



CENTRAL WASHINGTON UNIVERSITY

To: Dr. James Gaudino, President

From: Margaret Smith, CIA
Director, Internal Audit *Margaret Smith*

Date: February 20, 2009

Subject: Review of the Office of the President

Memo #: 388

This memorandum reports the results of my review of the activities under the responsibility of the President for the period ending December 31, 2008. As no exceptions were disclosed, no response is requested from you at this time. I appreciated the cooperation and courtesies extended to me by the staff during this review.

Audit Scope and Objectives

The audit period included financial activity reported from July 1, 2007 through June 30, 2008 with a limited review of July 1, 2008 through December 31, 2008 activity. President Dr. Jerilyn McIntyre's employment contract and payroll expenditures were tested from January 2000 through January 2009.

My testing covered those activities where the President had oversight responsibilities related to operations and the renovation of the President's house.

My objectives included determining that the internal control structure surrounding the financial activity was sufficient to provide management with reasonable assurance that:

- Purchasing transactions including the purchasing card were properly authorized, valid, charged to an appropriate budget and expended within available resources;

- The President's salary was authorized and paid in accordance with contract agreements;
- Foundation expenditures were used in accordance with donor restrictions;
- Financial activity and commitments were monitored and managed; and
- The office activities were in compliance with federal, state, and university regulations and policies.

My audit approach was to gain an understanding of the various financial projects that supported the activities within the President's Office. I relied on the central systems during this review and limited my examination to documents maintained in the office files.

Results of the Review

I determined that the controls over fiscal and program activities were functioning and were adequate to ensure records were accurate, expenditures were supported by detailed documentation; and legal and compliance regulations were followed. In addition, the controls in place reduced the risk of errors, misuse, theft or noncompliance. I noted no material exceptions during testing of the above objectives. The audit procedures performed in this review included:

Agreeing President Jerilyn McIntyre's employment contract, CUPA adjustments and cost of living increases to payroll records.

Reviewing the bidding and planning of the president's house renovation project records for compliance with the Small Works and General Maintenance program. The initial renovation was planned to address ADA accessibility. A change order for asbestos abatement and electrical and code issues resulted in an increase in scope to include replacement of flooring, cabinets and appliances.

Scanning expenditure details for appropriate receipts/invoices and supporting documents, compliance with regulations and budget restrictions, and approvals and purchasing requirements.

Reviewing travel related transactions for authorizations and reasonability.

Determining Foundation expenditures authorized by the President were in accordance with any limitation or restrictions established by the donors.

Determining the annual inventory of equipment was accurately completed.