results because an unhealthy culture acts as brakes and/or misalignment element that make the organization move slowly or veer off course. An assessment of culture can help identify areas of attention so that this element can be addressed.

According to the Fraud Triangle developed by Donald R. Cressey, the three key elements surrounding fraud are opportunity, pressure, and rationalization. Of the three elements, opportunity is hardest to spot – and it is typically managed via operational controls like user access restrictions and approval thresholds. An assessment of culture helps the administration to **evaluate the potential magnitude of rationalization**. The following elements of the ethical culture were assessed:

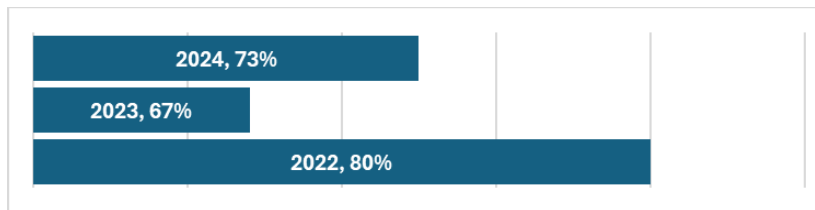


## Contribution to the mission of the university

A strong culture is one in which each unit understands its unique contribution to the mission and strategic plan of the University. For the 2024 assessment, the following questions evaluated this element.

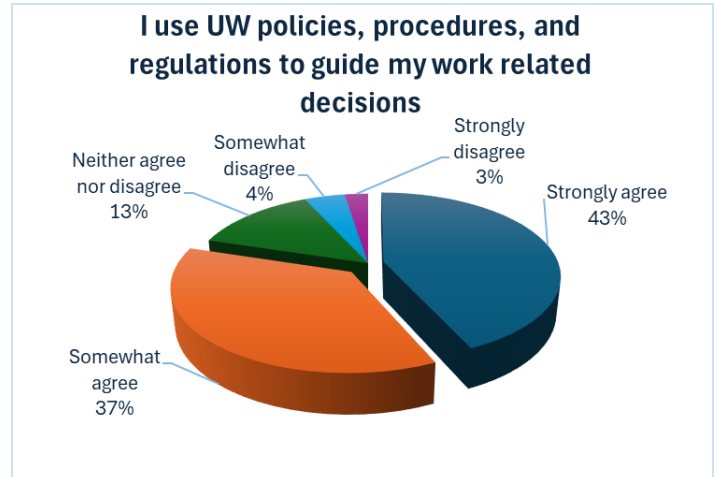
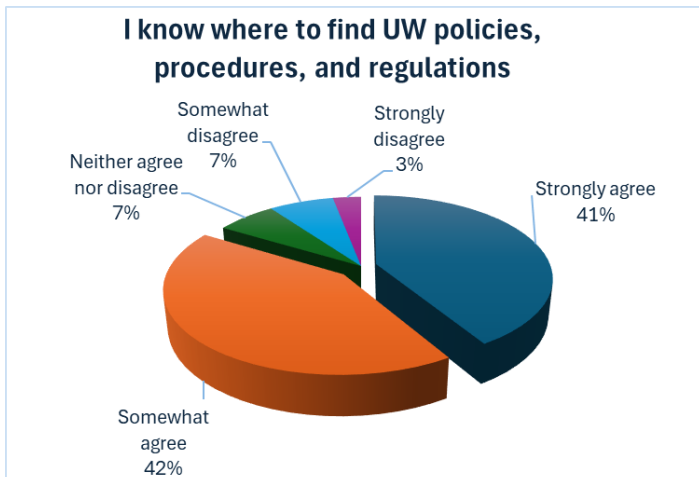


The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2022 through 2024. Slight improvements in perception were noted.

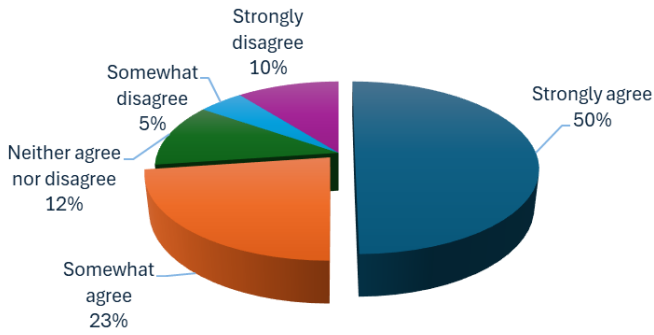


## Awareness of Programs and Resources

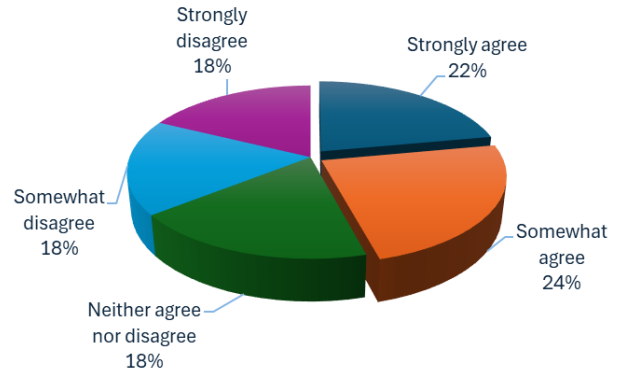
General Counsel serves as a resource to the university community, providing guidance and tools such as the UW Code of Ethical Conduct, and Policy Library. The following questions measure the familiarity with these resources and the degree to which these resources are used daily to guide decisions. For the 2024 assessment, the following questions evaluated this element.



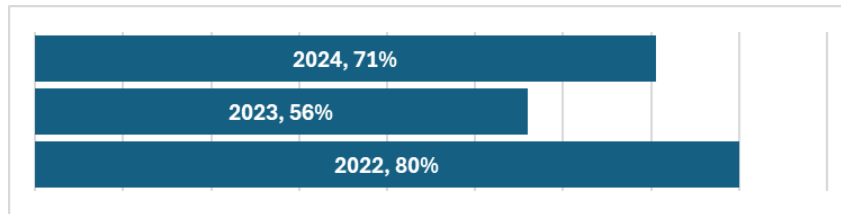
**I am aware that the University has an Ombudsperson**



**I know why, when, and how to reach out to the Ombudsperson**



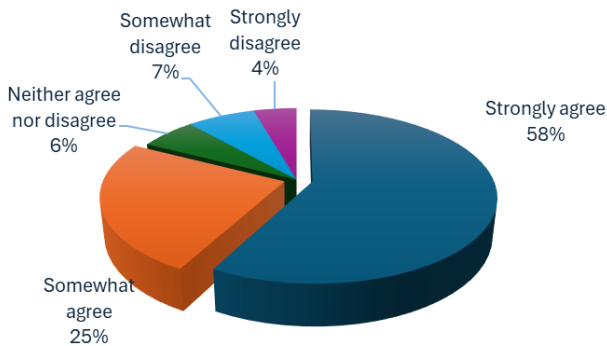
The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2022 through 2024. Slight improvements in perception were noted.



