

FINANCIAL MANAGERS' MEETING

August 13, 2019



Agenda

Welcome/Introductions	Dan Langer	5 minutes
Chart of Accounts	Susie Maloney	20 minutes
Guided Expense Tool (GET) Decommissioning	Graig Brooks	10 minutes
Economy Premium Airfare - International Flights	Rusty Haines	5 minutes
Post-Launch Website Update	Bradley Thomas	20 minutes
Stale Dated Check Update	Mark Domaszek	10 minutes
Financial Internal Controls	Imad Mouchayleh	15 minutes

Chart of Accounts

Susie Maloney

Financial Information Management

Division of Business Services





ADMINISTRATIVE TRANSFORMATION PROGRAM

COA Redesign Update

August 13, 2019

Discussion Topics

- 1) Discovery & Design**
- 2) Concept Validation**
- 3) Next Steps**

A group of people are seated around a circular table in a modern meeting room. The image is overlaid with a solid red filter. The text "Discovery & Design" is written in large, white, bold letters across the lower half of the image. The people are engaged in a discussion, with some looking towards the camera and others looking at each other. The room has large windows in the background and a contemporary design.

Discovery & Design

COA Work Team Roster

Team Member	Business Unit	Title
Susie Maloney (Lead)	Bus. Services – Accounting Services	Director of Financial Information Management
Andrew Johnson	Madison Budget Office	Budget Planner
Bridget Montour	Research & Sponsored Programs	Financial Manager
Darlene Wood	SMPH	Associate Director of Finance
Donna Halleran	Auxiliary Operations Analysis	Director of AOA
Jason Jankoski	College of Engineering	Assistant Dean of HR
Laura Rader	Bursar	Interim Bursar
Petra Schroeder	VCRGE	Associate VC of Finance and Admin
Sandy Fowler	CALS	Assistant Dean of Business Services
Susan Juncer	Housing	Senior Accountant

Guiding Principles

Guiding principles reflect the objectives of the project; the work team agreed on the below set of guiding principles for the Chart of Accounts Redesign during the Discovery Phase.

- 1** ***Common Language & Validation Source***
 - The COA should serve as the common language used to describe financial transactions and information. It should be sufficient to serve the financial reporting needs of UW-Madison decision-makers and stakeholders at all levels of the University when combined with data from subsidiary systems.
- 2** ***Uniformity and consistency***
 - Every COA segment should have a single use with a clear and consistent definition across the University.
- 3** ***Flexibility***
 - The COA should be flexible to meet ongoing needs and accommodate for growth and changes to organization, business processes, and requirements.
- 4** ***Clearly Defined & Intuitive***
 - The COA should be transparent, intuitive, and easy to comprehend and use.
- 5** ***Standard Support, Processes & Oversight***
 - The use of COA values should be supported by robust guidelines, communications, and documentation.
- 6** ***Meaningful Hierarchies & Consistency***
 - The levels of each COA segment should be defined and common enough to enable reporting across all levels and activities of UW-Madison.

COA Design Process

The design process consists of three steps: gathering specific management requirements; determining the data that fulfills the needs; and creating a design that incorporates the data.

1

Gather the Requirements

27. Ability to track financial activity for cross-disciplinary programs
28. Ability to track expenses for a single event across organizations
29. Ability to track financial activity by facilities

2

Determine the Data Elements

Requirement	Data Element 1	Data Element 2
28. Ability to track expenses for a single event across organizations	Activity/Event	Org

	Account	Entity	Fund	Department	Function	Program	Project	Flex
Use	What?	Who?	How?	Who?	Why?	Why?	Why?	Why?
Required/Conditional	Always Required	Always Required	Always Required	Always Required	Sometimes Required	Conditional	Conditional	Conditional
Institutional Use	Shared	Unique	Shared	Shared/Unique	Shared	Unique / Shared	Unique / Shared	Unique

