

**AGENDA ITEM: C.1.d.**

**AGENDA TOPIC:** Internal Audit Report on Contract Management, Specific to Services

**CONTACT(S):** Representatives from Packer Thomas

**BACKGROUND:** Packer Thomas completed an internal audit of contract management specific to services and submitted our report dated October 10, 2014. This report summarizes the results of this audit.

The objective of our audit was to review current procedures to determine that internal controls were adequate, that contracts were in compliance with University policy, and the underlying transactions were accurate and in compliance with the contract. The scope of our audit included 23 separate contracts totaling over \$5.4 million in fiscal year 2014 expenditures.

**SUMMARY AND ANALYSIS:**

We are pleased to report that there have been significant improvements within the University's policies and procedures pertaining to contract management since our last audit in 2005. Due to the improvements by the University in response to our recommendations, we noted more consistent controls over monitoring contracts which in turn helps to better protect the University.

We noted two findings after reviewing the AT&T contract, which related to incorrect monthly billing and an overcharge that resulted in a credit that was not fully utilized until more than a year later. We have recommended that the University review their invoice review and payment process for the AT&T contract in order to prevent future errors.

We noted that there is no evidence that the University has a process in place to perform due diligence prior to contract execution to verify that a vendor has effective internal controls surrounding data confidentiality and security, when applicable. High profile companies, such as Target, have experienced data breaches due to control weaknesses at a service provider. We recommend implementing a procedure to obtain and review Service Organization Control Reports (SOC) to evaluate the suitability of the design and operating effectiveness of a service organization's internal controls relative to the service being provided.

During our testing of food service commissions associated with the Chartwells contract, it was noted that the University is supposed to receive an annual commission check by July 10<sup>th</sup> each fiscal year. We discovered that the University did not receive this payment timely during fiscal year 2014, and had not received the fiscal year 2015 commission as of the date of this report (making it nearly 90 days late). Management needs to be diligent in monitoring their contracts and contact the vendors to demand payment as per the contract by the stated due date.

It was discovered that a technological service provider was not performing the required two annual site visits to assist with programming needs. The contract is entering its second year and the University has received only one site visit to date. It is important that management be aware



of the various aspects of the contract that are to be provided to ensure the University is receiving the services they are paying for.

The University does not currently have a signed contract agreement for the Missouri Valley Football Conference. Board Policy No. 3003.01 states that the University must have an authorized signed contract for any agreement in the amount of \$50,000 or more. It is important to have a copy of the signed agreement on file to properly monitor the contract and its requirements.

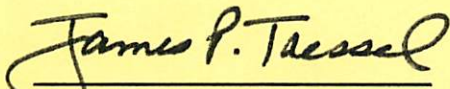
According to the contract compliance administration guide, the University is prohibited from indemnifying or holding harmless the other party in the contract. Upon review of the contract with RefPay, it was discovered that the University has agreed to indemnify and hold harmless RefPay. We suggest that this contract be reviewed by the Legal Department to determine the proper resolution.

Upon testing of the ComDoc contract, we discovered that the supporting documentation received to support the invoice for copy charges were not consistent and sometimes did not agree to the meter readings provided by ComDoc. Without the proper supporting documentation, it cannot be determined if YSU is being billed the correct amount. We suggest that the University have a representative from ComDoc explain their invoices and supporting documentation so that the University can determine that the amounts billed are correct.

We have reviewed management's responses to our findings and we consider them appropriate in accomplishing the desired strengthening of internal controls.

**RESOLUTION: N/A – DISCUSSION ITEM ONLY**

**REVIEWED AS TO FORM AND CONTENT:**

A handwritten signature in black ink that reads "James P. Tressel". The signature is written in a cursive style with a large initial "J".

