

# Central Washington University

## ***General***

***Code:*** S2Central-FD23  
***Name:*** Central Washington University  
***Group:*** Yakima  
***Type:*** S2-University or College  
***Location:*** Kittitas  
***Scope:*** Not Applicable

## ***Team***

***Lead:*** Neyda Flores  
***Manager:*** Mandy Wilson

## **Procedures**

### **A.1.PRG - TeamMate Administration**

***Procedure Step:*** Audit Set Up  
***Prepared By:*** NF, 11/21/2024  
***Reviewed By:*** MW, 12/9/2024

Purpose/Conclusion:
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**Purpose / Conclusion:**

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Set up TeamMate audit file in accordance with TeamMate Protocol.

## Testing Strategy ⚡

All of the following steps are required in order to properly set up the TM file except for the optional step to set up global tickmarks. If the budget is less than 100 hours, auditors may skip steps 4-6 (filling out the profile and sending to TC) until the end of the audit.

1. **Add the audit team to the project** - To do this, go to the Planning tab and select Team. Then select the team from the TeamStore by clicking the "get" button. [For confidential audits only \(IT, Medicaid, etc.\): Disable guest access.](#)
2. **Set Project Manager and Lead** - Select the Lead and Manager from the drop down menus in the Team Tab of the Profile. The "Lead" should be the Auditor-In-Charge of the audit, and the "Manager" should be the Assistant Audit Manager supervising the audit.
3. **Fill out initial information in the Profile** - The Project Profile captures general information about the audit for the TeamCentral database. Access the Profile from the Planning tab and populate as many of the required fields in the Profile as possible at this stage of the audit. A description for each required field can be found in the TeamMate Protocol document.
4. **Centralized Projects** - Go to <http://saoapp/TMDV/ViewProjectErrors.aspx> and enter the project code then "Validate" to check your project for errors.
5. **Resolve any TMDV errors** - The TeamMate Data Validation (TMDV) application performs a series of edit checks on data in your project to ensure accuracy and conformity to protocol. If TMDV identifies errors for your project, resolve the errors and send to central again (if distributed) until TMDV displays that there are no records to display.

Exceptions could indicate either errors in the TeamMate profile or issue data or errors in other SAO databases. If you have confirmed that information in TeamMate is correct, contact the TeamMate Administrative Group to initiate corrections to our other databases.

6. **Set up your favorite global tickmarks (optional)** - Global tickmarks are available throughout the audit file and do not change from workpaper to workpaper. You can access the global tickmarks screen from the Planning tab.

7. **Initialize Audit** – Attempt to sign off on this step, which will trigger a dialog box asking if you would like to initialize the audit. After initialization of the audit, you may continue to add users or global tickmarks, but cannot delete any.

## Guidance/Criteria ⚡

### ADDITIONAL BACKGROUND

Auditors should consider the following background information and resources when performing work on this area.

### [TeamMate Protocol Document](#)

## Record of Work Done ⚡

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1. Added the audit team to the project (all audits). As applicable, disabled guest access (confidential audits only).
2. Set the Project Manager and Lead
3. Filled out the audit profile
4. Checked Data Validation System for errors
5. Resolved all TMDV Errors
6. Set up my favorite global tickmarks, if needed
7. Initialized the audit file

## A.1.PRG - TeamMate Administration

**Procedure Step:** Project Review & Finalize  
**Prepared By:** MW, 12/9/2024  
**Reviewed By:** MW, 12/9/2024

Purpose/Conclusion:

### **Purpose/Conclusion:**

To ensure that audit documentation complies with TeamMate Protocol, the audit file is ready for finalization and archiving, and that any files outside of TeamMate are completed and reviewed.

Testing Strategy:

### **Replicas**

Ensure that all replicas are merged into the master file and discard any replicas that will never be merged.

