

2008 Self-Assessment of Controls Results

Results for Campus/Unit Your Department Name

These results have e-mailed to your department head, Your Department Head's name. You can use the *Print* function on your Web browser to obtain a copy of this page.

Fiscal policy may be referenced at the following URL: <http://www.tennessee.edu/policy>

<p><i>Question 1:</i> Do non-exempt employees record the actual time they worked and were absent rather than their planned work schedules on timesheets?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Records may not reflect actual time worked, leave taken, and other absences.</p> <p>Corrective Action: Ensure that time records for non-exempt employees are based on the actual time they worked and were absent rather than on planned work schedules.</p>
<p><i>Question 2:</i> Do employees have access to timesheets after they have been approved, but before they are entered into the university's financial and human resources system (IRIS)?</p> <p><i>Your Response:</i> Yes</p>	<p><i>Risk:</i> Timesheets may be altered before they are entered in the IRIS system.</p> <p>Corrective Action: Ensure that employees do not have access to timesheets after they are approved.</p>
<p><i>Question 3:</i> Does the person approving payroll time entries in IRIS review the timesheets approved by the supervisor before approving the time in IRIS?</p> <p><i>Your response:</i> No</p>	<p><i>Risk:</i> Without reviewing timesheets, the IRIS approver may have no justification for approval and may approve inaccurate or fraudulent timesheets.</p> <p>Corrective Action: The person approving payroll time entries in IRIS should review the approved timesheets for the employees he or she is approving.</p>
<p><i>Question 4:</i> Does the person who approves payroll time entries in IRIS share his or her IRIS system ID and password with anyone?</p> <p><i>Your response:</i> Yes</p>	<p><i>Risk:</i> System records may not accurately reflect who approved the time and personnel records. In addition, the security of the IRIS system has been compromised. Time records and personnel changes could be approved without the approver's knowledge.</p> <p>Corrective Action: The payroll time-entry approver should change his or her IRIS system password and keep it confidential. [Policy FI0805]</p>

<p><i>Question 5:</i> Have all employees who enter payroll data received IRIS training in time management and approval of payroll input?</p> <p><i>Your response:</i> No</p>	<p><i>Risk:</i> Inaccurate or fraudulent entries may be entered and approved.</p> <p><i>Corrective Action:</i> Ensure that all employees receive the proper IRIS payroll training.</p>
<p><i>Question 6:</i> During the past year, has your department failed to submit a timely biweekly timesheet for a working employee more than once, resulting in the need to manually process a special paycheck?</p> <p><i>Your response:</i> Yes</p>	<p><i>Risk:</i> Failure to collect all timesheets in a timely fashion for processing is inefficient and can result in violation of federal law.</p> <p><i>Corrective Action:</i> Implement procedures such as the following: send reminder notices, use a checklist to determine that all biweekly timesheets are received, and follow up on missing timesheets.</p>
<p><i>Question 7:</i> Are backups assigned for payroll data entry, and are substitutes established in IRIS for payroll approval?</p> <p><i>Your response:</i> No</p>	<p><i>Risk:</i> Payroll deadlines could be missed.</p> <p><i>Corrective Action:</i> Assign backups for data entry and establish substitutes in IRIS for approval. Small departments should consider partnering with another department for backup and substitute duties. [Policy FI0150]</p>
<p><i>Question 8:</i> Are personnel data entered via electronic forms and data sent to Human Resources on paper forms subsequently verified in IRIS for accuracy?</p> <p><i>Your response:</i> No</p>	<p><i>Risk:</i> Inaccurate data could be posted to an employee's file.</p> <p><i>Corrective Action:</i> Verify that all data sent to Human Resources has been correctly entered in IRIS.</p>
<p><i>Question 9:</i> To verify that only legitimate employees are on the payroll, is the check register reviewed each pay period by an employee who meets the following criteria: 1) is knowledgeable of who is employed by the department and 2) is someone other than the data-entry person?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Unauthorized payments to former, fictitious, or current employees may not be detected.</p> <p><i>Corrective Action:</i> Ensure that a departmental employee meeting the necessary criteria reviews the payroll register each pay period to ensure that only appropriate personnel are paid on each cost center/WBS element. This individual should document his or her review by signing or initialing the payroll register.</p>