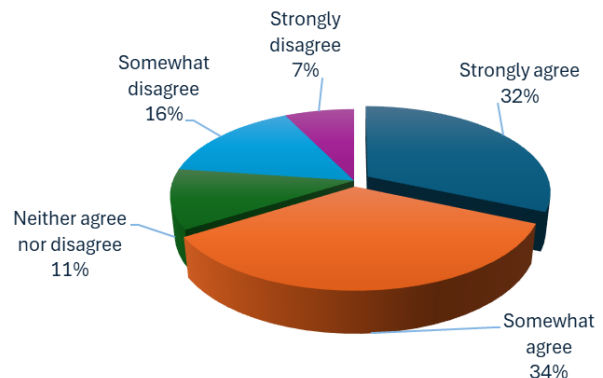
**Perceptions of People and Environment**

The following questions were included in the survey to measure conditions in the work environment including safety, security, and ethical perceptions of peers and those in leadership roles. For the 2024 assessment, the following questions evaluated this element.

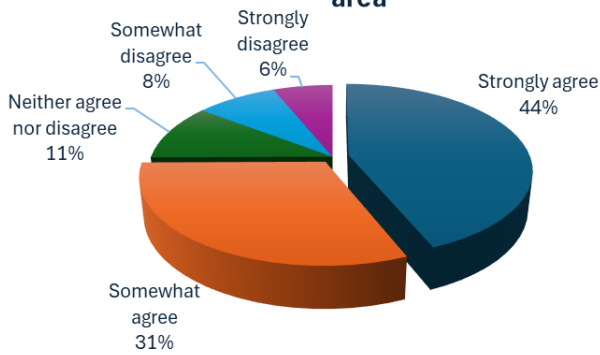
**My area treats others with dignity and respect**



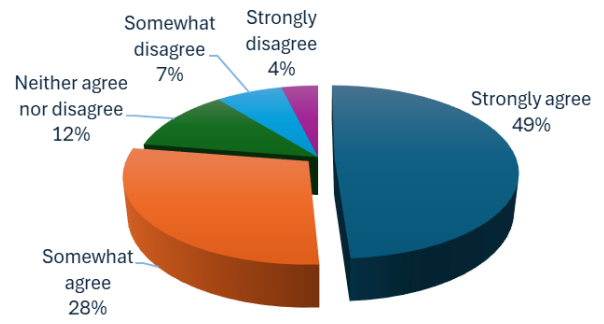
**I feel that I can be my authentic self on-campus**



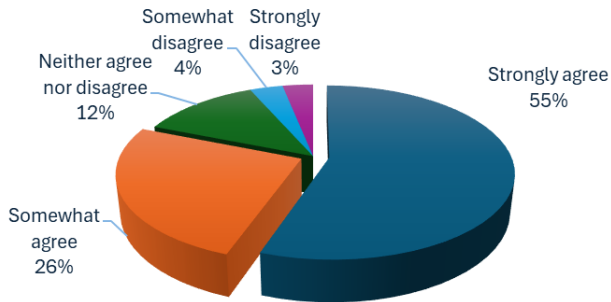
**I feel that I am asked to contribute my expertise to help enhance with work in my area**



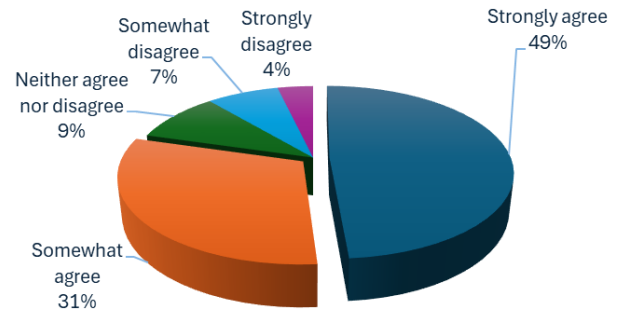
**I feel that individuals in my area conduct business with strong ethical standards**



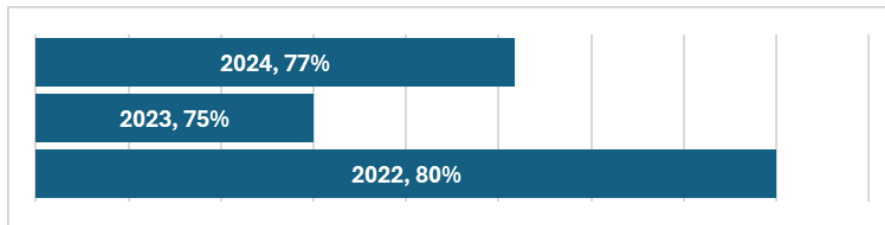
**My area understands and complies with the UW Code of Ethical Conduct**



**I believe my work environment is safe and secure**

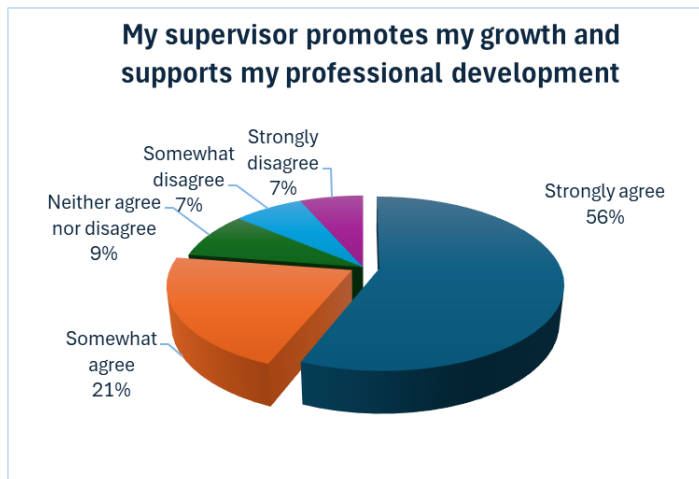
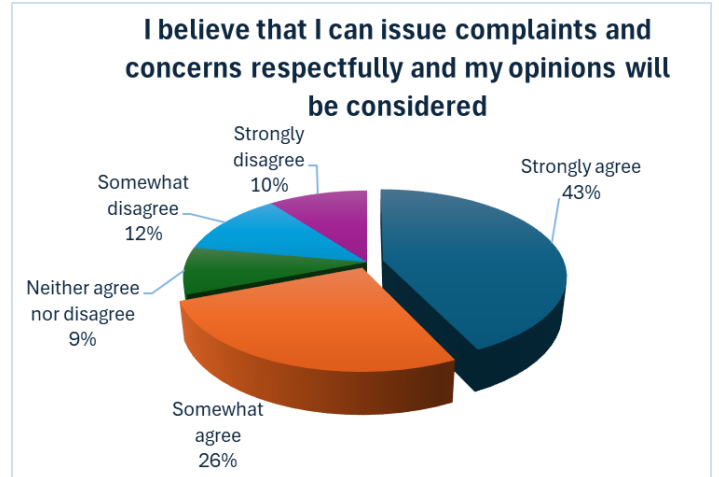
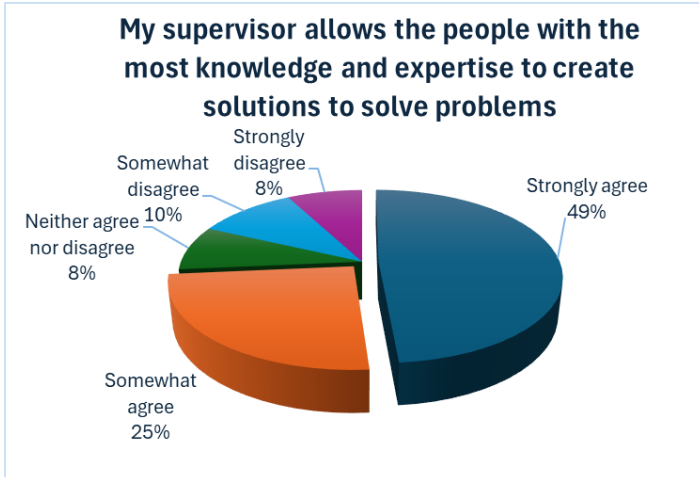


The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2022 through 2024. Slight changes in perception were noted.