3

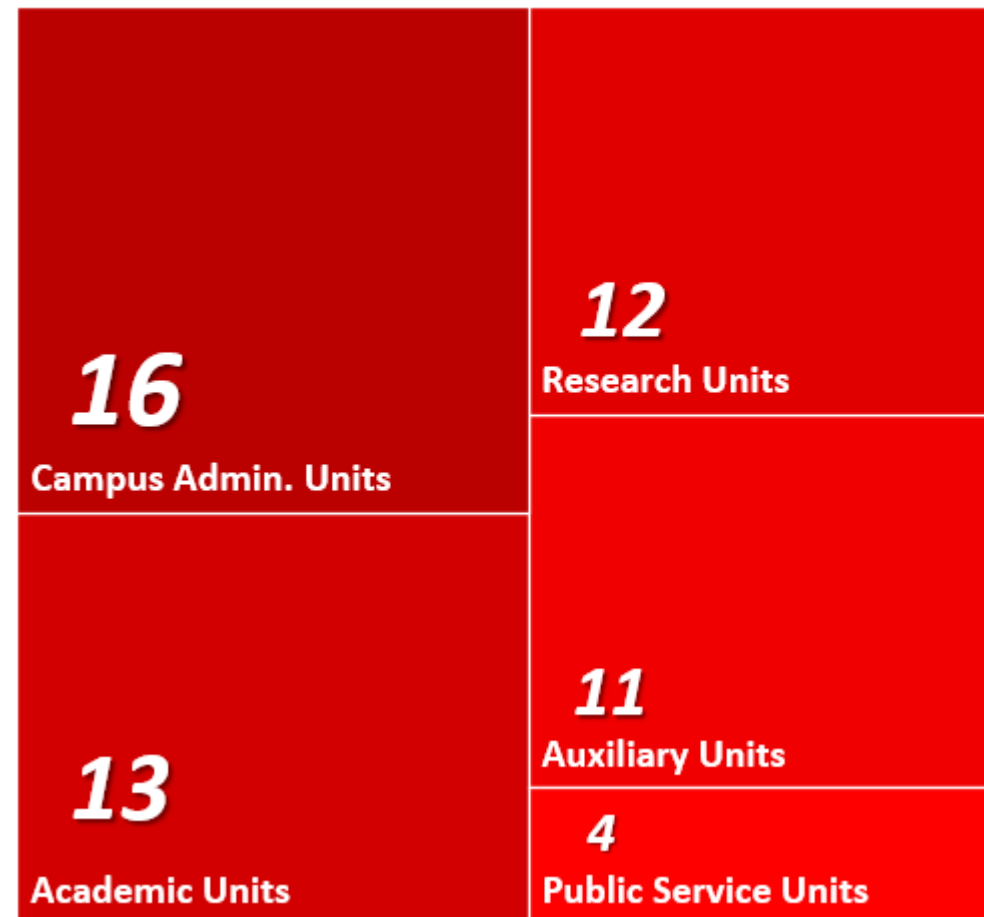
Create the Design

Discovery Interviews

56

**Units across
campus were
interviewed**

Interviewed Unit Composition



Discovery Interviews → Requirements

217

Requirements were mapped to one of four categories...

Chart

System

Process/
Policy

Reporting

Chart Requirements

94

**Requirements
were deemed to
be Chart related**

Chart

System

Process/
Policy

Reporting

Chart Requirements



Data Elements

28

**Data elements
were derived from
Chart requirements**

Function	Customer Type	Payable ID	Employee ID
Program	Location	Fund Class	Fund Source
Award / Contract	Project	Project Type	Task
Asset ID	Vendor ID	Invoice ID	Invoice Date
Sponsor	Academic Term	Service	Fiscal Year
Unit/Entity	Division/ Department/ Org	Customer ID	Course ID
Account	Activity	Gift	Sport

Transform Data Elements into a Design

The COA provides answers to questions about each transaction; the components of the COA structure should provide answers about the purpose and nature of the transaction.

Who

- is responsible for the transaction?
- is responsible for the activity?
- owns the asset/liability?
- is impacted by the transaction?

What

- is the nature of the transaction, revenue, expenses, asset or liability?

Where

- is the activity being performed?

How

- is the activity being funded
- are assets impacted by the transaction
- are unique monies impacted

Why

- is the transaction occurring? (What institutional purpose does it serve?)

COA Prototype

The UW-Madison prototype is intended to meet the majority of the COA requirements and to capture the appropriate identified data elements.

Entity	Organization	Fund Type	Fund	Account	Function	Program	Activity	Location
<i>Definition</i>								
Major operational unit at UW-Madison	Units with positioned employees, assigned space, and budget authority	Overall spending restriction of the fund source	Individual pot of money that's being budgeted for or funded and spent against	Nature of transaction – revenue, expense, asset, liability etc.	Expense classification – designating the purpose of a transaction as it applies to NACUBO and A-21	Associates transactions with a formalized set of on-going, cross-campus or location specific activities	Tracking mechanism for events and other institution-wide or department specific activities	Operational location
<i>Example Value</i>								
10-UW Madison	10050-Civil Engineering	100-Unrestricted Operating	10000-General Operating	5123-Domestic Travel Expense	100-Instruction	2035-Masters Engineering Transportation Certificate	5005-Conference 1	5002-Union South
<i>Use</i>								
Who?	Who?	How?	How?	What?	Why?	What?	Why?	Where?