James P. Tressel, President



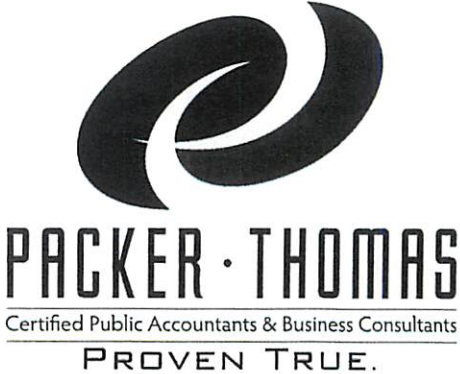
**CONTRACT MANAGEMENT  
INTERNAL AUDIT REPORT**  
October 10, 2014

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# YOUNGSTOWN STATE UNIVERSITY

## CONTRACT MANAGEMENT INTERNAL AUDIT REPORT

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Youngstown, Ohio 44555

This report summarizes the results of our internal audit of contract management. Please review this report. If you have any questions, please call us at (330) 533-9777.

Management has provided their responses to our findings and those responses are included within this report.

We wish to thank the various University staff that we interviewed and assisted us with this audit as well as the staff of the Purchasing department and the Controller's office for the cooperation that was extended to us during the course of this audit.

*Packer Thomas*

PACKER THOMAS  
October 10, 2014



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there won't be a long-run."

OVERVIEW

An audit of contract management specific to services, was recently completed by Packer Thomas. Our procedures were performed as a result of the internal audit scope which was approved by the Audit Subcommittee.

The objectives of our audit were as follows:

- Review current procedures to determine the adequacy of the internal controls
- Determine the effectiveness and efficiency of operations
- Determine compliance with University policy, procedures and other established guidelines
- Review samples of contracts for proper monitoring and
- Test a sample of transactions from our contract sample and verify accuracy and compliance with the contract.

Our consideration of internal controls involved assessing the effectiveness and existence of proper internal controls for the following:

- Management oversight
- Safeguarding of assets
- Reconciliations
- Authorizations
- Monitoring

The procedures performed during our internal audit included interviews with staff that monitor contracts, Purchasing Department and Controller’s office personnel as well as specific testing conducted on various sample sizes. Therefore, our consideration of internal control would not necessarily identify all deficiencies in internal control. However, we have listed below the summary of our findings in three separate categories (as applicable): those that we consider to be issues that require immediate action by management, those that need a timely remedy, and those items for consideration by management based on best practices.

We are pleased to report that there have been significant improvements within the University’s policies and procedures pertaining to contract management since our last audit in 2005, which is attached to this report for your reference. Due to the improvements by the University in response to our recommendations, we noted more consistent controls over monitoring contracts.

Although we cannot be assured that the list of contracts is all inclusive, we obtained the most comprehensive list possible of contracts in effect as of September, 2014. We selected a sample of contracts to review for compliance with contract deliverables. We examined these contracts to determine whether the current contract monitoring system is adequate and sufficient to verify that the University is receiving deliverables in accordance with the contractual agreement. The table below contains the contracts selected with a brief description of the purpose of the contracts and the annual expenditure.



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INTERNAL AUDIT REPORT

Youngstown State University

<b>Contractor</b>	<b>Contract Purpose</b>	<b>FYE 13-14 Estimated Annual Expenditures</b>
Ambling Management Company	Property management services. The University is charged a standard monthly fee.	\$114,312
AT&T	Telecommunication services for which the University pays monthly.	\$90,415
Cerner	Technological support services. The University is charged based upon sales orders.	\$51,600
Chartwell	Food services campus wide. The University receives a monthly commission consisting of a percentage of sales and pays an amount for meals.	\$3,019,642
ComDoc	Printing and document management services. The University is charged monthly based upon various agreed upon fees.	\$214,824
Christine Dailey	Professional services provided to the Ohio Small Business Development Center Grant Program	\$41,500
Findley Davies, Inc.	Employee benefits consulting services. The University is charged monthly over the life of the contract.	\$90,000
Garwin, Inc.	Passenger transportation services. The University is charged monthly based on the agreed upon hourly rate per driver.	\$115,500
Greater Talent Network	Entertainment services. The University is charged on the agreed upon contract amount.	\$45,000
Hartland & Co.	Investment services for which the University is billed quarterly.	\$49,500
Johnson Controls Inc.	Building improvement services. The University is billed quarterly according to the agreed upon fees in the 10 year contract schedule.	\$179,100
M7 Technologies	Technology services. The University is charged monthly based on the agreed upon contract amount.	\$301,740
Missouri Valley Football Conference	* See Audit Findings & Recommendations	* See Audit Findings & Recommendations
Ohio Valley Waste	Waste removal services. The University is charged monthly based on the agreed upon contract amount.	\$84,700