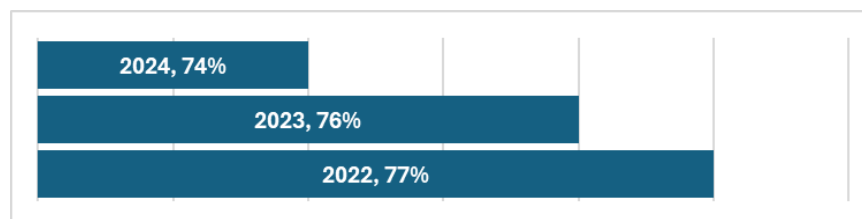


## Trust Between Managers and Their Employees

These questions measure the level of trust employees feel with their direct manager, which impacts comfort in speaking up to establish clarity or to report concerns, demonstrating ethical conduct and accountability, and contributing to overall university health. For the 2024 assessment, the following questions evaluated this element.

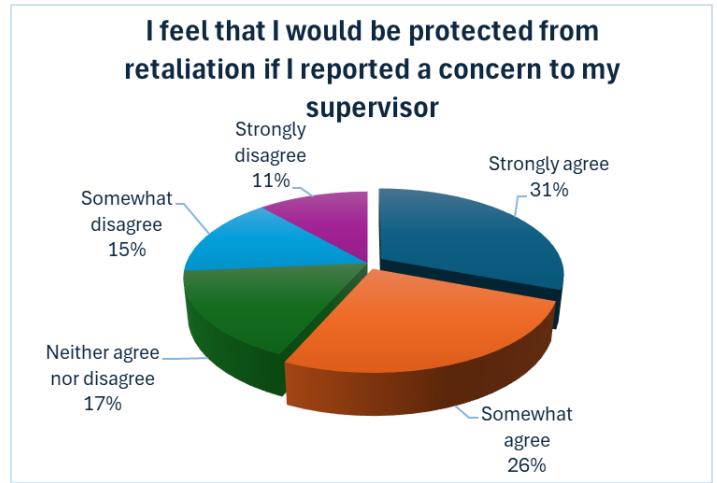
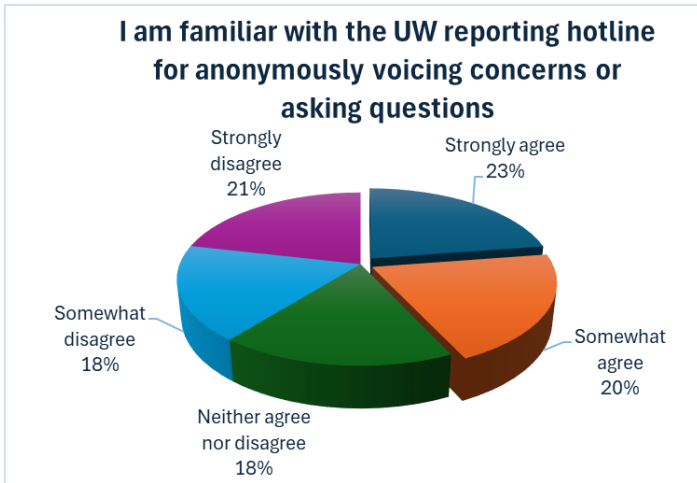


The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2022 through 2024. Slight changes in perception were noted.

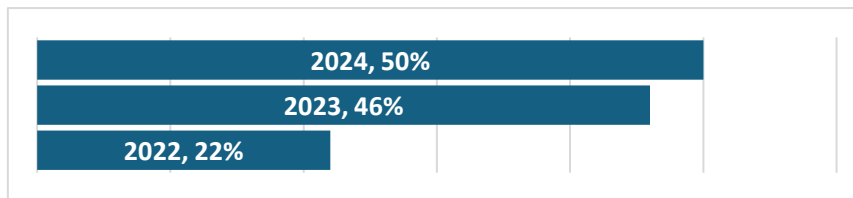


## Comfort Level with Reporting Concerns

Employees were asked about their knowledge of UW’s anonymous reporting line and to rate their comfort level with reporting issues to their manager. They were also asked whether they felt they would be protected from retaliation when reporting through various channels. This data was collected to evaluate whether respondents felt they could raise concerns without fear of retaliation. For the 2023 assessment, the following questions evaluated this element.

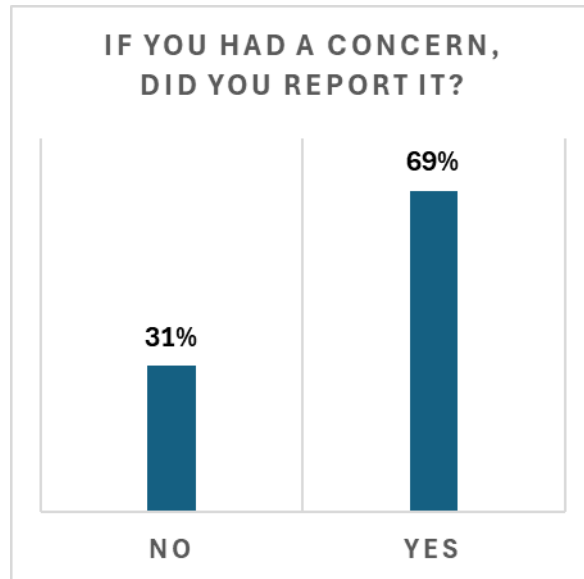


The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2022 through 2024. Slight changes in perception were noted.



## Organizational Justice

Organizational justice refers generally to employee perceptions of fairness in the workplace (more specifically related to outcomes, processes, information, and treatment). This survey section aimed to measure the satisfaction of issue response and resolution and inquired as to feelings and perceptions related to conduct in the workplace after voicing concerns. Measuring and monitoring these components is critical to understanding more about what is, or is not, reported *and why*.



From 2023 to 2024 there was an increase from 40% to 69% of individuals being willing to report concerns. The reasons for not reporting concerns changed slightly from 2023 to 2024.





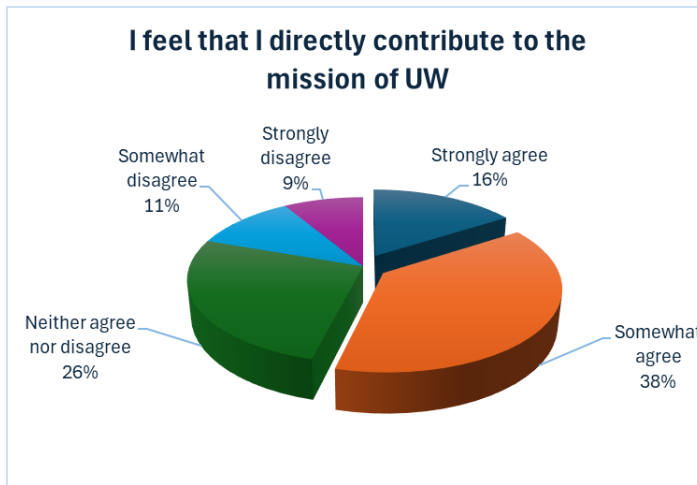
## Culture and Ethics – Students

“Please provide answers related to the culture and ethical climate in your area.”

