
University of Washington (UW)

Agency: 360

Audit Report: 1014464

Finding Number: 001

Finding: The University of Washington's Internal Audit Department notified the State Auditor's Office(SAO) regarding three potential losses of public funds, as required by state law.

The University initiated an investigation into each of the three reported cases and determined that misappropriation totaling \$52,893 had occurred between February 16, 2012 and January 20, 2015. SAO reviewed the University's investigation for each of the cases and agree with the conclusions reached.

Fraud Amount: \$52,893

Amount to be recovered: \$57,687 (includes \$4,794 audit costs)

Recovery to Date: \$32,494

Resolution/Status: The University agrees with the internal control recommendations made by the auditors and will proceed to seek restitution from the employees identified in these investigations. These same internal control recommendations were included in the reports issued by the University's Internal Audit Office and the management teams in each of the units involved have instituted new processes and controls to reduce the risk of future similar occurrences.

As of November 2015, the University's Office of Minority Affairs and Diversity Instruction Center:

- Reconfigured the Husky Card reader to require the use of a PIN to process refunds, and only the Center director and office support supervisor have been provided with PINs.
- Added a requirement for the director and compliance specialist to review daily Husky Card transaction logs to identify unusual transactions.
- Developed and implemented policies and procedures regarding collection of test preparation fees, issuing refunds, and reconciliation of revenue against Husky Card transactions.
- Added a requirement for management to perform and review monthly reconciliations of revenue, refunds, and expenses.

The University has received \$32,494 in payments from the King County Superior Court as restitution for the loss of funds related to the Husky Card refunds.

As of August 2015, the University's Health Information Management (HIM):

- Developed policies and procedures to monitor time and productivity of HIM coding staff who work both in the office and remotely.
- Required daily productivity reports to be run and compared to the University of Washington Medical Center timekeeping system.

Status of Audit Resolution

December 2015

- Developed coding productivity standards for all HIM coding areas. The HIM manager, supervisors and leads review the Coding Exception Report (CER) submitted daily and evaluate the coder's performance in relation to the standards. Any productivity anomalies identified by management are evaluated and compared to the CER to see if there is an explanation such as sick leave, staff meetings, or training that explains why productivity was not met.
- Established daily meetings to monitor all areas of coding and identify if there are any areas with coding backlogs. Further investigation is implemented if there are areas of concern identified.

As of December 2015, the University's Information Technology Services (ITS):

- Developed policies and procedures regarding the use of on-call parking passes. Employees must sign an acknowledgement of the terms and conditions prior to receiving a pass, and annually thereafter.
- Required management to perform monthly reviews of parking pass usage.
- Determined that the utilization of available reports from the timekeeping system to monitor telecommuting for on-call employees would be cost prohibitive. However, managers will be periodically reminded to be vigilant and will be provided training on monitoring employees who telecommute.

Personnel Action Taken: Individuals involved in the investigation were either terminated or have resigned.

Criminal Action Taken: The case involving the Office of Minority Affairs and Diversity was referred to the King County Prosecuting Attorneys Office. No criminal action was taken on the other cases; however, the University will seek recovery of the misappropriations.

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