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William Oliver	Professional services provided to the Ohio Small Business Development Center Grant Program	\$45,683
Oxford Global Resource	Consulting services. The University is charged weekly based on the agreed upon hourly rate per consultant.	\$55,440
Peer Transfer	International payment processing services. The University is not charged for these services. The Payor using the services is charged.	\$0
Referee Pay	Officiating services. The University is charged for officiated sporting events based upon league and non-league fee schedules.	\$156,000
Tech Belt Energy Innovation Center	Construction services	\$294,400
Traveline	Agent fees. The University is charged based on various agreed upon agent fees.	\$330,480
Veolia	Hazardous waste removal services. The University is charged monthly based on the agreed upon contract amount.	\$41,085
Youngstown Hearing & Speech Center	Disability services for students. The University is charged \$45/hour for interpreting and \$50/hour captioning services provided to disabled students.	\$57,400
Youngstown Ohio Hospital Co. LLC	Physician services for the Student Health Clinic. The University is charged monthly based on the agreed upon contract amount.	\$47,716

**AUDIT FINDINGS & RECOMMENDATIONS - REQUIRING IMMEDIATE ACTION**

1. We noted incorrect billing by AT&T for the Ethernet circuit and for local calls. The University pays for unlimited local calls yet AT&T has been incorrectly charging the University for local calls. The amount billed per month for local calls is normally under \$10). As a result of this audit, we requested that AT&T file two separate billing issues disputes. As of the date of this report, the disputes have not yet been resolved by AT&T so we cannot state the monetary impact of these errors. We will continue to pursue this issue and relay the results at the Audit Subcommittee meeting in December.

It is important that there is proper oversight of contracts with the University. Those that are responsible for monitoring contracts need to have a clear understanding of the contract and the fees that are to be charged in order to prevent errors and to avoid the risk of being overcharged. All invoices for contracted services should be reviewed and approved by the people monitoring the contract prior to payment.



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MANAGEMENT RESPONSE

Whether or not a payment is made after being invoiced and approved or by automatic charge on a University credit card, it is still the responsibility of the sponsor of the contract or agreement to review the charges and dispute any charges deemed inappropriate. The University does not want to change the payment method at this time but will continually evaluate it especially if billing issues continue.

2. There is no evidence that the University has a process in place to perform due diligence prior to contract execution to verify that a vendor has effective internal controls surrounding data confidentiality and security, when applicable. In addition, there is no evidence of routine monitoring of the vendor's controls throughout the contract period. Three of the vendor contracts we reviewed process highly sensitive University data, including medical records, credit card information, and student personal information. If the internal controls at the vendor are insufficient or ineffective to secure data, there is a risk of unauthorized access to University sensitive data. Some of the recent high profile data breaches, such as Target, were due to control weaknesses at a third party contractor.

When a vendor will be processing sensitive data, due diligence should be performed prior to contract execution to confirm their security controls are sufficient and effective. It may be advantageous to include the Information Technology Department in the process. Service Organization Control Reports (SOC) are internal control reports on the services provided by a service organization. These reports evaluate the suitability of the design and operating effectiveness of a service organization's internal controls relative to the service being provided. A SOC report should be requested from the vendor to be reviewed before contract execution. In the event that the vendor does not have an SOC report, the University may employ other methods to verify the vendor security controls, such as a walkthrough of the vendor site and processes, and/or a formal IT security assessment. In addition, the executed contract should contain a requirement for annual verification of the effectiveness of the controls; such as, a copy of the SOC report (if applicable), IT assessment, or walkthrough. As part of the contract maintenance, the annual verification documentation should be requested from the vendor and reviewed by an individual with appropriate knowledge.