COA Prototype – Project Information

The below represents some of the segments that would be captured in a project specific tool.

Award/ Contract	Project	Task	Employee ID
<i>Definition</i> Collective sponsored program or contract that is assc. to one sponsor or funding source	Specific body of work which is being performed	Component of the body of work being performed.	Identifier of the employee at the University
<i>Example Value</i> 1000000-CE Research	10070-Civil Structural Research	1-Grants Task	123456
<i>Use</i> Why?	Why?	Why?	Who?

<i>Example Values for Capital Project</i>			
Award/ Contract	Project	Task	Employee ID
5100- 2019 Bond	20350- Dining Hall Construction	3.5- Construction Phase 5	

A photograph of two women in a professional setting, likely a meeting or collaborative work environment. The woman on the left is smiling and pointing with a marker towards a whiteboard. The woman on the right is seen from the side, looking towards the whiteboard. The entire image is overlaid with a semi-transparent red filter.

Concept Validation

Proof of Concept Scenarios

The table below is meant to illustrate the different types of proof of concept scenarios that are being used to validate the prototype design.

#	Proof of Concept Scenarios	Concept Grouping
1	Professor Wilson is appointed in the English department, but part of her salary is paid by the History department.	Faculty Support
2	Dean Johnson is traveling to the Big 10 Dean's Conference and will be using multiple funds to purchase travel.	Activity Reporting
3	Mary works in the Deans Office in SOHE and she is purchasing a new scanner that will be shared by the Dean's Office and the Personal Finance department. They split the cost 50/50.	General Accounting
4	The Physics Department will contribute \$100,000 in cost sharing funds for Professor Jones NIH grant. Professor Jones will also be using a portion of his faculty start-up monies to support the activities on this grant.	Funds Management / Research
5	Professor Smith of the English Department was given \$500 from the Chair's Discretionary gift fund to host a symposium on Shakespeare's continuing influence on society. The English department will also be using money from its program funds to sponsor this symposium.	Funds Management

Proof of Concept Validation

The table below represents one way that the proof of concept (POC) scenario could be fulfilled using the proposed chart design. A similar exercise will be conducted for each POC scenario.

POC Scenario 1: Professor Wilson is appointed in the English department, but part of her salary is paid by the History department because she instructs an English Literature course.

Amount	Entity	Organization	Fund Type	Fund	Account	Function	Program	Activity	Location
\$5,000.00	10- UW-Madison	10070- English	100- Unrestricted Operating - General	10000- General Operating	5020-S&W Tenured Faculty	100- Instruction - General	Unspecified	Unspecified	Unspecified
\$5,000.00	10- UW-Madison	10080- History	100- Unrestricted Operating - General	10000 General Operating	5020 S&W Tenured Faculty	100- Instruction - General	Unspecified	Unspecified	Unspecified
\$10,000.00									

