Background

The Business Operations Planning & Financial Management Steering Team (PFM) proposed several enhancements in January 2014 to what the PFM termed the Internal Control Assurance Framework. That framework includes the annual Controls and Business Process Questionnaire; the Monthly Financial Management Checklist, which business units complete and upload to the Controller’s shared drive each month; and the governing policies and procedures. Business Units and Internal Audit findings have both raised issues regarding the effectiveness of the checklist. As one of many improvements, the proposal called for the checklist to be improved, and for maintenance and management of the checklist to be moved to Business Operations, rather than dictated through formal policy under the jurisdiction of the University Controller. The full proposal can be found at the following website under PFM Priorities: http://yalebiz.yale.edu/budgets/planning-financial-management.

It is expected that beginning July 2014 Procedure 1101.02, Financial Review and Internal Controls, will be revised and will no longer include step-by-step requirements for department financial reviews. The revised Procedure will likely require the use of a checklist, but will not mandate a specific checklist; responsibility for ensuring that departments have and utilize an effective checklist, will reside with Lead Administrators and BOLT. The goal is to create an improved checklist Business Operations can recommend that would support the requirements of effective financial monitoring for most business units, but allow Lead Administrators the flexibility to substitute, delete, or add steps for their unit as necessary.

Charge

The Checklist Improvement team is charged with providing the PFM and BOLT with one or more new Financial Management Checklists that will meet the requirements of effective financial monitoring for most units. The new checklist(s) should be easy to use, to understand, and include only actions that are valuable control activities. More specifically the checklist should:

- Provide all necessary steps for an effective unit financial review
- Help users understand why the step should be taken – what should they be looking for, what the desired outcome might be
- Be easy to use and provide helpful information to Lead Administrators and Operations Managers who review the results
- Minimize the use of jargon and acronyms so that new employees can easily understand their responsibilities
Internal Control Assurance Framework

Wednesday, March 12, 2014

■ Should be concentrated on the review of high risk transactions – those transactions where errors or fraud are most likely to occur, or where government compliance should be tightly monitored
■ Be guided by the PFM principle that the “Cost of a control should not outweigh its benefit”

Scope

The team is responsible for providing one or more new checklists that can be utilized with existing reporting and existing technology. No new technology will be implemented as part of this project. Although financial reporting can and should be improved, no new reports will be created prior to implementation of the revised checklist. Suggestions for new financial monitoring reports are welcome, but should not be incorporated into the checklist at this time.

Timeline

The new checklist will be implemented in July 2014. Substantial work should be completed by mid-April when the PFM team and BOLT are scheduled to review progress on the entire Internal Control Assurance Framework project.

Team Members

* Nancy Scanlon, Business Operations (Chair)
* Barbara Amendola, Molecular, Cellular and Developmental Biology
* Sonja Beamon Rezendes, Administration
* Phil Bujalski, Shared Services
* Hannah Carroll, FAS G&C
* Lauren Clark, World Fellow Program
* Susan Castaldi, Peabody Museum
* Meghan Dahlmeyer, Neurology/Neurosurgery
* Dawn Finaldi, Grad School/ FAS
* Nancy Kendrick, GCFA Rep
* Robert Knapp, YARC
* Denise Krause, Library
* Sue McDonald, Law
* Susan Penney, English/Music
* Deborah Petroskey, FAS
* Ian Solomon, Internal Medicine
* Melissa Wojciechowski, Molecular, Cellular and Developmental Biology