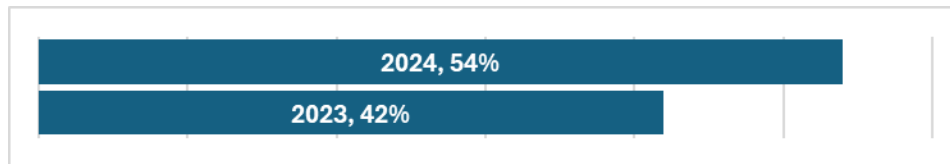
This section of the survey assessed areas of culture and ethics that are specific to the student population.

### Contribution to the mission of the university

A strong culture is one in which students understand the mission and strategic plan of the University and how they can contribute toward its advancement. For the 2024 assessment, the following questions evaluated this element.

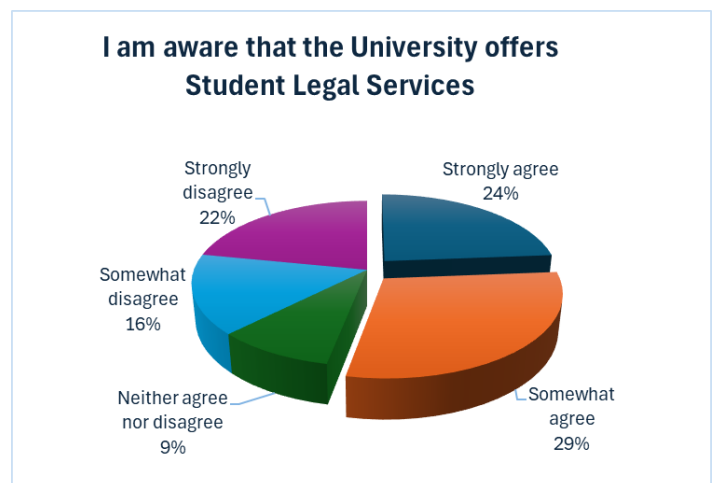
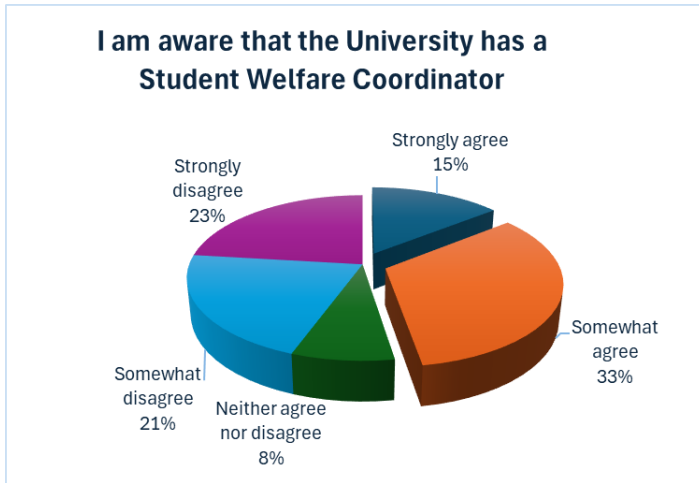
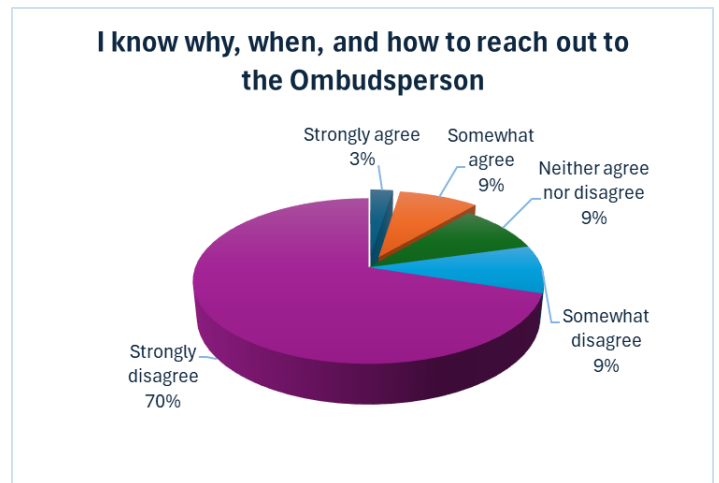
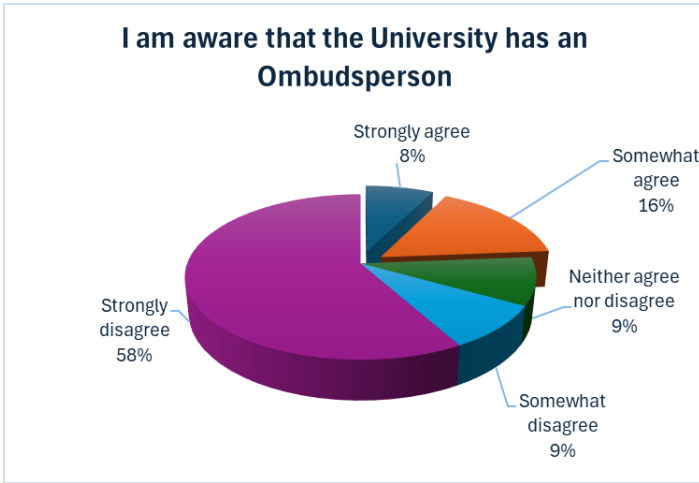


The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2023 and 2024. Slight improvements in perception were noted.

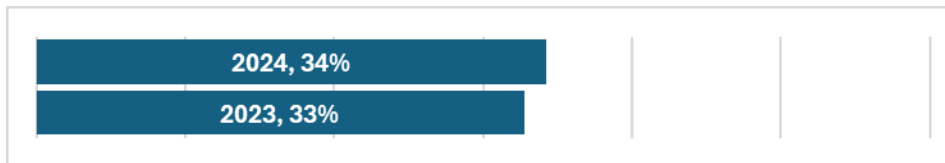


## Awareness of Programs and Resources

Many resources are available to students that provide guidance and tools. The following questions measure the familiarity with these resources and the degree to which these resources are used daily to guide decisions. For the 2024 assessment, the following questions evaluated this element.