<p><i>Question 10:</i> Do you have any employees who have averaged less than 40 hours per week over the past six months and are entered in the IRIS system at 100 percent effort?</p> <p><i>Your Response:</i> Yes</p>	<p><i>Risk:</i> Employees are inappropriately classified at 100 percent effort and may be receiving unearned benefits (e.g., employees who work less than 75 percent are not eligible for insurance).</p> <p><i>Corrective Action:</i> Steps should be taken to ensure that the correct percentage of effort is entered in IRIS for all employees.</p>
<p><i>Question 11:</i> In the past two years, has an employee been on unpaid leave of absence more than two weeks without his or her status being changed to "leave without pay"?</p> <p><i>Your Response:</i> Yes</p>	<p><i>Risk:</i> If the employment status is not changed to "leave without pay," the employee continues to accrue sick and annual leave and the university continues to pay the employer's portion of insurance.</p> <p><i>Corrective Action:</i> In compliance with university payroll rules, the department should change the employment status of employees who are on an unpaid leave of absence for more than two weeks to "leave without pay."</p>
<p><i>Question 12:</i> Are all absences documented when they occur either by the employee or a timekeeper (rather than at the end of the pay period)?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Failure to document absences when they occur increases the likelihood that employees may not report all absences.</p> <p><i>Corrective Action:</i> Ensure that all absences are documented when they occur either by the employee or a timekeeper.</p>
<p><i>Question 13:</i> Do employees in your department take sick or annual leave before it is earned?</p> <p><i>Your Response:</i> Yes</p>	<p><i>Risk:</i> Employees are being paid for leave not yet earned.</p> <p><i>Corrective Action:</i> Ensure that employees take sick and annual leave only for the amount of leave earned. If leave has not been earned, absences should be recorded as leave without pay.</p>
<p><i>Question 14:</i> Does your department collect timesheets (approved by the immediate supervisor) each month from all employees who accrue leave whether or not they took leave?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> All leave taken may not be reported by employees and recorded in IRIS.</p> <p><i>Corrective Action:</i> Ensure that employees submit an approved timesheet indicating the leave taken (or not taken) each month.</p>

<p><i>Question 15:</i> If relatives are employed in your department, are they within the same direct line of supervision whereby one relative is responsible for supervising the job performance or work activities of another relative?</p> <p><i>Your Response:</i> Yes</p>	<p><i>Risk:</i> This violates university human resources policy and state law and increases the possibility of collusion between the individuals to falsify payroll/leave records or misuse university assets.</p> <p>Corrective Action: Action should be taken to remove an employee from the direct supervision of a relative. [Policy HR0115]</p>
<p><i>Question 16:</i> Do any departmental staff employ someone under their supervision for work outside the university (e.g., work in private business, as a babysitter)?</p> <p><i>Your Response:</i> Yes</p>	<p><i>Risk:</i> Employing someone under your supervision for work outside the university violates university policy and may be a conflict of interests. [Policies HR0122 and FI0125]</p> <p>Corrective Action: Ensure that all departmental employees understand Policy HR0122 and Policy FI0125, report any violations to the campus/institute human resources department, and stop any existing arrangement that violates policy.</p>
<p><i>Question 17:</i> Are periodic (at least annual) appraisals of performance completed and documented in writing?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Employee performance is not being adequately documented.</p> <p>Corrective Action: Perform periodic performance appraisals at least annually and document them in writing.</p>
<p><i>Question 18:</i> Have you ever had a theft in your department which was not reported to the campus police or internal audit department?</p> <p><i>Your Response:</i> Yes</p>	<p><i>Risk:</i> The university did not have opportunity to conduct an investigation of the theft.</p> <p>Corrective Action: All incidences of theft should be reported to the campus police or internal audit department. [Policy FI0130, employee involvement; Policy FI0131, nonemployee]</p>
<p><i>Question 19:</i> Have you ever allowed a departmental employee who was suspected of theft to resign as an alternative to discharge without the approval of the chief financial officer?</p> <p><i>Your Response:</i> Yes</p>	<p><i>Risk:</i> The university may not have been able to conduct an adequate investigation or recover any losses from the employee's paycheck or retirement.</p> <p>Corrective Action: Ensure that all employees who are suspected of theft are not allowed to resign without the specific approval of the chief financial officer. [Policy HR0525]</p>

