Financial Internal Controls

Financial Information Management
&
Financial Reporting

Administrative Council Meeting
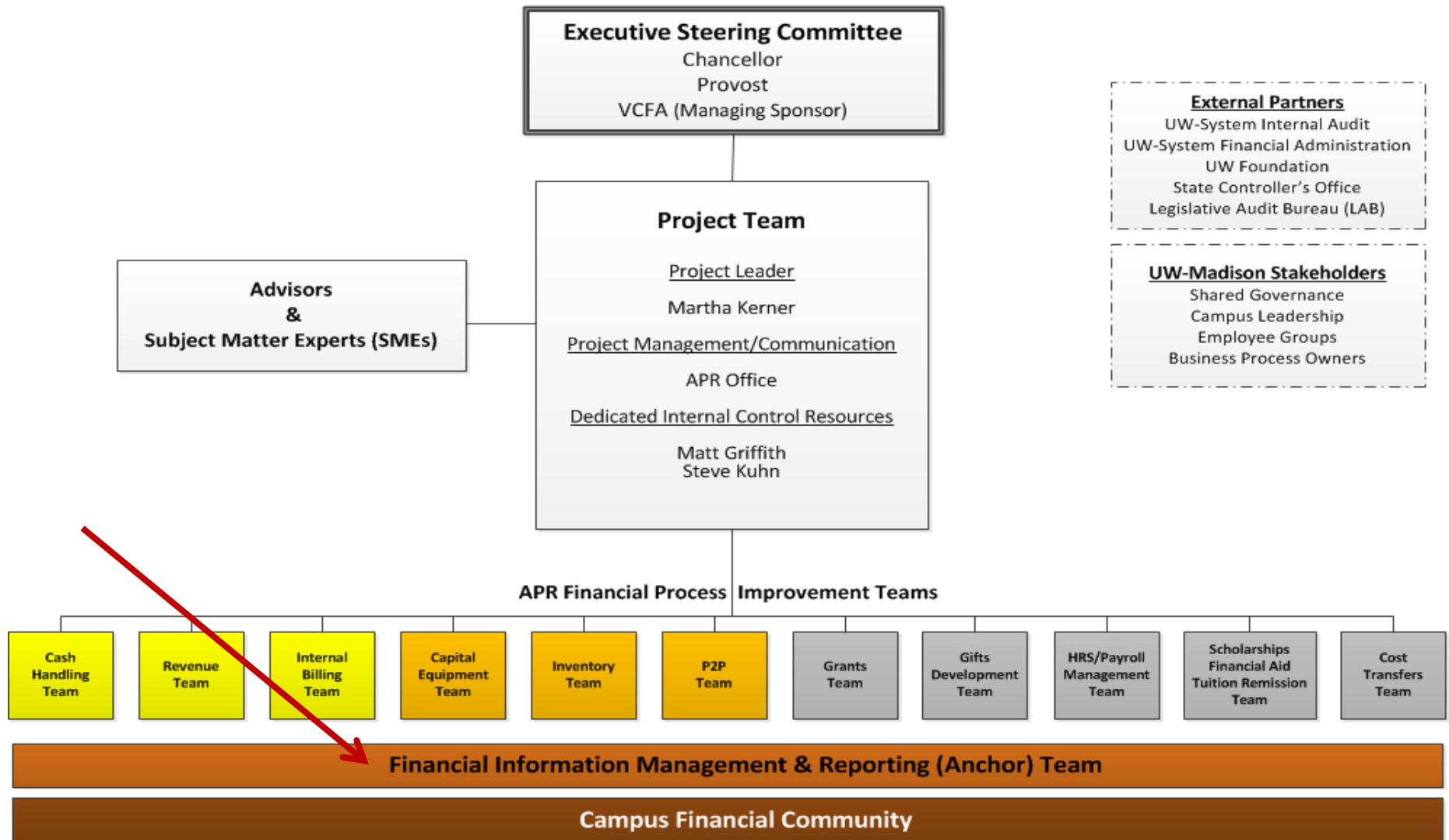April 21, 2016

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Agenda

I.   Refresh: "Anchor Team" Background / Goals

II. April 13, 2016 Report: Team Discoveries, Observations and Recommendations

- Financial Reporting Subteam

- GL Entry Subteam

- Account Reconciliation Subteam

III. What to Anticipate Next

Financial Internal Controls Project Structure

Executive Steering Committee
Chancellor
Provost
VCFA (Managing Sponsor)

External Partners
UW-System Internal Audit
UW-System Financial Administration
UW Foundation
State Controller's Office
Legislative Audit Bureau (LAB)

Project Team

Project Leader

Martha Kerner

Project Management/Communication

APR Office

Dedicated Internal Control Resources

Matt Griffith
Steve Kuhn

Advisors & Subject Matter Experts (SMEs)

UW-Madison Stakeholders
Shared Governance
Campus Leadership
Employee Groups
Business Process Owners

APR Financial Process Improvement Teams

| Cash Handling Team | Revenue Team | Internal Billing Team | Capital Equipment Team | Inventory Team | P2P Team | Grants Team | Gifts Development Team | HRS/Payroll Management Team | Scholarships Financial Aid Tuition Remission Team | Cost Transfers Team |

Financial Information Management & Reporting (Anchor) Team

Campus Financial Community

Updated January 2016

Anchor Team Goals

1. Establish accounting processes and activities to ensure the integrity of financial data contained within the General Ledger.

2. Provide a supporting structure necessary for the production and distribution of financial reports in accordance with stakeholder requirements and customer needs.

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Financial Reporting Recommendations

- Assign responsibility for monitoring of transactions.
- Define and monitor proper usage of SFS funding string fields (i.e., Fund-Department-Project-Program-Account).
- Improve "program code" and "account code" definitions.
- Strengthen policy on Revenue Producing Activities (RPAs).
- Create a comprehensive accounting policy manual, including a glossary of terms.
- Develop capacity to produce GAAP/GASB financial reports.
- Explore opportunities for the integration of shadow systems.

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GL Entry Recommendations

- Overall, policies and procedures are to be written, easily accessible and enforced.

- SFS direct entry access needs to be controlled.

- Journal Entry Tool (JET) needs to be redesigned.

- Establish criteria (roles, approvals, access, etc.) for new shadow systems that provide outputs that are processed through JET.

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Account Reconciliation Recommendations

- Establish financial policy defining account reconciliation requirements.

- Communicate and train staff on account reconciliation procedures.

- Need to enable processes to support balance sheet reconciliations.

What to Anticipate (from Anchor Team)

Funding String / COA / Reports

- Complete requirements gathering (i.e., GAAP/GASB and managerial reporting needs).

- Build out UW-Madison funding string fields and COA.

- Create both cash and accrual books.

- Develop common set of financial reports, including managerial.

Access to GL / JET

- Clarify roles within GL.

- Modify direct entry access.

- Design future state GL entry (i.e., change JET tool design, develop approval workflows, provide for inflow from feeder systems).

Account Reconciliation

- Work with campus units to provide support materials for current year-end data submissions to Accounting Services.

- Draft reconciliation requirements, policies and procedures.

- Develop GL data reports/templates to which campus units can reconcile.

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What to Anticipate Next (Overall)

➢ Review reports and recommendations from other financial process improvement teams launched so far.

➢ Align and prioritize recommendations.

➢ Assess the timing/launch of other five teams.

➢ Develop implementation plans and timelines.

Questions / Comments