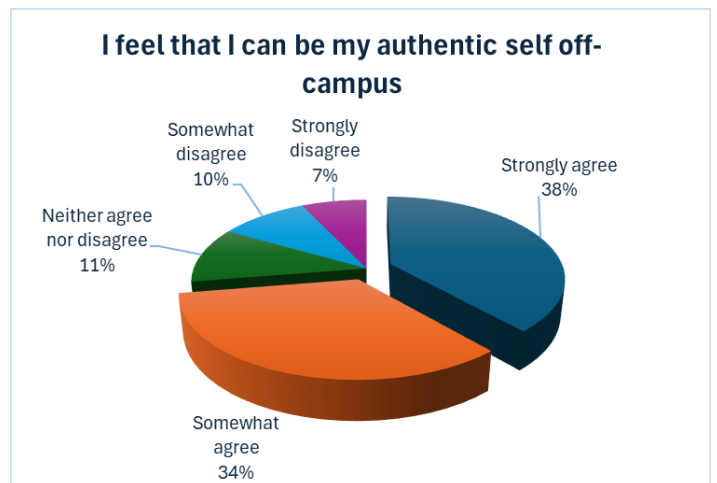
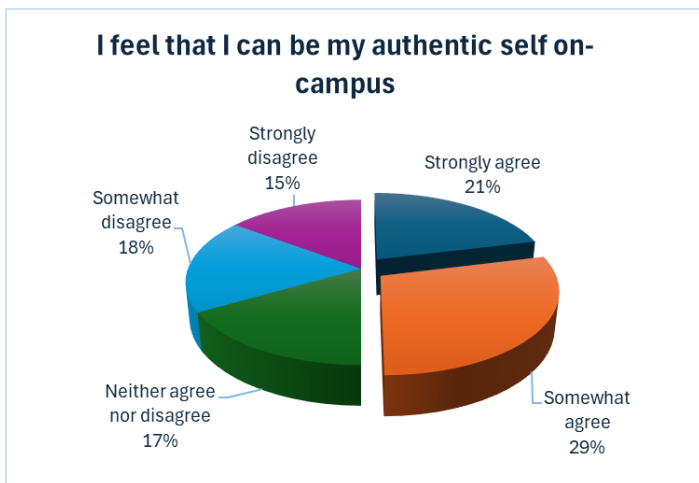
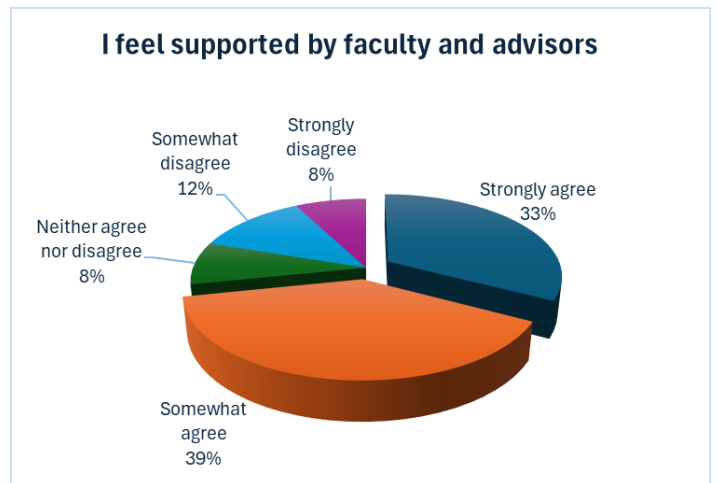
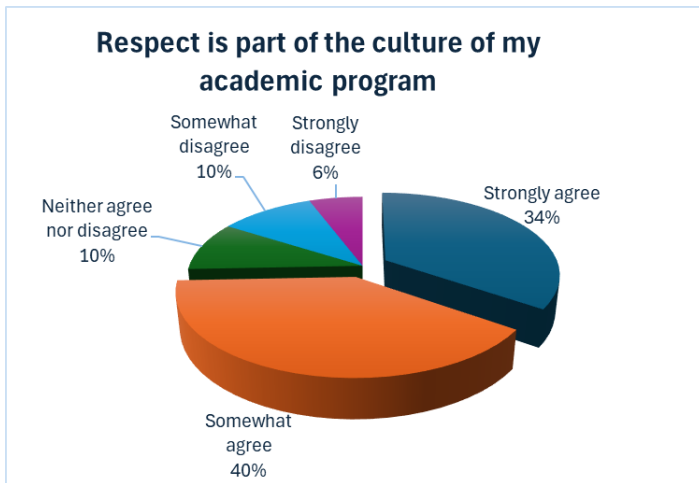


The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2023 and 2024. Slight improvements in perception were noted.

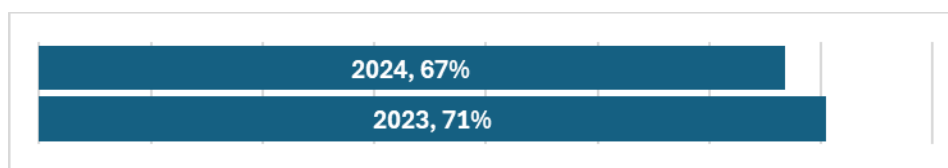


## Perceptions of People and Environment

The following questions were included in the survey to measure conditions in the academic environment including safety, security, and ethical perceptions of peers and those in leadership roles. For the 2024 assessment, the following questions evaluated this element.



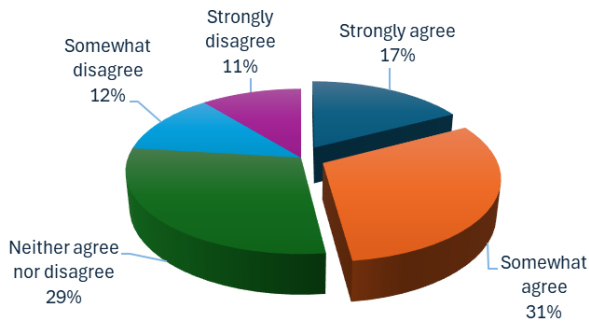
The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2023 and 2024. A slight decline in perception was noted.



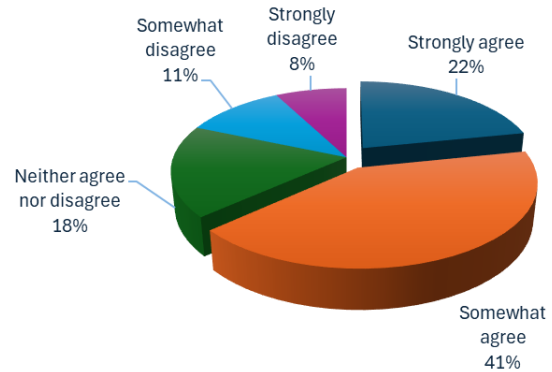
## Trust Students Experience in Their Academic Programs and Living Environments

These questions measure the level of trust and inclusion students feel in their academic program, which impacts comfort in speaking up to establish clarity or to report concerns, demonstrating ethical conduct and accountability, and contributing to overall academic experience. For the 2024 assessment, the following questions evaluated this element.