<p><i>Question 20:</i> Does the department have all non-exempt (monthly and biweekly) time records and supporting documents for the past three years?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Non-exempt (monthly and biweekly) time records and supporting documents are not held in the department for three years as required by Policy FI0120 to conform to federal regulations.</p> <p><i>Corrective Action:</i> Non-exempt time records and supporting documents must be filed in the department for three years. [Policy FI0120]</p>
<p><i>Question 21:</i> Does the department have the supporting documentation for Additional Payment Requests processed over the past year?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Not keeping supporting documentation for Additional Payment Requests in the department for one year violates state law and Policy FI0120.</p> <p><i>Corrective Action:</i> Supporting documentation for Additional Payment Requests must be retained in the department for one year. [Policy FI0120]</p>
<p><i>Question 22:</i> Does the department have all employment applications for faculty and exempt staff received over the past five years?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Employment applications for faculty and exempt staff are not kept in the department for five years as required by Policy FI0120 and federal regulations.</p> <p><i>Corrective Action:</i> Employment applications for faculty and exempt staff should be retained in the department for five years.</p>
<p><i>Question 23:</i> Does the department have all unsolicited employment applications for faculty and exempt staff positions received over the past six months?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Unsolicited employment applications for faculty and exempt staff are not kept in the department for six months as required by Policy FI0120.</p> <p><i>Corrective Action:</i> Unsolicited employment applications for faculty and exempt staff should be retained in the department for six months.</p>
<p><i>Question 24:</i> Does the department have applicant statistics (e.g., name, sex, race, qualifications) and search files for all faculty and exempt staff job vacancies that occurred over the past 10 years?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Applicant statistics and search files for faculty and exempt staff job vacancies are not kept in the department for 10 years as required by Policy FI0120 and federal regulations.</p> <p><i>Corrective Action:</i> Applicant statistics and search files for faculty and exempt staff should be retained in the department for 10 years.</p>

<p><i>Question 25:</i> Before hiring employees, does your department or a central campus/institute office verify the required educational level and previous employment history?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> The department may hire unqualified individuals.</p> <p>Corrective Action: The educational level and previous employment history of applicants should be verified before employees are hired.</p>
<p><i>Question 26:</i> Does the departmental employee who certifies the I-9 form physically see the individual and the documents?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Federal regulations require physically observing the individual and documents.</p> <p>Corrective Action: Ensure that the departmental employee who certifies the I-9 form physically sees the individual and documents.</p>
<p><i>Question 27:</i> Is the I-9 form completed and the appropriate documentation verified before the employee begins work or within three days of the first day of work?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> The department is not completing the I-9 form in compliance with federal regulations.</p> <p>Corrective Action: Ensure that the I-9 is completed before the employee begins work or within three days of the first day of work.</p>
<p><i>Question 28:</i> Is an Authorization for Release of Final Paycheck form completed for every terminating employee (except students) to certify clearance of all debts to the university and collection of ID, keys, parking permits, wireless equipment, etc.?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Employees may leave the university without paying debts owed to the university and not return their IDs, keys, parking permits, etc.</p> <p>Corrective Action: Ensure that an Authorization for Release of Final Paycheck form is completed for all terminating employees (except students) and forwarded to the campus/institute human resources office.</p>
<p><i>Question 29:</i> If an employee is not performing to expectations, is this documented to Human Resources and the employee's personnel file during the period prior to his or her annual performance appraisal?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Keeping nonperforming employees on the payroll can be detrimental to office production and employee morale.</p> <p>Corrective Action: Document nonperformance to Human Resources to begin possible termination procedures on a timely basis.</p>

<p><i>Question 30:</i> Does your department have an inventory of items held for resale or materials or parts (not office supplies or tagged equipment on the university's equipment inventory system)?</p> <p><i>Your Response:</i> Yes</p>	
<p><i>Question 31:</i> Inventory Description: stuff we sell and other items for resale</p>	
<p><i>Question 32:</i> Approximate Value: 10,001</p>	
<p><i>Question 33:</i> Does the estimated value of the inventory exceed \$10,000?</p> <p><i>Your Response:</i> Yes</p>	
<p><i>Question 34:</i> Does your inventory have an inventory account number on the ledger?</p> <p><i>Your Response:</i> No</p>	
<p><i>Question 35:</i> Inventory Account Number(s): <i>Your Response:</i> e170142</p>	
<p><i>Question 36:</i> When shipments arrive, are they checked against the vendor packing slips to ensure that the correct items and quantities have been received before accepting the shipment?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Inappropriate items or incorrect quantities may be received into inventory.</p> <p><i>Corrective Action:</i> Check all shipments against the vendor packing slips to verify that the correct items and quantities have been received before the shipments are accepted into the inventory.</p>
<p><i>Question 37:</i> Are quantity and cost records maintained for all items added to or removed from the inventory?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Quantity and cost records are not available to determine inventory overages and shortages and to properly manage inventory levels.</p> <p><i>Corrective Action:</i> Maintain quantity and cost records for all items added to or removed from the inventory. [Policy FI0145]</p>