Review of workpapers

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Review workpapers to ensure they are completed and properly signed off. You can use the Procedure Status Viewer (for all procedure steps) or the Schedule Status Viewer (for procedure summaries and attachments) to see the status of steps and attachments in the audit file. *The Viewers can be accessed from the buttons on the Navigation Bar at the bottom of the screen.*

## Coaching Notes

Verify that all coaching notes have been addressed and cleared. You can use the Coaching Notes Viewer to see the status of all Coaching Notes in the audit file. *The Coaching Note Viewer can be accessed by using the button on the Navigation Bar at the bottom of the screen.*

During the finalization process, coaching notes will be deleted. If you want to keep these notes you will need to create a report using the Reports wizard and save it outside of the TeamMate file.

## Hardcopy Files and External Data

Ensure that hardcopy files referenced by the audit are completed and reviewed. Also ensure that any unnecessary documentation or files, including databases with any confidential or sensitive information, are appropriately disposed. If files or databases are needed for future periods, ensure these are appropriately secured. *See the SAO Administrative Policy on Data Security and Access.*

## Project Profile

Review and update the Profile information. See the TeamMate Protocol document for definitions and instructions for each required field. *The Protocol document can be accessed from your Start Menu / All Programs / State Auditor's Office or on the Intranet on the TeamMate page.*

## Confidential Audits Only

Disable guest user and any other users granted temporary file access.

## Issue Review

Ensure issue content is exactly what was presented to the client per the Exit Document, Management Letter, or Finding. There should only be one issue for each finding, management letter item and exit comment. Additional information or notes about the issue can be documented in the "notes" tab. Any other documented issues (that were communicated verbally, at pre-exits or were later combined or dropped) should be either deleted or marked as "verbal recommendations."

Check that all required issue fields are completed and correct. See the TeamMate Protocol document for definitions and instructions for each required field. *The Protocol document can be accessed under Audit / TeamMate on the Intranet.*

## Issue Sign-Off

All issues must be reviewed and signed off by a Supervisor and/or Audit Manager, per Protocol. The finalization process will require all issues to have a state of "reviewed."

## Audit Status in Tracker

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Update the Audit Status of prior audit management letters and findings in Tracker. See the [Tracker Quick Reference Guide](#) for details.

Resolve any TMDV errors - The TeamMate Data Validation (TMDV) application performs a series of edit checks on data in your project to ensure accuracy and conformity to protocol.

- Go to the Status and Milestones tab in the profile and change project status to "Post Fieldwork"
- Go to <http://saoapp/TMDV/ViewProjectErrors.aspx> and enter the project code then "Validate" to check your project for errors.
- If TMDV identifies errors for your project, resolve the errors and check web site until TMDV displays that there are no records to display.

Exceptions could indicate either errors in the TeamMate profile or issue data or errors in other SAO databases. If you have confirmed that information in TeamMate is correct, contact the **TeamMate Administrative Group** to initiate corrections to our other databases.

## Change Project Status

Go to the Status and Milestones tab in the profile and change project status to "Post Fieldwork".

Enter the report issuance date in the "Issued (Final Report)" field. **REMINDER: DO \*NOT\* CHANGE THE STATUS OF THE PROJECT TO ISSUED.**

## Complete/Finalize Project

After the audit report has been sent to OS the audit should be finalized by the Audit Manager. To do this, go to Review | Finalize. The finalization process will:

- Halt the process if any issues have not been reviewed;
- Warn the Audit Manager of unreviewed workpapers and/or steps;
- Check for uncleared coaching notes;
- Finalize the project, which prevents any further changes from being made to the file.

*Note: if the project is finalized and the team subsequently needs to add or modify the documentation, contact the TeamMate Administrator for assistance.*

Guidance/Criteria:
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## **ADDITIONAL BACKGROUND**

Auditors should consider the following background information and resources when performing work on this area.