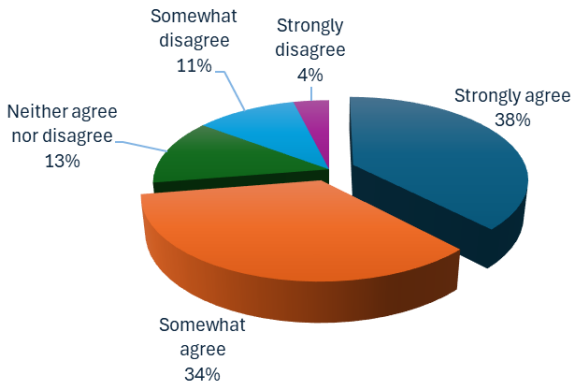
**I feel valued for the differences I bring to my academic program**



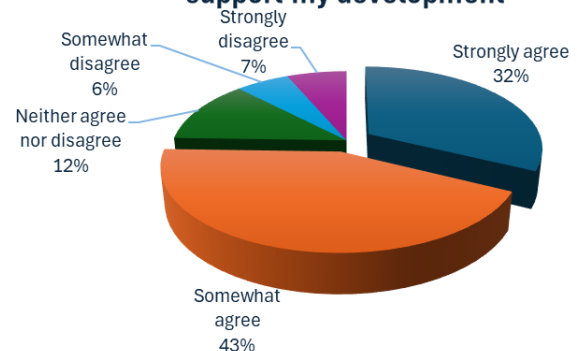
**I believe my academic environment is safe and secure**



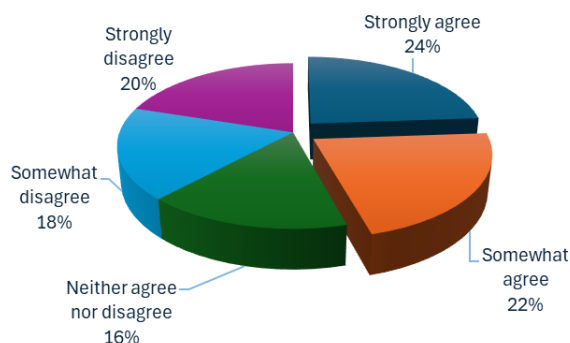
**I believe my living environment is safe and secure**



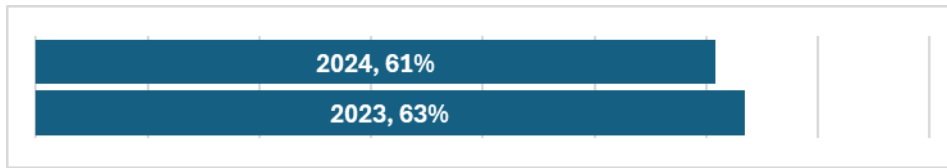
**Faculty in my academic program promote my growth and engage me in ways that support my development**



**I have a mentor within my academic program**



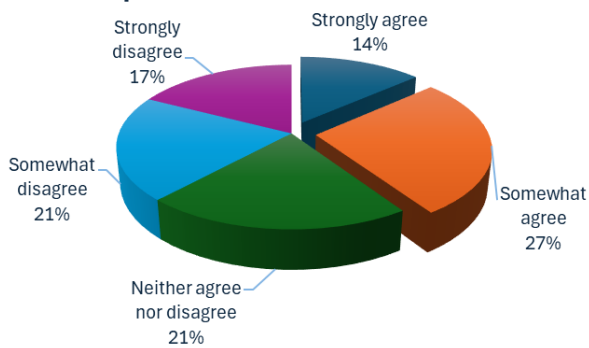
The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2023 and 2024. A slight decline in perception was noted.



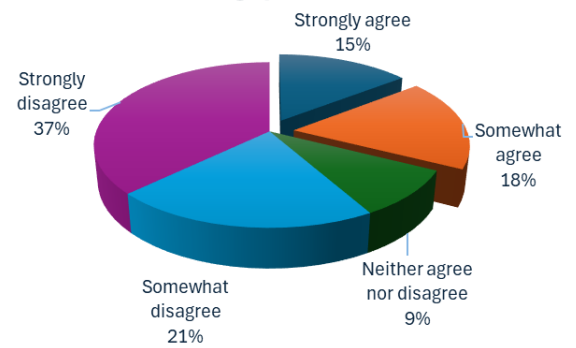
### Comfort Level with Reporting Concerns

Students were asked about their knowledge of UW’s anonymous reporting line and to rate their comfort level with reporting issues and concerns. They were also asked whether they felt they would be protected from retaliation when reporting through various channels. This data was collected to evaluate whether respondents felt they could raise concerns without fear of retaliation. For the 2024 assessment, the following questions evaluated this element.

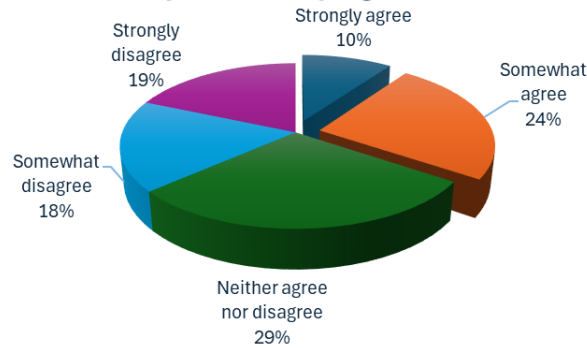
**I believe that I can issue complaints and concerns respectfully and that my opinions will be considered**



**I am familiar with the UW reporting hotline for anonymously voicing concerns or asking questions**



**I feel that I would be protected from retaliation if I reported a concern within my academic program**



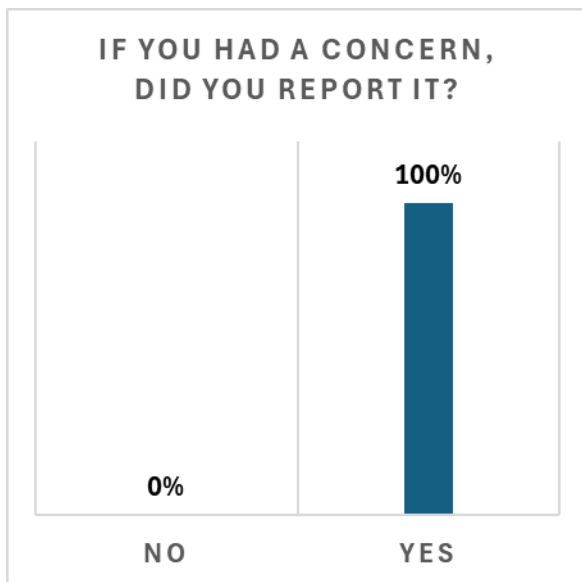
The following table represents an average of “Strongly Agree” and “Somewhat Agree” responses from 2023 and 2024. A slight decline in perception was noted.



### Organizational Justice

Organizational justice refers generally to student perceptions of fairness in the academic setting (more specifically related to outcomes, processes, information, and treatment). This survey section aimed to measure the satisfaction of issue response and resolution and inquired as to feelings and perceptions related to conduct in the academic environment after voicing concerns. Measuring and monitoring these components is critical to understanding more about what is, or is not, reported *and why*.

The students indicated that they had observed instances of concern, but also indicated that the instance was reported.



## APPENDIX

### DEFINITIONS:

**Enterprise Risk Management (ERM)** – describes a broader approach to managing risk. It is the coordinated activities to direct and control an organization with regard to risk.

- It defines risk as the effect of uncertainty on objectives. It, therefore, ties the management of risk to what is most important to the organization. This uncertainty about outcomes can be either positive or negative.
- The responsibility for managing risk is spread across the organization to those who have accountability and authority – risk owners.
- It is an approach to managing all of an organization’s key business risks and opportunities with the intent of maximizing the shareholder value [or stakeholder satisfaction].
- Major Risk Categories: Strategic, Financial, Operational, Compliance, Reputational.

