



**CONTINUOUS MONITORING -
PAYROLL
INTERNAL AUDIT REPORT**

January 27, 2014

DISTRIBUTION

Audit Subcommittee: Mr. Leonard D. Schiavone, Chair
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YOUNGSTOWN STATE UNIVERSITY

CONTINUOUS MONITORING - PAYROLL INTERNAL AUDIT REPORT

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Attachment A



“In the long run, if you don’t put ethics before profits,
there won’t be a long-run.”



PACKER · THOMAS

Certified Public Accountants & Business Consultants

Youngstown State University
One University Plaza
Youngstown, Ohio 44555

The results of our continuous monitoring of the payroll process for the three month period ending December 31, 2013 are attached for your review. We have reviewed all of the results of this monitoring with management.

Packer Thomas

PACKER THOMAS
January 27, 2014

6601 Westford Place
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PROVEN TRUE.



"In the long run, if you don't put ethics before profits,
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**Youngstown State University
Continuous Monitoring - Payroll
For the period covering 10/1/13-12/31/13**

The goal of continuous monitoring is to provide greater transparency of the operations of the University and a more timely evaluation of operations for management and the Board of Trustees. Our continuous monitoring process consists of the analysis of information from the University’s system, processes, transactions, and controls. The timely analysis of this information helps to ensure compliance with policies and procedures and identify trends that may need to be addressed. In many cases, continuous monitoring can act as an early warning to detect control failure.

These analyses are intended to provide trends in operational controls between regularly scheduled internal audits. These trends are then reviewed by management in order for them to determine whether or not the results need to be investigated further. Continuous monitoring is not intended to replace normal internal audit procedures which are more in-depth and include inquiries, walkthroughs, and specific testing conducted on various sample sizes. However we have listed below the results of our procedures.

	PROCEDURES	RESULT
1.)	Duplicate check numbers	
2.)	Duplicate direct deposit numbers	
3.)	Duplicate back account numbers	
4.)	Excessive regular hours worked	
5.)	Overtime hours worked	Refer to Attachment A for analysis of overtime by department by quarter.
6.)	Terminated employees receiving payment after termination	
7.)	Employees who have changed their own employee records in the system	
8.)	Employees with no address	
9.)	Employees with PO address	

	Items identified do not require further investigation per management
	Exception(s) found in testing



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Attachment A - YSU Payroll Continuous Monitoring Report as of December 31, 2013

	see below							
	<u>2nd Q 2014</u>	<u>1st Q 2014</u>	<u>4th Q 2013</u>	<u>3rd Q 2013</u>	<u>2nd Q 2013</u>	<u>1st Q 2013</u>	<u>4th Q 2012</u>	<u>3rd Q 2012</u>
Facilities Maintenance	1,898.16	21,057.27	21,942.27	15,875.96	3,461.13	8,195.00	2,271.69	2,451.34
Police Department	7,555.51	9,190.98	4,151.28	3,021.73	6,444.98	6,137.48	1,343.76	6,880.11
Parking	2,342.49	-	-	747.75	2,738.58	-	-	1,465.70
Admin Assistants	1,311.57	1,196.52	1,318.23	2,378.25	2,120.64	1,195.68	-	-
Account Clerk	1,165.30	-	1,074.47	767.48	1,296.18	-	-	-
Network Services		7,939.09	-	-	-	-	-	-
	14,273.03	39,383.86	28,486.25	22,791.17	16,061.51	15,528.16	3,615.45	10,797.15

Brief explanation for overtime

2nd QTR 2014

Facilities	OT for open shifts
Police Department	OT for shift deficits and special events
Parking	OT for YSU football games and open shifts
Admin Assistants	OT for YSU football games
Account Clerk	OT for YSU football games



Youngstown
STATE UNIVERSITY

**CONTINUOUS MONITORING -
PURCHASING
INTERNAL AUDIT REPORT**

January 27, 2014

DISTRIBUTION

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Management: Dr. Randy Dunn
Mr. Eugene Grilli
Ms. Katrena Davidson
Mr. William Wheelock



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CONTINUOUS MONITORING - PURCHASING INTERNAL AUDIT REPORT

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PACKER · THOMAS

Certified Public Accountants & Business Consultants

Youngstown State University
One University Plaza
Youngstown, Ohio 44555

The results of our continuous monitoring of the purchasing process for the three month period ending December 31, 2013 are attached for your review. We have reviewed all of the results of this monitoring with management.

PACKER THOMAS
January 27, 2014

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**Youngstown State University
Continuous Monitoring - Purchasing
For the period covering 10/1/13-12/31/13**

The goal of continuous monitoring is to provide greater transparency of the operations of the University and a more timely evaluation of operations for management and the Board of Trustees. Our continuous monitoring process will consist of the analysis of information from the University's system, processes, transactions, and controls. The timely analysis of this information helps to ensure compliance with policies and procedures and identify trends that may need to be addressed. In many cases, continuous monitoring can act as an early warning to detect control failure.

These analyses are intended to provide trends in operational controls between regularly scheduled internal audits. These trends are then reviewed by management in order for them to determine whether or not the results need to be investigated further. Continuous monitoring is not intended to replace normal internal audit procedures which are more in-depth and include inquiries, walkthroughs, and specific testing conducted on various sample sizes. However we have listed below the results of our procedures.

	PROCEDURES	RESULT
Purchase Order and Pcard		
1.)	Purchase orders missing from sequential order	
2.)	Duplicate purchase order numbers	
3.)	Purchase orders just below authorization amount	
4.)	Analysis of large dollar volume vendors	
5.)	Vendors with same address as employee	
6.)	Duplicate invoices paid	
7.)	Single transaction split to circumvent approval for both PO and Pcard	
8.)	P-cards issued to terminated employees	
9.)	Terminated employees who remain financial managers	
Vendor Master List		
10.)	No vendor address	
11.)	Vendors with same address as employee	
12.)	Unauthorized users making changes to the vendor master list	

	Items identified do not require further investigation per management
	Exception(s) found in testing



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PACKER THOMAS

Certified Public Accountants & Business Consultants

Youngstown State University
Internal Audit - Packer Thomas
Internal audit contract year 2013-2014

Summary of hours through December, 2013

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Internal audit project	Hours through December, 2013	Status of project
Business Expenses/Pcard	519	95% complete
Pcard follow up audit(per request)	0	0% complete
Grants	336	95% complete
IT-general controls/access rights	96	90% complete
IT-segregation of duties	0	0% complete
Events management & unrelated business income tax	145	10% complete
Continuous monitoring	127	50% complete
Risk Assessment, Board Meetings, misc.	172	Continuous
Total hours to date	1395	

Total contract	\$	232,000
Services to date	\$	169,917
Contract remaining	\$	<u>62,083</u>