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## TeamMate Protocol Document

Record of Work Done.:

All of the following steps have been completed for this audit file:

- All outstanding replicas are merged.
- All workpapers have been reviewed.
- Coaching notes have been addressed and cleared.
- Hardcopy files have been completed and reviewed.
- Unnecessary files and databases have been appropriately disposed of, and any files or databases needed for future periods have been appropriately secured in accordance with SAO's administrative policy on Data Security and Access.
- The audit profile has been completed.
- As applicable, any guest/temporary user access has been disabled (confidential audits only).
- Issue content has been reviewed and required fields completed.
- All issues have been signed off as reviewed.
- The Audit Status of prior audit management letters and findings has been updated in Tracker.
- All TeamMate Data Validation errors are resolved.

The audit will now be finalized and be marked for archival.

### B.1.PRG - Investigation Procedures

***Procedure Step:*** Summary of Conclusions

***Prepared By:*** NF, 6/14/2024

***Reviewed By:*** SRS, 10/17/2024

Purpose/Conclusion.:

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## **Purpose/Conclusion:**

To summarize the results of fieldwork and assess whether evidence is sufficient and appropriate to support conclusions.

### Testing Strategy:

Summarize the results of fieldwork including a schedule of the fraudulent activities and amounts which are cross-referenced to supporting work.

Assess the overall sufficiency and appropriateness of evidence obtained throughout the investigation. In assessing the sufficiency of evidence, consider whether there is enough evidence to persuade a knowledgeable person that the conclusions are reasonable. In assessing the appropriateness of evidence, consider its relevance, validity and reliability.

### Guidance/Criteria:

## **ADDITIONAL BACKGROUND**

Auditors should consider the following background information and resources when performing work on this area.

## **SAO Audit Policy [1410](#) - Fraud Investigations**

### Record of Work Done:

A summary of the results of fieldwork:

On July 26, 2023, the CWU Internal Auditor, Jesus Baldovinos notified our Office regarding a potential loss of public funds as required by state law.

The entity initiated an investigation and determined a theft had occurred.

The police investigation identified misappropriation totaling \$7,701 between 2/23/23 to 3/10/2023, and the CWU Internal Auditor identified questionable expenditures totaling \$17,493 between 3/14/19 to 3/27/2023.

The entity **has** filed a report with law enforcement Kittitas County Prosecutor.

**Conclusion:** Our results are summarized here: [Investigation Conclusion Summary](#)

## **B.1.PRG - Investigation Procedures**

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**Procedure Step:** Verify DSA  
**Prepared By:** NF, 6/13/2024  
**Reviewed By:** MW, 6/28/2024

Purpose/Conclusion.:

**Purpose / Conclusion:**

To verify that a Data Sharing Agreement is in place before starting the audit.

Testing Strategy.:

Prior to starting the audit, teams are **required** to verify that a Data Sharing Agreement is in place by performing the following procedures:

- Go to the DSA Library: <https://stateofwa.sharepoint.com/sites/SAO-DataSharingAgreements/DSA/Forms/AllItems.aspx>
- Check the folder corresponding to the entity's MCAG. *This can be done by searching for the MCAG in the upper left search box or by finding it in the responsible team's folder.*
- If a DSA is not yet in place, then work with your manager to get an agreement in place prior to starting audit work. *If the entity has a No-DSA Waiver in DSA Library, the audit may continue but no confidential data (category 3 or 4) can be requested or received. If this restriction becomes a barrier for the audit, the team should consult with their Assistant Director and TAS.*
- If the DSA Scope is other than "General" or DSA Type is something other than "Standard DSA" then auditors should be familiar with the contents.

Guidance/Criteria.:

Record of Work Done.:

We checked the DSA Library and confirmed that a Data Sharing Agreement was in place prior to starting audit work.

**B.1.PRG - Investigation Procedures**

**Procedure Step:** Reported Loss and Investigation Plan



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**Prepared By:** NF, 6/20/2024

**Reviewed By:** SRS, 9/4/2024

Purpose/Conclusion:

**Purpose/Conclusion:**

- To document the initial reported loss and preliminary assessment completed.
- To document the investigation plan steps that addresses the anticipated investigation strategy, scope, staffing, and budget.