**Strategic risk** – situations related to the University’s ability to achieve its overall goals and objectives including the ability to hire and retain competent personnel, and/or the ability to attract and retain students

**Financial risk** – situations related to budgetary challenges and financial deficits

**Operational risk** – situations related to systems, processes, and procedures to prevent errors, waste, misuse

**Compliance risk** – situations related to compliance with laws, regulations, rules, policies, and procedures; ability to enforce physical and data security protocol

**Reputational risk** – situations related to public perception, political issues, fraud, etc.

**Risk** - the threat that an event, action, or non-action will adversely affect UW’s ability to achieve its objectives and execute its strategies successfully

**Risk assessment** – overall process or method of identifying, analyzing, and evaluating hazards and risk factors that have the potential to cause harm

**Risk register** – a tool in risk management and project management used to list potential risks to an organization and used to recognize potential issues that can derail intended outcomes for the University of Wyoming

**Audit universe** – a list of auditable entities, processes, systems, and activities within the University including an evaluation of risk based on predetermined factors. As such, the audit universe is determined and updated based on assessed risks, information from the risk register, past audits, and emerging risks

**Enterprise Risk Management Advisory Committee (ERMAC):**

- Members from all areas of the university plus additional subject matter experts/advisors
- Meets regularly and has a growing university “best practices” reference library

### PURPOSE:

The annual Risk Assessment is an important piece of the Enterprise Risk Management framework. It provides leadership and other risk owners information regarding threats and opportunities that might affect the achievement of strategic goals. The results also contribute toward keeping the risk register current.

The results of an annual risk assessment can be meaningful for various levels of the University as it has the potential to identify threats and diagnose the current state of strategic goal achievement.

There is a tendency to view risk assessment and risk management as an effort to identify compliance issues that can be solved by drawing up lots of rules and making sure that all employees follow them. Many such rules are sensible and do reduce some risks that could severely damage the University. But rules-based risk management will not diminish either the likelihood or the impact of major threats to the strategic vision.

Not only does this risk assessment provide strategic information regarding risks to our strategic goals, but it also provides Internal Audit with information to update the audit universe and develop the Internal Audit Plan for the coming year.

[Section 2010 – Planning – 2010.A1](#) of the International Standards issued by the International Professional Practices Framework (IPPF) state: The internal audit activity's plan of engagements must be based on a documented risk assessment, undertaken at least annually. The input of senior management and the board must be considered in this process.

This standard:

- Makes the best use of limited resources
- Improves ability to impact the organization
- Generates buy-in from management
- Assists with maintaining value

## ENTERPRISE RISK MANAGEMENT (ERM) Background:

- UW has a strong vision for ERM implementation with the introduction of key aspects of the framework to senior leaders and trustees in Year 0 (2020), a launch of Year 1 actions/activities (2021), and plans to build upon the ERM foundation in years to come.
- A more comprehensive approach to identifying and managing our institutional risks helps us maintain our credibility with stakeholders (elected officials, parents, donors, students, alumni, accreditation bodies, rating agencies, etc.).
- By addressing our risks proactively and avoiding negative consequences (many of which have a huge financial penalty aspect), we keep scarce resources intact for uninterrupted application toward UW's strategic objectives.
- Our goal is not risk elimination, but rather risk awareness and solid controls to help us avoid damaging consequences of unnecessary risk exposure associated with our activities.





UNIVERSITY OF WYOMING

**Internal Audit**

## **Summary Follow-up Report**

March 4, 2024

Auditor:

Danika Salmans MBA, CIA, CRMA

Rebecca Garcia MBA, CIA



March 4, 2024

## **University of Wyoming Board of Trustees:**

According to International Internal Audit Standards, Internal Audit must establish a follow-up process to monitor and ensure that management actions have been effectively implemented.

A follow-up has been performed for the following audits. Action items will be given the following assessment rating:

- Complete – Task has been implemented and addressed, and process owner provided full supporting documentation.
- Not Applicable – Management provided justification that either the risk is no longer present, management accepted the risk, or the task is not yet due (i.e., planned completion date is after close of follow-up review fieldwork).
- In Progress – Task is overdue and not fully-implemented, but management has started to address the action plan.
- Not Started – The process owner did not begin addressing the task and it is overdue.



# UNIVERSITY OF WYOMING

- **Center of Innovation for Flow Through Porous Media**

- Original Audit Report Date: July 22, 2020
- Follow-Up Due: April 22, 2021
- Status: COIFPM has completed written operating procedures that includes elements of the Conflict of Interest Management Plan. The revision provides a detailed description of the COIFPM Business Team procedures for planning, writing and approving contracts. The document also provides a detailed description of the COIFPM Business Team procedures for receiving, reviewing and approving claims of contract scope delivered as well as authorization for release of payment. Budget and Finance has provided evidence of resolution of the deficit balance through a transfer from reserves.

<b>Observation</b>	<b>Reported January, 2024</b>	<b>Progress Since January, 2024</b>
<b>Observation #1:</b> The management of conflict of interest should be improved through the establishment of a Conflict of Interest Committee	Complete – Closed	
<b>Observation #2:</b> Written operating procedures need to be completed that complement the current operating structure and its future development	In Progress	Complete
<b>Observation #3:</b> Expectation of academic, research and financial reports submitted to Petroleum Engineering, SER and the ERC need to be coordinated by leadership	Complete – Closed	
<b>Observation #4:</b> Expired grant accounts need to be closed, and overspent accounts need to be corrected	In Progress	Complete
<b>Observation #5:</b> Departmental reports are not providing adequate financial information to the management of COIFPM	Complete – Closed	
<b>Observation #6:</b> Accountants and Cost Center Approvers do not have access to some necessary financial information	Complete – Closed	
<b>Observation #7:</b> Gifted assets were not reported to Asset Management	Complete – Closed	
<b>Observation #8:</b> Distribution of revenue to Equipment Maintenance and Acquisition accounts was not complete	Complete – Closed	



# UNIVERSITY OF WYOMING

- **Wyoming State Veterinary Laboratory**
  - Original Audit Report Date: July 12, 2022
  - Follow-Up Due: January 12, 2023
  - Status: in progress as of January 4, 2024
    - Management reports that the WSVL has clarified the unit missions, some processes have been developed, and **intent is to fully resolve all recommendations related to Observation #2 for a closed report in the May Trustees meeting.**

Observation	Reported January, 2024	Progress Since January, 2024
Observation #1: The Q-Pulse , Vetstar Animal Disease Diagnostic System (VADDS), and S2 system lack proper verification of access	Complete – Closed	
Observation #2: Processes related to account receivables, reconciliations, and cash handling are incomplete	In Progress	In Progress
Observation #3: Elements of lab safety and PCI training have not been completed by staff	Complete – Closed	
Observation #4: Advisory committee has not been active as per Wyoming Statute 21-17-308	Complete – Closed	

- **Change of Management Audit for the Office of the Provost and Executive Vice President for Academic Affairs**
  - Original Audit Report Date: August 22, 2022
  - Follow-Up Due: February 22, 2023
  - Status: in progress as of January 4, 2024
    - Unit has demonstrated progress and is in the process of resolving recommendations related to Observation #1 through website improvements, establishing guidance documents and creating an intranet. **Estimated completion in early Summer 2024 is expected for FY25 implementation.**

Observation	Reported January, 2024	Progress Since January, 2024
Observation #1: Some current operating procedures are not formalized, documented, and/or are dated	In Progress	In Progress



# UNIVERSITY OF WYOMING

- **Student Health Services**

- Original Audit Report Date: September 8, 2022
- Follow-Up Due: June 8, 2023
- Status: in progress as of January 4, 2024
  - Unit has demonstrated progress towards resolving Observation #2 recommendations. A new director has been hired and continues to work to implement control measures and assess benefits of and actions needed to acquire accreditation. A consultant hire is being considered to aid in this process. If full accreditation is pursued, this process is anticipated to take a year to complete with full completion expected in Summer 2025.

