

University of Washington

Agency 360

Audit Report	Finding Number	Finding and Resolution	
1027333	001	<p>Finding:</p> <p>Fraud Amount:</p> <p>Amount to be Recovered:</p> <p>Recovery to date:</p> <p>Resolution /Status:</p> <p>Personnel Action Taken:</p> <p>Criminal Action Taken:</p>	<p>The Department of Biological Structure at the University did not have adequate internal controls over procurement card use, resulting in employee misappropriations between August 2019 and February 2020.</p> <p>\$36,956</p> <p>\$38,161</p> <p>\$28,498 as of August 2020</p> <p>The University’s Procurement Card Office worked with the Department to prepare and submit a claim to seek recovery from the procurement card provider and received reimbursement of \$28,498 from the bank on August 12, 2020.</p> <p>Since the University’s Internal Audit report was issued in April 2020, the Department of Biological Structure has taken the following steps to strengthen internal controls over the use of procurement cards:</p> <ul style="list-style-type: none"> • Developed written policies and procedures for the procurement card process and communicated them to the appropriate faculty and staff members. • Provided training to staff responsible for procurement card reconciliation, which include requesting and reviewing the necessary documentation from cardholders in a timely manner. • Cancelled several procurement cards previously issued to various lab members. The remaining cardholders consist of staff who need to make specific purchases at on-site vendors and a few select faculty members. <p>Additionally, the Department:</p> <ul style="list-style-type: none"> • Required new procurement card requests to be approved by the Department’s Administrator and Chair. • Implemented a process for faculty supervisors or the Administrator to review procurement card purchases. • Required payments to online merchant accounts to have an actual vendor invoice and documented evidence stating that the vendor only accepts PayPal. • Required Cardholders to complete the Washington State Department of Enterprise training. The required courses include <i>Small Purchases</i> and <i>Purchasing and Procurement Ethics</i>. <p>The employee who used the procurement card fraudulently resigned in lieu of termination on February 24, 2020.</p> <p>The University of Washington Police was notified and has been conducting an investigation. We were notified that the individual is deceased, so no further action could be taken.</p>

State of Washington - Office of Financial Management
Status of Audit Resolution
December 2021

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Audit Report	Finding Number	Finding and Resolution	
1027333	001 (cont'd)	Agency Contact:	Dan Schaaf Controller 4300 Roosevelt Way NE Seattle, WA 98105 (206) 685-6423 schaafd@uw.edu

University of Washington

Agency 360

Audit Report	Finding Number	Finding and Resolution	
1028569	001	<p>Finding:</p> <p>Fraud Amount: \$66,087</p> <p>Amount to be Recovered: \$72,492</p> <p>Recovery to date: \$0</p> <p>Resolution /Status:</p> <p>Personnel Action Taken:</p> <p>Criminal Action Taken:</p> <p>Agency Contact:</p>	<p>The University did not have adequate internal controls over monitoring of services performed at the School of Dentistry, resulting in employee misappropriations between January 2016 and December 2018.</p> <p>The University completed an internal investigation in April 2019. The School of Dentistry also addressed all findings from the internal audit of the Fears Clinic and implemented the following corrective actions:</p> <ul style="list-style-type: none"> • The Fears Clinic was closed and merged with the University’s Dentistry Campus Dental Center, resulting in greater professional oversight of billing and revenue collection. • Corrected issue in the patient billing system to remove the ability of providers to select and bill zero rates for some commonly used procedure codes. • Implemented significant improvement in reporting capabilities with the development of online tools, reports, and performance indicators. <p>The University is seeking recovery of the misappropriated funds, and has initiated the necessary consultations, collection of documentation and follow-up with the appropriate representatives in Student Fiscal Services.</p> <p>The School of Dentistry is currently in consultation with responsible parties in the University’s Academic Human Resources and the Attorney General’s Office to address the actions of the faculty member in accordance with the University’s Faculty Code and Governance.</p> <p>The Office of the Washington State Auditor has referred this case to the King County Prosecuting Attorney’s Office. No other criminal actions have been initiated.</p> <p>Dan Schaaf Controller 4300 Roosevelt Way NE Seattle, WA 98105 (206) 685-6423 schaafd@uw.edu</p>