Testing Strategy:

**Investigators are required to complete steps 1-3:**

1. Make initial contact with the client (within 5 business days of initial loss report date) and discuss loss with audit manager.
2. Complete a Preliminary Assessment Worksheet (PAW). Complete Team level review and submit to Team SI for review within 10 business days of initial loss report date. Please use the PAW review library to upload and document reviews completed and notification for Team Fraud's review. Link to PAW review library: <http://saosp/TeamSites/Fraud/PAWs/Forms/AllItems.aspx>
3. Based on Team SI's review of the completed PAW next investigation steps will be determined.
  - For risks determined to be included in the current audit, **GENL time should be used to start**. Please reserve at least 5 hours GENL for the Team SI to bill for review. *Reminder: When planning investigation work remember to consider the following elements:*
    - *Approach and testing strategies*
    - *Initial scope of the investigation (time frame and areas examined)*
    - *Procedures to determine if scope should be expanded ("what else" question)*
    - *Procedures to understand internal controls, if necessary*
    - *Whether interviews need to be conducted and, if so, the timing, nature of the questions, and who will lead the interviews.*
    - *Estimated time-frame/fieldwork completion date, budget, and staffing resources.*
    - *In some instances an MOU may be something that is wanted to ensure clear communication. If this is the case, please work with the Special Investigations team to get the MOU approved. There are example MOU's on the sharepoint site.*
4. Request the set up of an audit number and budget in TABS. **Budget requests are expected to be approved by Team SI.**

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(Option A) For external investigation review work, please send an email budget request to the Team SI for approval. Example budget request emails can be found on the sharepoint site: <http://saosp/TeamSites/Fraud/FraudExamples/BudgetRequestExample.msg>

- (Option B) For draft investigation plan, the budget will be documented in the approved plan. After the Team SI has approved the plan, they will send an email notifying you of the total budget approval. Prepare a BUCO and attach the email approving the budget to establish FRAD hours in EIS.
- **Required:** The budget will be documented in the approved plan. After Team SI has approved the plan, they will send an email notifying you of the total budget approval. Prepare a BUCO and attach the email approving the budget to establish FRAD hours in EIS.
- **Required:** Obtain and document advance approval from the Team SI for any significant modifications throughout the investigation or need for a budget increase. Document these modifications in the fraud fieldwork plan document.

Guidance/Criteria:

## **ADDITIONAL BACKGROUND**

Auditors should consider the following background information and resources when performing work on this area.

**Reminder:** When planning investigation work remember to consider the following elements:

- Approach and testing strategies
- Initial scope of the investigation (time frame and areas examined)
- Procedures to determine if scope should be expanded ("what else" question)
- Procedures to understand internal controls, if necessary
- Whether interviews need to be conducted and, if so, the timing, nature of the questions, and who will lead the interviews.
- Estimated time-frame/fieldwork completion date, budget, and staffing resources.
- In some instances an MOU may be something that is wanted to ensure clear communication. If this is the case, please work with the Special Investigations team to get the MOU approved. There are example MOU's on the sharepoint site.

## **SAO Audit Policy [1410](#) - Fraud Investigations**

Record of Work Done:

## **Reported Loss:**

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1. Initial contact was made with the client on 7/28/2023.
2. A Preliminary Assessment Worksheet (PAW) was completed. F-23-298 PAW CWU (2).

## **Investigation procedures:**

Based on the information contained in the completed PAW the following investigation procedures were determined:

(A) Review the completed external investigation completed by Jesus Baldovinos, CWU Internal Auditor and CWU Police Department by Police Office #924 Steward Tanner.

1. Establish external review budget. We gave consideration to the estimated time-frame/fieldwork completion date, budget, and staffing resources. We also considered if there were any other audits currently going on and if additional risks should be considered. An overall budget of 26 hours for Team Yakima and 7 for Team SI was approved (this includes the PAW time).
2. Inform entity of estimated investigation costs. An overall budget of 33 hours was approved. We spoke with Patrick Stanton, Finance Director on June 18, 2024.

