

**UW Technology Working Group: Financial Risk
Summary of Internal Controls
Roles & Responsibilities of Units by Revenues Per Year**

Policies & Procedures	Operational Controls		Oversight Controls					Audit Controls
	Minimum Reporting Elements: (entire unit)	Unit Financial Manager / Director Roles & Responsibilities	School Administration (if applicable) AKA "Control Unit" Roles & Responsibilities	Dean / VP's Roles & Responsibilities	MAA Roles & Responsibilities	Controller's Office Roles & Responsibilities	Planning & Budgeting Roles & Responsibilities	Internal & External Auditors Roles & Responsibilities
<p>Establishment of self sustaining unit policy</p> <p>APS 33.1 User Fee Approval Policy, Section 5, Part C</p> <p>APS 33.1 User Fee Approval Policy, Section 5, Part D</p>	<p>FAS Balances - Revenues by source - Expense by object code</p> <p>Beginning & Ending fund balance</p> <p>Preferable to include for a full financial picture: - Inventory - Accounts Receivable - Accrued liabilities</p> <p>All reports should include prior year actuals as well</p> <p>In addition to the quantitative items above, also include qualitative issues impacting business model such as: - Change in expected demand - Change in customer base - Legislative changes impacting state funding - Currency exchange rates - New competing businesses - Change in key staff - Capital purchases - Other trends</p>	<p>Responsible for ensuring strong financial controls, providing accurate financial information to School Administrator and Dean/VP, as well as providing necessary updates as to expected future financial performance.</p> <p>If unit does not have resources to produce the quantitative report, Enterprise Reporting is provided by OIM</p> <p>http://www.washington.edu/provost/oim/dmc/reports.html#initiative</p>	<p>Responsible for reviewing all self sustaining units within the organization, consolidating information as necessary, and presenting summary financial information to Dean / VP on periodic basis.</p> <p>Consolidate / review reports on a periodic basis.</p> <p>Raise issues as appropriate to Dean/VP: ex: deficits that will extend beyond the fiscal year caused by either operations or capital purchases.</p> <p>Reviews should include a general discussion around business model (any changes from original projections, upcoming capital needs) and qualitative issues impacting business model such as: - Change in expected demand - Change in customer base - Legislative changes impacting state funding - Currency exchange rates - New competing businesses - Change in key staff - Capital purchases - Other trends</p> <p>Determine sources of funding within the School / organization if applicable (i.e. if a deficit position is likely). If deficit position will extend beyond the fiscal year, see deficit policy at link to deficit policy.</p> <p>Material changes from original budget as well as significant issues noted in the qualitative analysis</p>	<p>Ultimately responsible for financial performance of all self-sustaining units within their organization and approval of new units to be established.</p> <p>Review financial positions and material changes from original budget and related qualitative issues of the units with Administrator or Financial Director. An annual budget should be reviewed, and subsequent updates of actual to budget should occur.</p> <p>Participation in annual P&B/FM discussions is appropriate for Deans/VP's or their administrators who oversee "large" units (currently those units exceeding \$10M in annual revenues).</p> <p>Responsible for reviewing and approving recharge and cost center rates</p> <p>Review recharge and cost center quarterly reports.</p>	<p>Review initial rate proposals to establish both cost and recharge centers</p> <p>Responsible for reviewing and approving rates of recharge centers, internal sales units that have more than \$175K/year in charges to federally sponsored agreements OR \$1M in total charges annually (cost and recharge centers)</p> <p>Review cost center proposals when one of the following occurs: new services or products are added, or significant changes are made to the methodology used to calculate the rate(s).</p> <p>Review recharge centers' quarterly reports</p> <p>Approve recharge center working capital amounts</p> <p>Periodically review recharge and cost center classification to ensure that they have not changed from one to the other</p> <p>Over \$10M: In conjunction with Planning and Budgeting, annual review of large internal sales units (in person). This review would include FAS balances (per report element column) as a starting point, along with qualitative information regarding impacts and risk to the related business.</p>	<p>Over \$10M: In conjunction with Planning and Budgeting, annual review of large, non-externally audited auxiliary units (in person). This review would include FAS balances (per report element column) as a starting point, along with qualitative information regarding impacts and risk to the related business.</p> <p>Over \$10M: In conjunction with Controller's Office (auxiliaries), or MAA (internal sales units), annual review of large, non-externally audited units (in person). This review will include FAS balances (per report element column) as a starting point, along with qualitative information regarding impacts and risk to the related business</p>	<p>If external debt (or debt with internal lending program) annual audit required</p>	