

UTSA The University of Texas at San Antonio™
**OFFICE OF INSTITUTIONAL
COMPLIANCE AND RISK SERVICES**

Date: FY XX-XX

To: Department Manager Name
Department Manager Area

From: Mr. James Weaver
Director, Institutional Compliance & Risk Services

Subject: Quality Assurance Review


Attached is the final report from the Quality Assurance Review (QAR) we recently completed in your area. We appreciate your time and effort during the review.

QARs are conducted under the authority of UT System policy – UTS142.1 and Fiscal Management Operational Guidelines 1.3.1. The review of the controls and processes in this department is not an audit and does not substitute for an audit. The purpose of this review is to provide, in a consultative manner, an objective evaluation of internal controls in your area and to alert you to potential risks of fraud.

Although it is not possible to determine with certainty whether fraud will occur, the Office of Institutional Compliance and Risk Services has assessed your department as having a **moderate** risk of fraud.

If you have any questions, please contact me at ext. 4992.

cc: Department Manager's supervisor


Department/Area	Overall Risk Level
Department Name	


SUMMARY OF FINDINGS

At the time of the QAR, the department was not satisfying all standards of university policy, procedures and/or best practices toward mitigating the risk of fraud. Proper segregation of duties, managerial review and oversight are integral to establishing effective internal controls.

The following is an assessment of risk for each major area reviewed as part of the QAR, any issues of concern, including associated **RECOMMENDATIONS** (if applicable), which can serve to further strengthen and/or maintain effective internal controls.


RISK LEVEL ASSESSMENT, ISSUES OF CONCERN AND RECOMMENDATIONS

Fiscal Management – Monthly Financial Report	Risk Level	
<p><i>Management Review</i> - We were advised the Department Manager does review and discuss transaction activity with the Financial Manager (FM); however, the Monthly Financial Report (MFR); was not consistently being signed.</p> <p>Recommendation: The MFR should be reviewed and signed by the Department Manager on a monthly basis for all Cost Centers/Project IDs under their responsibility.</p>		


Fiscal Management – Purchasing (ProCard)	Risk Level	
<p><i>Segregation of duties</i> – The FM has the ability to make purchases, and is ultimately responsible for reconciling the MFR; however, we noted the Department Manager has taken the proper steps to monitor the purchasing process closely to minimize risk.</p> <p>Recommendation: Ideally, the person making purchases should not also reconcile the MFR. In a small department where full segregation of duties is not feasible, the Department Manager should take an active role in monitoring the department Cost Centers/Project IDs. As a reminder the cardholder cannot be assigned as the reviewer to approve the transactions for his or her own ProCard.</p> <p>Best Practice: Although not required by policy, we recommend using a Purchase Request Authorization (PRA) form for purchase approvals. Many departments have created internal PRA forms to mitigate segregation of duties issues when there is only one employee responsible for both purchasing and reconciling.</p>		




Fiscal Management – Cash Handling	Risk Level	
<i>No findings noted.</i>		

Fiscal Management – Gifts	Risk Level	N/A
The department does not receive gifts.		

Capital Asset Management	Risk Level	
<i>No findings noted.</i>		

Information Security	Risk Level	
<i>No findings noted.</i>		

Human Resources – Time Reporting	Risk Level	
<i>No findings noted.</i>		

-  Significant departure from university policy, procedures and/or best practices
-  Moderate departure from university policy, procedures and/or best practices
-  Compliant with or non-significant departure from university policy, procedures and/or best practices