## **B.1.PRG - Investigation Procedures**

***Procedure Step:*** Communications and Interviews

***Prepared By:*** NF, 6/14/2024

***Reviewed By:*** SRS, 10/17/2024

Purpose/Conclusion.:

### **Purpose/Conclusion:**

To document interviews conducted during our investigation.

Testing Strategy.:

Consult with the Special Investigations Program Manager on whether interviews need to be conducted and, if so, the timing, nature of the questions, and who will lead the interviews.

Document interviews conducted. If the entity conducted interviews, get a copy of the notes or records.

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Guidance/Criteria:

## **ADDITIONAL BACKGROUND**

Auditors should consider the following background information and resources when performing work on this area.

### **SAO Audit Policy [1410](#) - Fraud Investigations**

Record of Work Done:

#### **Procedures:**

During the course of our investigation, we documented various communication with the entity and other parties, as applicable in this linked communications log: .

During the external investigation, interviews were conducted by CWU Police Officer Steward Tanner with the following:

- 7/27/23 - CWU internal auditor, Jesus Baldovinos
- 8/2/23 – Tishra Beeson, CWU Department Chair of Health Sciences
- 8/2/23 – Sheri Kinnan, CWU Academic Finance Manager – who regularly helps departments with conference budgeting and was unaware the conference did not have CWU approval.
- 8/2/23 – Sathyanarayanan “Sathy” Rajendran, Dean of CEPS
- 11/6/2023 - Russell Mitchell A., Paramedic Program Lecturer
- 1/13/24 – Douglas Presta, former Paramedicine Program Director - via phone
- 1/19/24 – Douglas Presta – scheduled to be in person but Presta couldn’t go in person, so it was re-scheduled to be on Teams on 1/20/24
- 1/20/24 – Douglas Presta – schedule to in Team but due to technical difficulties it was done through phone.
- Additionally, the officer reached out to Co-sponsored of the Paramedicine conference Life Flight Network, Veronica Mitchell-Jones, Director of Business Development (no date on the report but looks like it was in July /August 2023, based on the timeline of events).

### **B.1.PRG - Investigation Procedures**

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**Procedure Step:** External Review Assessment

**Prepared By:** NF, 6/14/2024

**Reviewed By:** SRS, 10/17/2024

## Purpose/Conclusion:

**Purpose:** To determine if our Office can rely on the work conducted and the conclusions reached by the external investigation.

## Conclusion:

We determined we could rely on the work conducted. Overall misappropriation totaling \$7,701 between 2/23/23 to 3/10/2023, and questionable expenditures totaling \$17,493 between 3/14/19 to 3/27/2023.

## Testing Strategy:

Review the external investigation using the external review checklist and TeamMate as your documentation tools.

The **main goal** is to determine if we can rely on the work performed and agree with their investigation conclusions. Areas to consider if we agree:

- The overall results
- Dollar amount
- Investigation approach/method
- Scope (did they look back far enough)
- Completeness
- How responsibility was assigned
- If/how the what else areas were addressed
- If/how interviews were conducted? (**If yes, get a copy of the interview notes and attach to TM file**)

## Expectations:

- **Required:** Team SI must approve any additional work before it is performed.
- Use SAOShare for receiving external investigations
- Use the tools available, such as TeamMate and External review checklist to document your work
- Exercise good communication - keep your Manager and Team Fraud informed, including when you request and receive an entity's investigation and document dates in the fraud database activity log

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- Ensure your documentation is clear, concise, understandable, and relevant
- Ensure work is complete, well thought out, and timely

Guidance/Criteria:

Record of Work Done:

## **Auditor Procedures:**

Step 1. We obtained the entities external investigation report. See CWU Internal Auditor Report at [Draft Internal audit report](#)(its only draft because Internal Auditor is waiting on Management responses) and the final police report with supporting documentation attached along with a police report summary prepared by CWU internal auditor. See [Police Report Summary](#)

Step 2. We reviewed the work performed by both the internal auditor and the Police Officer. We documented our review in our checklist here: [Fraud External Investigation Review Checklist](#)

The police investigation identified misappropriation totaling \$7,700 between 2/23/23 to 3/10/2023, and the CWU Internal Auditor identified \$4,193.95 misappropriation between 10/7/2022-3/25/23and uestionable expenditures totaling \$11,872.15 between 3/14/19 to 3/27/2023.

**External Review Conclusion:** We determined we could rely on the work conducted. Overall misappropriation totaling \$7,701 between 2/23/23 to 3/10/2023, and questionable expenditures totaling \$17,493 between 3/14/19 to 3/27/2023.

## **B.2.PRG - Concluding Procedures**

**Procedure Step:** Reporting  
**Prepared By:** NF, 12/2/2024  
**Reviewed By:** MW, 12/2/2024

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Purpose/Conclusion.:

## **Purpose/Conclusion:**

To determine and document our reporting of the investigation results.

Testing Strategy.:

Investigators are responsible for reviewing any work performed by auditors. Prior to deciding level of reporting, documentation must be reviewed by Team SI.

It is often helpful to **Brainstorm** with Team SI on how to frame the investigation report. Considerations include:

- How to best “tell the story” in the report
- The status of employment of the individual
- Work performed by the entity or external parties
- How the fraud was detected
- Any agreed-upon restitution including the cost of the investigation
- The length of the fraud

**Attach the final reports in TeamMate.**

Guidance/Criteria.:

## **ADDITIONAL BACKGROUND**

Auditors should consider the following background information and resources when performing work on this area.

**SAO Audit Policy [1410](#) - Fraud Investigations**

Record of Work Done.:

## **Auditor procedures:**

1. We brainstormed with the Special Investigations Program Manager and determined to report our results we would issue a reduced investigation

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report.

## 2. Setup an exit planning meeting to:

- Strategize the exit - Connect with Special Investigations Program Manager
- Determine attendees - Work with the client to determine who they want to attend, but it cannot be an open public meeting
- **DO NOT** share the draft report with your client until the exit meeting (exceptions need to be discussed with the Special Investigations Program Manager)

## 3. After Exit procedures:

- *Gather the entity response* and add it to the report in track changes in ARL. Notify the Special Investigations Program Manager the response is ready for review.
- *Set report publish date* - Special Investigations Program Manager will assist in determining a report date, which needs to be at least one week out to provide executive management an opportunity to review.
- *Inform OS of publish date* - Leave a note in ARL for OS, informing them of the publish date.
- *Check the "publish" box* – You must do this early – at least a week before the publish date. Checking the box kick-starts OS's process to finalize the report and notify executive management.

4. Create an exception and attach the final approved Reduced investigation report to the TeamMate file. *If reduced or full investigation report, create a finding level exception in TeamMate and then go into ARL to create the draft investigation report. Make sure the language in the report matches the exception language in TM. See [Reduced investigation report](#)*

5. Complete the requested information fields in the fraud database on the Outcome tab attach the recommendation into the supporting documents within the database. *Notify, Team SI that the case is ready to be closed in the database.*

## B.2.PRG - Concluding Procedures

**Procedure Step:** Exit Conference  
**Prepared By:** NF, 12/2/2024  
**Reviewed By:** MW, 12/2/2024



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Purpose/Conclusion.:

## **Purpose/Conclusion:**

To communicate the results of our investigation with the client.

