FINANCIAL MANAGERS’ MEETING
August 13, 2019
# Agenda

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

Susie Maloney
Financial Information Management
Division of Business Services
Discussion Topics

1) Discovery & Design
2) Concept Validation
3) Next Steps
## COA Work Team Roster

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

56 Units across campus were interviewed

<table>
<thead>
<tr>
<th>Interviewed Unit Composition</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Research Units</td>
<td>12</td>
</tr>
<tr>
<td>Academic Units</td>
<td>13</td>
</tr>
<tr>
<td>Campus Admin. Units</td>
<td>16</td>
</tr>
<tr>
<td>Public Service Units</td>
<td>4</td>
</tr>
</tbody>
</table>
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 Requirements

Data elements were derived from Chart requirements

### Data Elements

<table>
<thead>
<tr>
<th>Function</th>
<th>Customer Type</th>
<th>Payable ID</th>
<th>Employee ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program</td>
<td>Location</td>
<td>Fund Class</td>
<td>Fund Source</td>
</tr>
<tr>
<td>Award / Contract</td>
<td>Project</td>
<td>Invoice ID</td>
<td>Task</td>
</tr>
<tr>
<td>Asset ID</td>
<td>Vendor ID</td>
<td>Service</td>
<td>Invoice Date</td>
</tr>
<tr>
<td>Sponsor</td>
<td>Academic Term</td>
<td>Fiscal Year</td>
<td>Service</td>
</tr>
<tr>
<td>Unit/Entity</td>
<td>Division/Department/Org</td>
<td>Payable ID</td>
<td>Invoice Date</td>
</tr>
<tr>
<td>Account</td>
<td>Activity</td>
<td>Service</td>
<td>Fiscal Year</td>
</tr>
</tbody>
</table>

- 28

Data elements were derived from Chart requirements.
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.

<table>
<thead>
<tr>
<th>Transform Data Elements into a Design</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Who</strong></td>
</tr>
<tr>
<td>• is responsible for the transaction?</td>
</tr>
<tr>
<td>• is responsible for the activity?</td>
</tr>
<tr>
<td>• owns the asset/liability?</td>
</tr>
<tr>
<td>• is impacted by the transaction?</td>
</tr>
<tr>
<td><strong>What</strong></td>
</tr>
<tr>
<td>• is the nature of the transaction, revenue, expenses, asset or liability?</td>
</tr>
<tr>
<td><strong>Where</strong></td>
</tr>
<tr>
<td>• is the activity being performed?</td>
</tr>
<tr>
<td><strong>How</strong></td>
</tr>
<tr>
<td>• is the activity being funded</td>
</tr>
<tr>
<td>• are assets impacted by the transaction</td>
</tr>
<tr>
<td>• are unique monies impacted</td>
</tr>
<tr>
<td><strong>Why</strong></td>
</tr>
<tr>
<td>• is the transaction occurring? (What institutional purpose does it serve?)</td>
</tr>
</tbody>
</table>
**COA Prototype**

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

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

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

<table>
<thead>
<tr>
<th>Award/Contract</th>
<th>Project</th>
<th>Task</th>
<th>Employee ID</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition</strong></td>
<td>Collective sponsored program or contract that is assc. to one sponsor or funding source</td>
<td>Specific body of work which is being performed</td>
<td>Component of the body of work being performed.</td>
</tr>
</tbody>
</table>

| Example Value | 1000000-CE Research | 10070-Civil Structural Research | 1-Grants Task | 123456 |


## Example Values for Capital Project

<table>
<thead>
<tr>
<th>Award/Contract</th>
<th>Project</th>
<th>Task</th>
<th>Employee ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>5100-2019 Bond</td>
<td>20350-Dining Hall Construction</td>
<td>3.5-Construction Phase 5</td>
<td></td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>#</th>
<th>Proof of Concept Scenarios</th>
<th>Concept Grouping</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Professor Wilson is appointed in the English department, but part of her salary is paid by the History department.</td>
<td>Faculty Support</td>
</tr>
<tr>
<td>2</td>
<td>Dean Johnson is traveling to the Big 10 Dean’s Conference and will be using multiple funds to purchase travel.</td>
<td>Activity Reporting</td>
</tr>
<tr>
<td>3</td>
<td>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.</td>
<td>General Accounting</td>
</tr>
<tr>
<td>4</td>
<td>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.</td>
<td>Funds Management / Research</td>
</tr>
<tr>
<td>5</td>
<td>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.</td>
<td>Funds Management</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Entity</th>
<th>Organization</th>
<th>Fund Type</th>
<th>Fund</th>
<th>Account</th>
<th>Function</th>
<th>Program</th>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000.00</td>
<td>10-UW-Madison</td>
<td>10070-English</td>
<td>100-Unrestricted Operating - General</td>
<td>10000-General Operating</td>
<td>5020-S&amp;W Tenured Faculty</td>
<td>100-Instruction - General</td>
<td>Unspecified</td>
<td>Unspecified</td>
<td>Unspecified</td>
</tr>
<tr>
<td>$5,000.00</td>
<td>10-UW-Madison</td>
<td>10080-History</td>
<td>100-Unrestricted Operating - General</td>
<td>10000-General Operating</td>
<td>5020 S&amp;W Tenured Faculty</td>
<td>100-Instruction - General</td>
<td>Unspecified</td>
<td>Unspecified</td>
<td>Unspecified</td>
</tr>
<tr>
<td>$10,000.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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.
Guided Expense Tool (GET)
Decommissioning

Graig Brooks
Disbursements - Travel and Cards
Division of Business Services
Available Trainings:

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
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.

<table>
<thead>
<tr>
<th>Control</th>
<th>Deficiencies</th>
<th>Common Controls</th>
</tr>
</thead>
</table>
| 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’. | • 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. | • 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

<table>
<thead>
<tr>
<th>Control</th>
<th>Deficiencies</th>
<th>Common Controls</th>
</tr>
</thead>
</table>
| 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. | • 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 that the requestor to conform the legitimacy of the requested changes. | • 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. |

08/13/2019
FINANCIAL INTERNAL CONTROL ADVISORY SERVICES-DOBS.
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

<table>
<thead>
<tr>
<th>Control</th>
<th>Deficiencies</th>
<th>Common Controls</th>
</tr>
</thead>
</table>
| • 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. | • 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. | • 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
21 N. Park Street # 1634. Madison WI. 53715
Mouchayleh@wisc.edu
+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