Observation	Reported January, 2024	Progress Since January, 2024
Observation #1: Relevant training has not been required or fulfilled	Complete – Closed	
Observation #2: Quality control measures have lapsed	In Progress	In Progress

- **Student Course/Program Fees**

- Original Audit Report Date: November 1, 2022
- Follow-Up Due: May 1, 2023
- Status: in progress as of January 4, 2024
  - Unit has demonstrated progress towards resolving Observation #1 recommendations. Hard controls implemented in Banner are being considered and researched; Registrar involvement in major or campus changes as a more immediate solution is planned imminently. The current goal is to implement and finalize hard coding in Banner in Spring 2024.

Observation	Reported January, 2024	Progress Since January, 2024
Observation #1: Banner access control deficiencies were identified	In Progress	In Progress
Observation #2: No procedural guidance has been provided to departments that standardizes practices regarding fee accounting and utilization	Complete – Closed	
Observation #3: Rolling fund balances were identified that have not been disclosed during the annual assessment process	Complete – Closed	



# UNIVERSITY OF WYOMING

- **Change of Management Audit for Administration and Finance**

- Original Audit Report Date: December 22, 2022
- Follow-Up Due: June 22, 2022
- Status: in progress as of January 4, 2024
  - Unit has demonstrated progress towards resolving Observation #2 recommendations and is continuing to work toward full completion of procedural documentation related to WyoCloud accounting processes.

Observation	Reported January, 2024	Progress Since January, 2024
Observation #1: Current leadership lacks formally documented job descriptions that detail responsibilities	Complete – Closed	
Observation #2: Written standardized procedures defining WyoCloud accounting practices were absent and accounting anomalies were observed	In Progress	In Progress

- **HR Payroll Review**

- Original Audit Report Date: December 22, 2022
- Follow-Up Due: September 22, 2023
- Status: in progress as of January 4, 2024
  - Unit has demonstrated progress towards resolving recommendations related to Observation #2 through continuing to advance campus compliance of employee I-9 completion, within the federal timeline; as of January 4, 2024, there was only one I-9 out of compliance. The final design of internal controls is expected to be fully compliant and is planned to be completed in Summer 2024.

Observation	Reported January, 2024	Progress Since January, 2024
Observation #1: The Fringe Reserve Account has been used for expenditures that do not qualify as “fringe,” per the Federal Fringe Rate Agreement	Complete – Closed	
Observation #2: Compliance with I-9 and HCM Funding Form procedures was not enforced	In Progress	In Progress



# UNIVERSITY OF WYOMING

- **Operations**

- Original Audit Report Date: March 2, 2023
- Follow-Up Due: 12/2/2023
- Status: in progress as of March 20,2024
  - Unit continues to collaborate with Procurement to outline appropriate documentation in WyoCloud for streamlined processes and through drafting revisions to consultant agreements for clarity. Operations continue to review and draft updates to UniRegs for submission to the Board of Trustees for approval.

Observation	Reported January 2024	Progress Since January 2024
Observation #1: Authority and accountability in managing obligations of funds in facility projects lacks clarity	NA	In Progress
Observation #2: Increased transparency would lend to campus understanding and could mitigate rationalizations to circumvent policy	NA	Complete - Closed

Sincerely,

Danika Salmans MBA, CIA, CRMA  
Director of Internal Audit

Sincerely,

Becky Garcia MBA, CIA  
Senior Internal Auditor

**Audit Schedule for September 2022- August 2023**

**Audit Year**

**Presented**

	2022-2023	1/25/2023
NCAA (Annual) 2021-2022	2022-2023	3/22/2023
Main Cashier (Annual)	2022-2023	Canceled per NCAA
NCAA Football Ticket Verification (Annual) Fall 2022 Season	2022-2023	3/22/2023
P-Card Initiative and Continuous Monitoring Progress (Annual)	2022-2023	3/22/2023
Risk Assessment Survey (Annual)	2022-2023	3/22/2023
Results and Reporting (Annual)	2022-2023	5/10/2023
Audit Schedule Development (Annual)	2022-2023	5/10/2023
State Match / Footnote compliance	2022-2023	in progress
Foundation Accounts/UW Sister Accounts internal controls	2022-2023	1/24/2024
HR/Payroll Incremental Review - scope to be defined -- onboarding/offboarding	2022-2023	5/10/2023
Operations - General Facility and Deferred Maintenance	2022-2023	
Alternative (see list below)		
*Student/Athletics Travel		1/25/2023
Fraud, Waste, and Abuse (FWA) Investigations		
*Investigation related to mis-use of UW equipment		10/31/2022
*Investigation of free services		10/31/2022
*Investigation Conflict of Interest - HS		3/22/2023
*Investigation Honorarium		6/14/2023
*Investigation Use of Foundation Funds		8/24/2023
Follow-Up Reports		8/24/2023
Change of Management audits ( and unfinished audits from previous year)		
* College of Business	2022-2023	11/15/2023
* College of Health Sciences	2022-2023	7/17/2023
* Office of Research and Economic Development	2022-2023	1/24/2024
* Diversity Equity and Inclusion	2022-2023	Canceled / NA
<b>Alternatives:</b>		
Campus security - S2 internal controls		
Student Media		
OSP Invoicing and Receivables		NA as processes have changed
<del>Student Travel - Athletics Travel</del>		Done
Union operations (financial operations, etc.)		
IDT process and internal control assessment		

**22 scheduled**  
**21 completed**  
**= 95%**



**Audit Schedule for September 2023- August 2024**

**Audit Year Presented**

	<b>Audit Year</b>	<b>Presented</b>
NCAA (Annual)	2023-2024	3/20/2024
NCAA Football Ticket Verification (Annual) Fall 2023	2023-2024	Cancelled
Continuous Monitoring Progress (Annual)	2023-2024	3/20/2024
Risk Assessment Survey (Annual)	2023-2024	3/20/2024
Results and Reporting (Annual)	2023-2024	3/20/2024
Audit Schedule Development (Annual)	2023-2024	in progress
State Match / Footnote compliance (Annual)	2023-2024	in progress
Follow-Up Reports	2023-2024	ongoing
Fraud, Waste, and Abuse (FWA) Investigations		
*Investigation of COI / SC	2023-2024	11/15/2023
*IT On/Offboarding Access Controls	2023-2024	1/24/2024
*NAERCC	2023-2024	3/20/2024
Quality Improvement Plan	2023-2024	ongoing
HR/Payroll Incremental Review - Hiring / Recruit	2023-2024	
Compliance: ADA Compliance	2023-2024	
Student Mental Health Resources	2023-2024	
Major Maintenance	2023-2024	
Athletics Ticket Office	2023-2024	in progress
Retention, Tenure, and Promotion - Policies/Procedures, Best Practices	2023-2024	
Alumni - internal control assessment	2023-2024	1/24/2024
EHS - Safety / research compliance	2023-2024	
ASUW	2023-2024	11/15/2023
Contingency - Change of Management / Departmental / Audits from previous year	2023-2024	

**22 scheduled  
9 completed  
= 41%**