Testing Strategy.:

Conduct an exit conference with the client to discuss the approved draft report – this may be in person or via video call or phone. Depending on significance, other attendees may include the Special Investigations Program Manager and Audit Manager. Document the following:

- Where the meeting was held or if it was conducted via video call or phone
- When the meeting was conducted
- Who attended the meeting
- Significant discussion points

If a exit recommendation will be issued, a formal exit conference is not required; instead, contact the client to discuss the results of our investigation with them before giving/sending the letter. Just a reminder, it is a best practice to use SAOShare to send the draft reports or deliver in person. Document this communication including who, when, and any significant discussion points.

Guidance/Criteria.:

## **ADDITIONAL BACKGROUND**

Auditors should consider the following background information and resources when performing work on this area.

**SAO Audit Policy [1410](#) - Fraud Investigations**

Record of Work Done.:

## **Exit Conference:**

The following people attended the exit conference on 12/2/24 at Central Washington University's Mitchell Hall:

- Joel Klucking, CFO
- Patrick Stanton, Finance Director/Controller
- Chris Huss, Financial System Functional Manager (Microsoft Teams)

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- Lacy Lampkins, Director of Finance
- Stuart Thompson, VP Campus Planning and Facilities Management
- Jesus Baldovinos, Internal Auditor
- Neyda Flores, Assistant Audit Manager
- Mandy Wilson, Audit Manager
- Stephanie Sullivan, Program Manager (via Microsoft Teams)

We went over the results of the investigation. In addition to the investigation, the following items were also discussed:

- none

## B.2.PRG - Concluding Procedures

**Procedure Step:** Quality Control Assurance Certification

**Prepared By:** NF, 12/2/2024

**Reviewed By:** MW, 12/2/2024

Purpose/Conclusion:

### **Purpose/Conclusion:**

To certify adherence to the expectations set forth by the Audit Policy Manual.

Testing Strategy:

This step must be signed-off by the Investigator and Audit Manager.

Guidance/Criteria:

### **ADDITIONAL BACKGROUND**

Auditors should consider the following background information and resources when performing work on this area.

**SAO Audit Policy [3430](#) - Quality Assurance Certification**

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## Record of Work Done:

I certify the following expectations were met and Audit Policies that are common to all types of SAO engagements:

1. I am independent and exercised objective and impartial judgment on all issues associated with conducting this investigation and reporting on the results. *Audit Policy 3110 - Independence and Ethics*
2. I used reasonable care and professional skepticism throughout this investigation. *Audit Policy 3130 – Professional Judgment*
3. Work was performed by staff who collectively possesses adequate professional competence. *Audit Policy 3140 – Competence and CPE*
4. Assistants on the investigation were informed of their responsibilities and objectives of the procedures they were to perform, and their work was reviewed to ensure it was properly performed and documented. *Audit Policy 3160 – Supervision and Review*
5. Documentation, including any evidence maintained in a paper file, was reviewed and coaching notes were resolved. *Audit Policy 3160 – Supervision and Review*
6. Work was sufficiently documented to enable a knowledgeable person, who has had no previous connection with the investigation, to ascertain that the information collected and the work performed support significant judgments and conclusions. *Audit Policy 3310 – Standards for Documentation*

## Issues

ISS.1 - Reduced investigation report		
<b>Prepared By:</b>	NF, 12/2/2024	<b>Issue</b>  <b>Background and Investigation Results</b>  On July 26, 2023, the University notified our Office regarding a potential loss of public funds, as required by state law (RCW 43.09.185). During an internal audit of the paramedicine program in the Department of Health Sciences, the University
<b>Reviewed By:</b>	MW, 12/2/2024	
<b>Type:</b>	Fraud	
<b>Category:</b>	Cash Receipting	