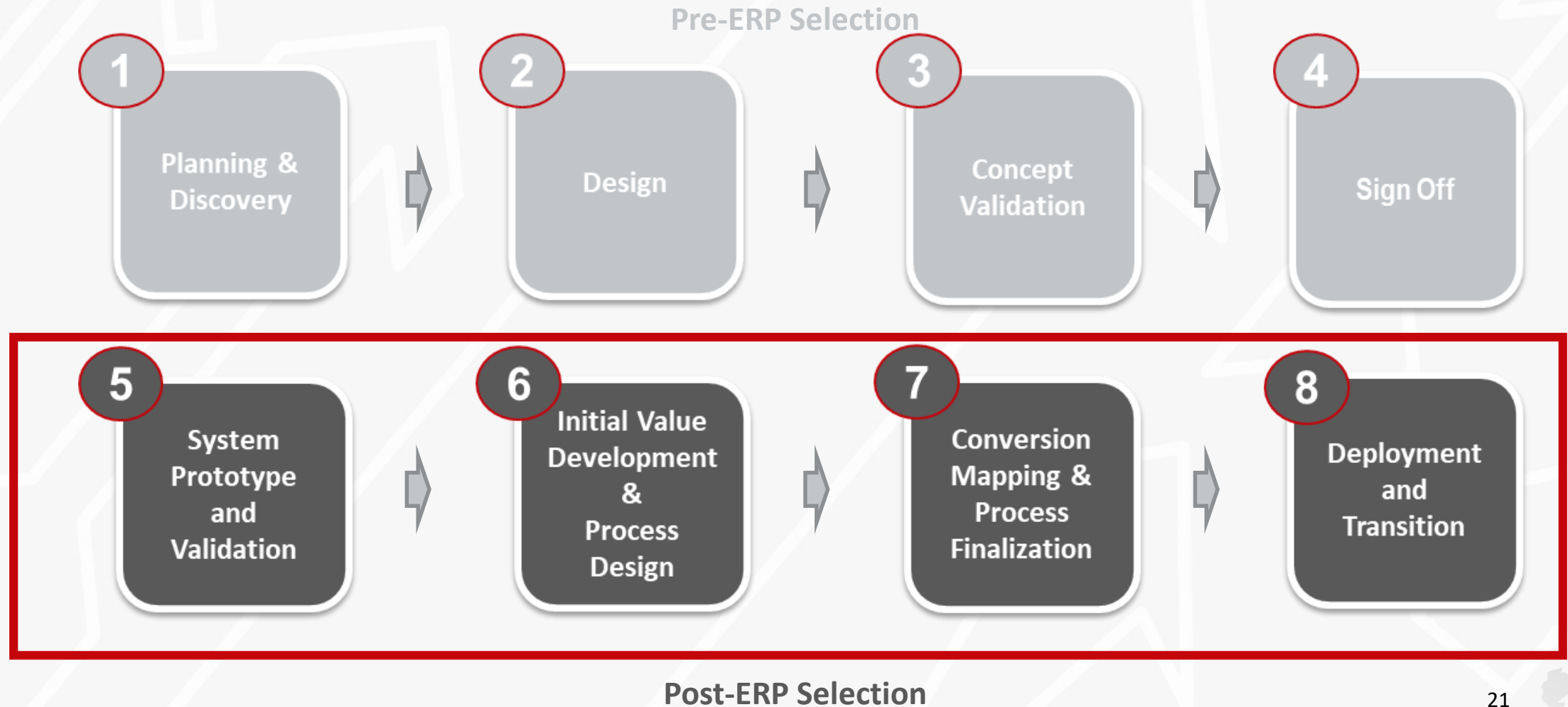
COA Work Team members were asked to provide Proof of Concept scenarios that were reflective of both typical and unique transactions that occur within their organization or business unit.



Next Steps

Next Steps

Post selection of a new ERP system, UW-Madison will be positioned to complete the final four phases of the Chart of Accounts redesign, resulting in the creation of a new stakeholder-driven Chart of Accounts.



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Guided Expense Tool (GET) Decommissioning

Graig Brooks

Disbursements - Travel and Cards

Division of Business Services

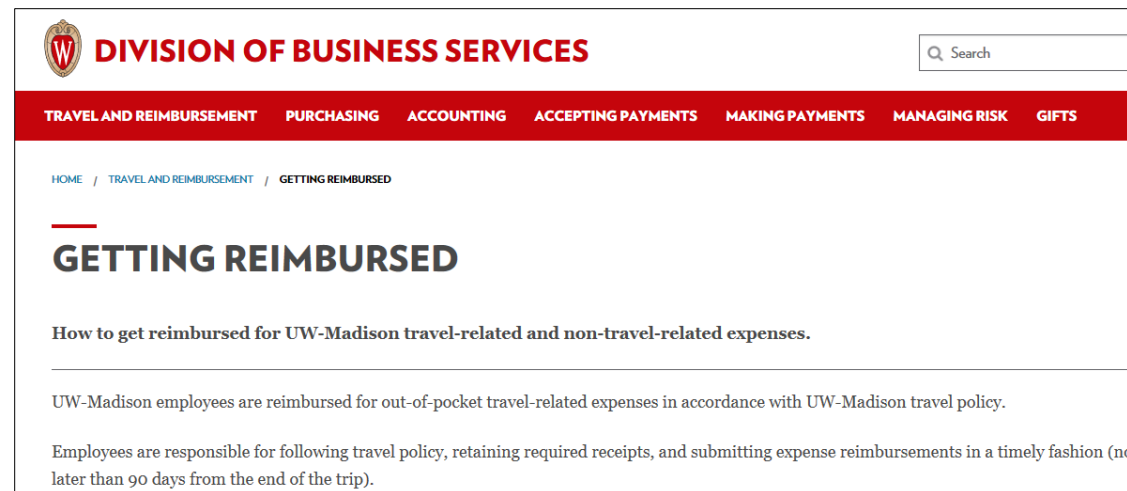


Available Trainings:

<https://www.talent.wisc.edu/Catalog/Default.aspx?tabid=29&SeriesKey=1623>

Online Guidance:

<https://businessservices.wisc.edu/travel-reimbursement/getting-reimbursed/>
(or, search “Expense Reimbursement” on wisc.edu)



Economy Premium Airfare: International Flights

Rusty Haines

Disbursements - Travel and Cards

Division of Business Services



Stale Dated Checks

Mark Domaszek

Disbursements - Accounts Payable

Division of Business Services



The 5-Month Report: What We Expect

- Review if it is a valid payment or not
- Provide updated contact information
 - If you provide an updated address we will reissue immediately
 - Phone or email we will contact the vendor directly
- Reach out if you are going to reach out

At 6 Months: Disbursements' Process

- Mass mail letters to check addresses
- Review payment requests for contact information
- Perform a directory search for students or employees
- Reach out to the payment requestor for additional contact information

Annual Report and Cleanup

- Campus should review the funding and provide corrected funding if needed
- Disbursements will void all of the payments to the funding provided
- First cleanup was in Feb through May of 2019 for FY05 through FY17
 - Started with 5221 lines for \$918,000 and ended with 1136 lines for \$230,000 mostly federally funded remaining
- First wave of FY18 reports was sent in June
- In the future you can expect this annual report in late July early August
- This is concurrent with the 5-month process

Post-Launch Website Update

Bradley Thomas

Content Management, Communication, and Training
Division of Business Services



Core Team

Amy Ferguson
Director of CMCT
Division of Business Services

Bradley Thomas
Marketing & CMS Specialist, Sr.
Division of Business Services

Michelle Bacon
University Relations Specialist
Division of Business Services

Adam Hills-Meyer
Content Strategist, Center for Digital
Accessibility & User Experience
DoIT

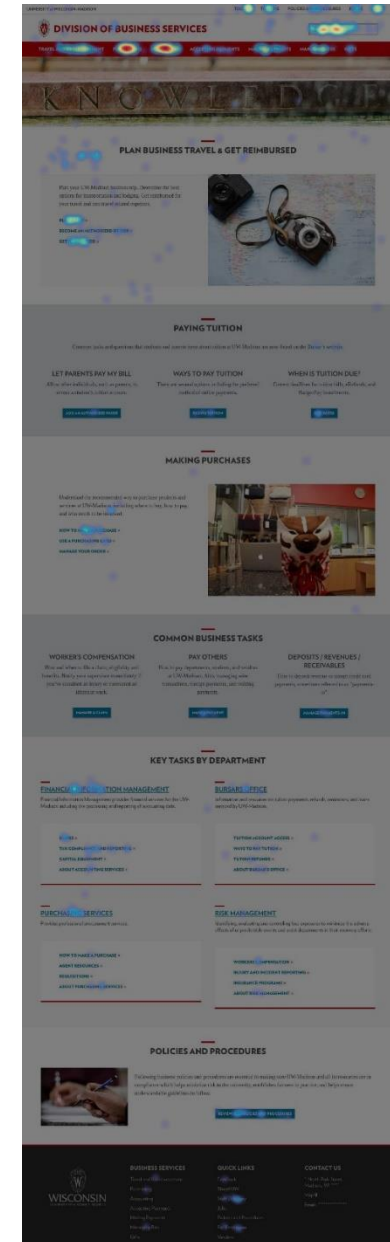
Jessica Jones
Team Lead, Center for Digital
Accessibility & User Experience
DoIT

Review of Reasons for Change

- People could not find content on the old site and it required the user to know what department housed the content. This is not how users use the web.
- Does not meet ADA accessibility standards
- Was not mobile friendly, which hurts usability and SEO (search engine optimization)
- The website contained more than 1,000 pages
- Website was outdated. Most UW websites have updated branding.