<p><i>Question 38:</i> Are inventory overages/shortages determined periodically throughout the year by physically counting the inventory and comparing to inventory records?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> The department may not be aware of significant inventory shortages.</p> <p><i>Corrective Action:</i> Periodically throughout the year, physically count the inventory and compare to inventory records to determine inventory overages/shortages.</p>
<p><i>Question 39:</i> Are significant inventory overages/shortages investigated to determine their cause?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Significant inventory overages/shortages may continue unnecessarily.</p> <p><i>Corrective Action:</i> Investigate all significant inventory overages/shortages to determine their cause. Document the results of the investigation and take appropriate action when possible to prevent a recurrence. If a theft is determined or appears likely, contact the campus police or internal audit department according to the guidelines in Policy FI0131.</p>
<p><i>Question 40:</i> Are all overages/shortages recorded as adjustments to your department's inventory records?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Future overages/shortages cannot be determined accurately.</p> <p><i>Corrective Action:</i> All overages/shortages should be recorded as adjustments to the department's inventory records.</p>
<p><i>Question 41:</i> Are all adjustments made to the inventory records approved by an employee other than the inventory record keeper?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Adjustments can be made to the inventory records without an independent review.</p> <p><i>Corrective Action:</i> Ensure that all adjustments made to the inventory records are approved by an employee other than the inventory record keeper.</p>
<p><i>Question 42:</i> Is the inventory counted at least annually and compared to inventory records by an internal auditor or an employee other than the inventory record keeper?</p> <p><i>Your response:</i> No</p>	<p><i>Risk:</i> The inventory records do not receive an independent review at least annually.</p> <p><i>Corrective Action:</i> Ensure that an internal auditor or an employee other than the inventory record keeper counts the inventory and compares it to inventory records at least annually. [Policy FI0145]</p>
<p><i>Question 43:</i> Are detailed instructions prepared for employees who perform the annual inventory count, including the counting of inventory by at least two employees?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> Inventory may be miscounted if employees are not aware of the instructions, causing unnecessary time spent to reconcile differences and possible needless adjustments.</p> <p><i>Corrective Action:</i> Prepare detailed instructions for the annual inventory count, including counting the inventory by at least two employees.</p>

<p><i>Question 44:</i> Are obsolete or spoiled items identified and separated from the inventory before the fiscal year-end inventory count?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> The recorded inventory amount may erroneously include obsolete or spoiled items.</p> <p><i>Corrective Action:</i> Periodically review the inventory to identify and dispose of obsolete or spoiled items.</p>
<p><i>Question 45:</i> Are hazardous materials clearly identified and Material Safety Data Sheets on hand for hazardous materials in stock?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> People may accidentally be exposed to hazardous materials.</p> <p><i>Corrective Action:</i> Clearly identify all hazardous materials and maintain Material Safety Data Sheets for all hazardous materials in stock.</p>
<p><i>Question 46:</i> Does the inventory have reasonable protection from theft, vandalism, or damage due to fire, water, temperature, or dust?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> The inventory is vulnerable to theft, vandalism, or damage.</p> <p><i>Corrective Action:</i> Take steps to ensure that the inventory is provided with reasonable physical protection. If necessary, contact the proper campus/institute administrators and alert them to this problem.</p>
<p><i>Question 47:</i> For those departments with inventory accounts on the ledger, are costs recorded on the departmental inventory records reviewed periodically to determine that the inventory is valued properly (i.e., compared to invoices and contracts)?</p> <p><i>Your Response:</i> No</p>	<p><i>Risk:</i> The costs recorded on the departmental inventory records may not be accurate.</p> <p><i>Corrective Action:</i> Ensure that costs recorded on the departmental inventory records are reviewed periodically to determine whether the inventory is valued properly.</p>

Thank you for completing the 2008 Self-Assessment of Controls. If you have questions or comments, contact your coordinator Leigh Cheek (Campus) at "Leigh Cheek"<lcheek@tennessee.edu>. Responses submitted by Clerk's name for Your Department Head's name at e-mail address: depthead@utk.edu on 09/11/2008 at 11:15:41.