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<p><b>Reporting Level(s):</b> Finding</p> <p><b>Impact</b></p> <p><b>Cost Savings:</b></p> <p><b>Questioned Costs:</b> \$0.00</p>	<p>found violations of its policies and procedures related to the Purser Paramedicine Conference held at the University between March 24 and 26, 2023.</p> <p>The University Internal Audit Department investigated further and involved the Central Washington University Police Department, which determined a Program Director misappropriated \$7,701 in donations between February 23 and March 10, 2023. Additionally, the investigations identified questionable expenses of \$17,493 occurred between March 14, 2019, and March 27, 2023.</p> <p>We reviewed the University's investigations and agree with their conclusions. The investigations found:</p> <ul style="list-style-type: none"><li>• In September 2022, the Paramedicine Program Director requested permission from the Dean of the College of Education and Professional Studies to hold the conference at the University in March 2023. According to the Internal Audit investigation, the Dean said re did not approve the request because it was not in the best interests of the University's finances, and re communicated this to the Program Director both verbally and in an email. However, the investigations did not find any documentation of the Dean's communication to the Program Director regarding her decision.</li><li>• Between October 2022 and March 2023, the Program Director planned and ultimately hosted the conference using University facilities.</li><li>• The Paramedicine Program created an account with an online payment processing vendor to collect sponsorship donations for the conference. In total, the Program collected \$9,128 between October 23, 2022, and March 29, 2023. Of this amount, staff transferred \$7,701 into the Program Director's personal bank account to pay for conference expenses. Staff refunded a total of \$1,135 to people who had donated money to support the conference, and used the remaining \$293 to pay for service fee charges to the online payment vendor.</li></ul>
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- In April 2023, the University reimbursed \$4,193 to the Program Director for questionable conference expenses such as meals, alcohol, lodging for speakers and supplies not supported by itemized receipts.
- The Internal Audit Department expanded its review of all travel reimbursements paid to the Program Director between March 1, 2019, and March 27, 2023, given the risk of there being other reimbursements to him that did not have itemized receipts or approval. The investigation found additional unsupported and questionable travel expenses totaling \$11,872.
- In July 2023, the Program Director resigned from the University.

In January 2024, the University Police Department interviewed the former Program Director, who said the Dean did not deny the request to hold the conference. He also acknowledged collecting the funds, but said he thought he had transferred them from his personal bank account to pay back the Paramedicine Program. During the interview, the former Program Director asked to whom he needed to write a check to return the money.

In January 2024, the University Police Department referred this case to the Kittitas County Prosecutor's Office, which filed criminal charges against the former Program Director. On August 27, 2024, the Program Director reached a plea agreement with prosecutors for third-degree theft, and was ordered to pay \$6,050 in restitution.

### **Internal Control Weaknesses**

The University's internal controls were inadequate for safeguarding public resources. The University's investigations found the following weaknesses allowed the misappropriation to occur:

- Although the Dean said he did not approve the request to host the event at the University, the Paramedicine Program ultimately

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used the University's finances and facilities to hold the conference. Additionally, the Paramedicine Program collected funds for the conference using an unauthorized third-party payment processing vendor.

- Staff responsible for approving the Paramedicine Program's expenses did not ensure the conference was a University-sanctioned event, and that the expenses incurred were allowable and properly supported by itemized receipts.

### Recommendations

We recommend the University improve its approval process for requesting and hosting conferences on its campus, as well as for approving staff reimbursements for allowable expenses. Additionally, the University should ensure all its departments' and programs' expenses are properly supported by itemized receipts, and that any funds receipted by departments are properly monitored and deposited into University accounts.

We also recommend the University seek recovery of our related investigation costs of \$6,300 from the former Program Director and/or its insurance bonding company, as appropriate. Any compromise or settlement of this claim by the University must be approved in writing by the Attorney General and State Auditor as directed by state law (RCW 43.09.330). Assistant Attorney General Matt Kernutt is the contact person for the Attorney General's Office and can be reached at (360) 586-0740 or [Matthew.Kernutt@atg.wa.gov](mailto:Matthew.Kernutt@atg.wa.gov). The contact for the Office of the Washington State Auditor is Brandi Pritchard, Assistant Director of Special Investigations, who can be reached at (509) 726-1886 or [Brandi.Pritchard@sao.wa.gov](mailto:Brandi.Pritchard@sao.wa.gov).

### NOTES

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