Current State of Website

- Grouping of content based on the task users are looking to complete (how users use the web)
- Easier to scan and find
- Mobile friendly
- Improved accessibility
- Improved search engine optimization
- Reduction of content
- Removal of duplicate and outdated content
- Easier process to update website content
- UW-Madison look and feel
- Deeper analytics tracking



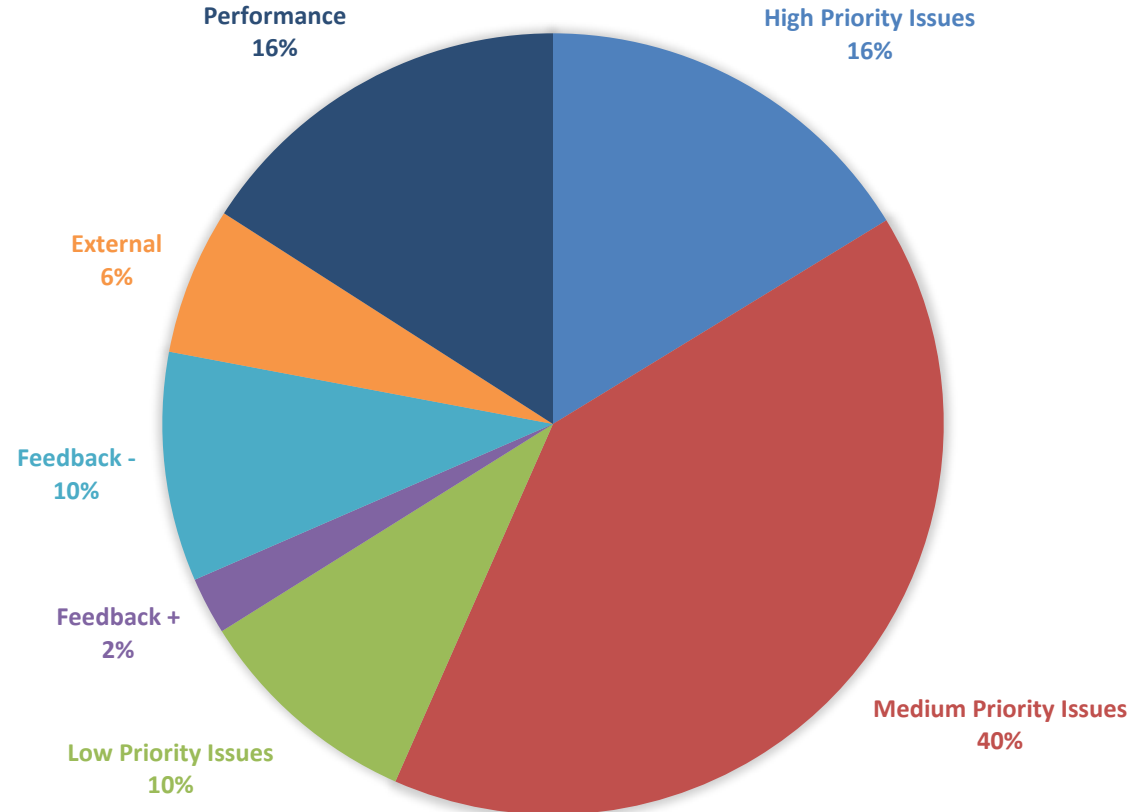
Feedback Summary

299 Responses

June 2019 –July 2019 (via HotJar)

Feedback Categories

- **Positive Feedback**
- **Negative Feedback**
- **High Priority**
(Critical Problem, wrong info., broken functionality)
- **Medium Priority** (Improvement that can be made for clarity, phrasing updates)
- **Low Priority** (Address if time permits and develops into a recurring issue)
- **Performance** (slowness, why am I getting a 404 error)
- **External System**, but connected to Website
(GET, wisc.edu, MyUW)



Positive Feedback



“Y’all, this site is magic! It’s the first time I’ve had to use it as an employee and you made all the right choices. Thank you!” Libby Peterek, Director, Digital Strategy: University Marketing

“I really like the ‘landing page’ for each sub-level eg. Making Payments. Nice. I’m sure we’ll copy it, eventually ;)” Tom Scrivener, UW-Milwaukee

“Very nice!” Laurie Palchik, State of Wisconsin Department of Health Services

“Nicely done – looks great!” Kurtis Bock, State of Wisconsin Department of Workforce Development

“At first glance I really like this and it is easy to read/understand. I will forward this to my group. Thank you!!”
Anonymous

“So far very impressive & helpful when I need to find info quick &/or show a Pcard holder proof of why their supporting docs aren't compliant.” Anonymous

Negative Feedback



“I have to scroll through lots of information I do not need to get to what used to be at my fingertips.”

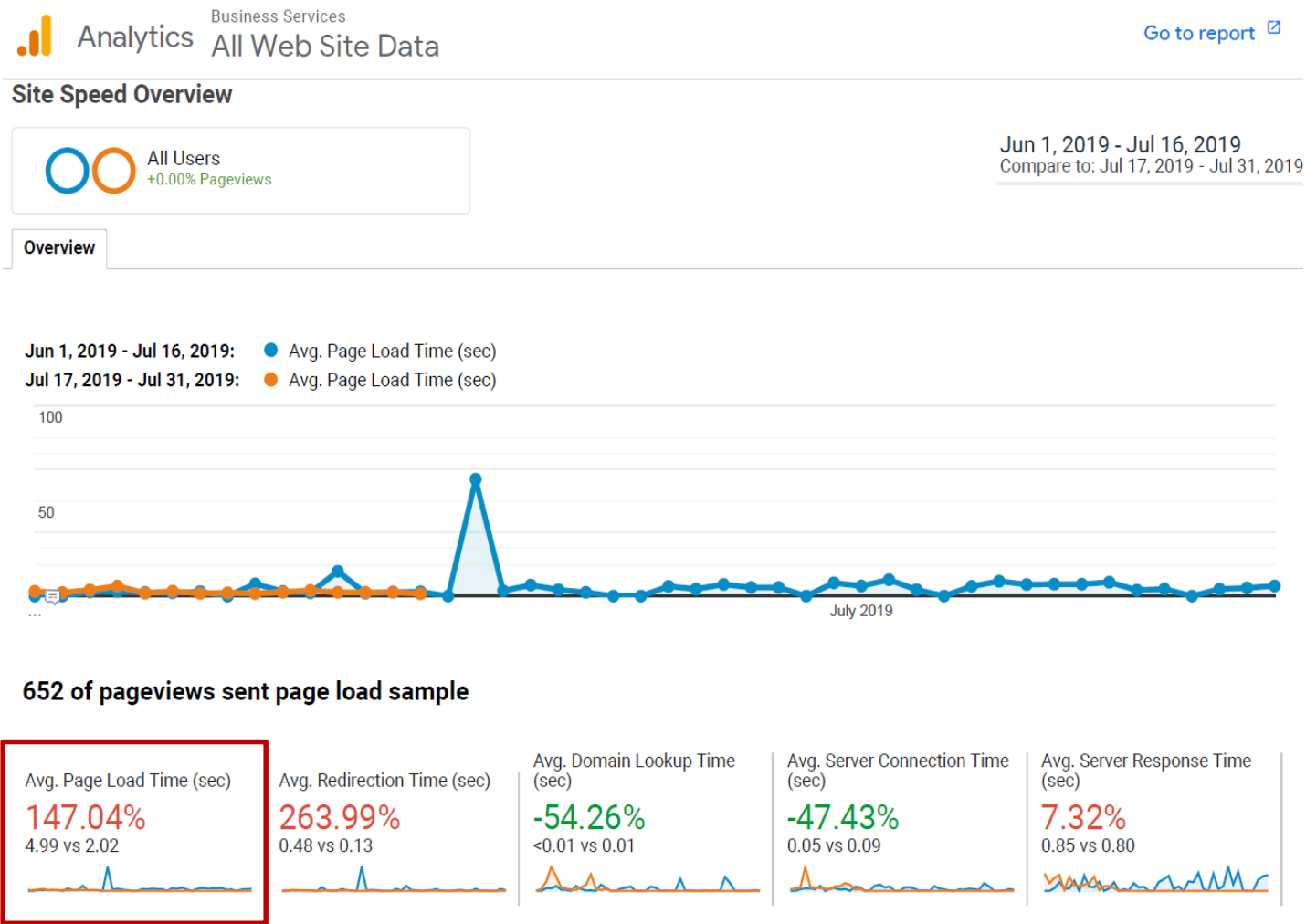
“This is awful! I cannot find--and need to find quickly!”

“Sheesh, all I want to know is the reimbursement rate for mileage when using a private car to travel for University business. Could you make it any harder to find?”

“Instead of one click....had to 'unroll' multiple + entries to find the page.”

Website Speed Improvement

UW DoIT updated WiscWeb on July 17,2019. Average Page load time increased by 147.04%



Continuous Improvements

- Majority of high, medium and low priority requests are complete.
- Setting up work groups to review content on a monthly basis
- Advising users to update bookmarked links

Next Improvements

- Contracts
- Policy completion
- Code look up



Website Feedback

<https://businessservices.wisc.edu/feedback/>

Bradley Thomas

Bradley.Thomas@wisc.edu



Division of Business Services
UNIVERSITY OF WISCONSIN-MADISON

Financial Internal Controls

Imad Mouchayleh

Financial Internal Control Advisory Services

Division of Business Services



Bank Payment Fraud

FINANCIAL INTERNAL CONTROL ADVISORY SERVICES

DIVISION OF BUSINESS SERVICE

FINANCIAL MANAGERS MEETING – AUGUST 13, 2019

Case Study - Bank Payment Fraud

- A University employee (EE) received an email from an established vendor requesting replacing the latter bank routing and account numbers with new ones provided in the email.
- The EE who received the request processed the changes.
- A subsequent discovery showed that the requested changes were deceptive and intended to defraud the University by routing vendors' payments to bank accounts under the fraudsters control.
- The University suffered major financial losses, reported the fraud to law enforcement, and filed an insurance claim and recouped most, but not all, its losses.

Group Discussion

Which system of internal control failed to either detect or prevent this fraud?

Policy and Procedure Control.

Control	Deficiencies	Common Controls
Related policy/procedure are developed and in effect: 'Vendors who wish to make changes to their existing bank records must complete, sign, and submit a designated form, and must attach adequate documents to support the request and justify requested changes'.	<ul style="list-style-type: none">• Policy/procedure do not restrict using the designated form to validate and process changes to existing vendors' bank records.• University successfully processed changes to vendors existing bank records requested via email, which is a common practice.• The university does not require vendors submitting their security protocols and controls over bank records changes to evaluate and accept.	<ul style="list-style-type: none">• Prohibit processing changes to bank records requested by means other than designated form.• Adopt a Zero tolerance policy for noncompliant with established protocols.• Require vendors to submit their protocols and controls over requesting changing bank records to evaluate and decide whether to accept or reject.

Execution Controls

Control	Deficiencies	Common Controls
Security protocols to validate the identity of those who request changes to an existing vendor bank record, and the legitimacy of their request, are established and in effect..	<ul style="list-style-type: none">• EE ignored existing protocols and acted based on an email for the benefit of practicality.• EE was not alerted by an email instead of receiving the required form.• EE did not hover cursor to identify and audit email's domain or source.• No indication that EE called back an employee of the Vendor's other than the requestor to confirm the legitimacy of the requested changes.	<ul style="list-style-type: none">• Require vendors to designate a callback person with knowledge and authority to confirm/approve requested changes.• Provide vendors, with secure access (user ID & password) to vendor portal to make changes to their records in a secure environment. Implement a vendors multiple factor authentication system.• Adopt a vendor multiple security questions systems.

Execution Controls (Continue)

Additional Common Execution Controls

- Require vendors to submit a letter from their bank confirming establishing the new bank account.
- Seek vendors' consent, when possible, to directly contact bank to confirm new bank account information.
- Require vendors to submit a new W-9 form with their change requests to reconcile to IRS database before processing changes to existing bank records.
- Require staff members responsible for managing Vendors Master File to attend an mandatory and customized annual cyber security training course, and track EEs attendance and successful completion. Include the training successful completion as a requirement of the EEs annual performance Evaluation.

Supervisory and Oversight Controls

Control	Deficiencies	Common Controls
<ul style="list-style-type: none">• The EE's supervisor must review and approve the processed changes to an existing vendor's bank records for the changes to take effect.• A supervisor must run a monthly query to extract all the changes made to vendors records within a designated period and audit the exceptions such query highlights.	<ul style="list-style-type: none">• Existing supervisory and oversight controls failed to either detect or prevent this deceptive request to change vendors' bank records to defraud the University.• Supervisory and oversight controls heavily relied on the execution controls, that are not adequate to either detect or prevent errors and potential fraudulent transactions.	<ul style="list-style-type: none">• Adopt a Zero tolerance policy when it comes to processing changes noncompliant with established protocols.• Determine and communicate clear and precise supervisors' job descriptions and responsibilities to include performance of execution of security and fraud prevention tasks and controls.• Update supervisors cyber security awareness and training programs.

Questions?

Imad A. Mouchayleh

Director of Financial Internal Control Advisory Services

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+1 (608) 890-3764

Thank you for attending.

Future Financial Managers' Meetings

Rooms 1106 & 1108, 21 N Park Street
9:30 a.m.

Tuesday, October 15, 2019
Tuesday, December 10, 2019