MANAGEMENT RESPONSE

A procedure will be implemented to require that service organizations provide a SOC report prior to contract execution and that periodic SOC reports are provided throughout the contract period. Agreement templates for the Standard Independent Contractor Agreement (SICA) and the Professional Service Agreement (PSA) will be updated to incorporate language to require SOC reports when appropriate. In addition, as part of Contract Administration, a procedure will be implemented to ensure that the University sponsor of the agreement has a procedure in place to obtain, review and file SOC reports with Procurement Services. An inventory of existing goods and service contracts will be performed to identify contracts which may be subject to SOC reports and efforts made to obtain and review such reports.

3. During our testing of food service commissions associated with the Chartwell contract, it was discovered that YSU is supposed to receive an advance commission check for \$75,000 by July 10<sup>th</sup> each year from AVI Foodsystems, Inc. During our audit we noted that the check for the fiscal year 2014 was not received until after August 7, 2013. More importantly, the advance commission check for the fiscal year 2015 has



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not been received as of the date of this report and is approaching 90 days past due. It is important that the University verify proper compliance with contracts.

Management needs to be diligent in monitoring their contracts and contact the vendors to demand payment as per the contract by the stated due date.

MANAGEMENT RESPONSE

We agree with the recommendation. We had numerous conversations, meetings and emails with AVI Foodsystems to secure timely delivery of commission checks per the contract however we will consult senior University administration to determine if it is appropriate for the University to submit a notice of breach of contract.

4. AT&T overbilled the University by approximately \$10,000 in August of 2013. Currently, AT&T invoices are automatically charged to a University purchasing card without prior approval of the invoices. Instead of refunding the amount overbilled, AT&T credited the University's account. It took more than a year to utilize the entire credit since the routine monthly charge was approximately only \$1,000 per month.

Consideration should be given to changing the current process so that service providers are not permitted to directly charge purchasing card accounts. The University needs to first review the invoices and then approve them for payment.

MANAGEMENT RESPONSE

Whether or not a payment is made after being invoiced and approved or by automatic charge on a University credit card it is the responsibility of the sponsor of the contract or agreement to review the charges and dispute any charges deemed inappropriate. The University does not want to change the payment method at this time but will continually evaluate it especially if billing issues continue.

AUDIT FINDINGS & RECOMMENDATIONS - REQUIRING A TIMELY REMEDY

5. Cerner Corporation, a technological service provider, is not performing the required 2 annual site visits to assist with programming needs. The contract states that Cerner is to conduct 2 annual site visits to assist with programming needs (e.g. kickoff, health fair, consultation). The contract was effective June 4, 2013 and the University has received only 1 site visit to date. It is important that the University receive the annual site visits to ensure that they are receiving the services that have been paid for.

When monitoring a contract, management needs to be aware of the various aspects of the contract that are to be provided to the University. If certain services are not being performed in accordance with the contract, then a discussion with the contractor is warranted to demand performance of the agreed upon services.

MANAGEMENT RESPONSE

The University sponsor of the agreement is responsible to monitor compliance with the terms of the agreement. The sponsor will follow-up with the vendor.



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6. The University does not currently have a signed contract agreement for the Missouri Valley Football Conference. Board Policy No. 3003.01 states that the University must have an authorized signed contract for any agreement in the amount of \$50,000 or more. Due to the lack of a formal contract, we were unable to verify the accuracy of the fees charged. There is a risk that the University could be improperly billed since there is no agreement to assist in providing proper oversight over the fees paid to the Conference.

It is important to have a copy of the signed agreement on file to properly monitor the contract and its requirements and agreed upon fee structure.

MANAGEMENT RESPONSE

Neither the University nor the Missouri Valley Conference has a signed agreement on file. Procurement Services will work with Athletics to request that a written contract be drafted and executed.

7. Upon review of the contract with RefPay, we discovered that the University has agreed to indemnify and hold harmless the RefPay. According to the contract compliance administration guide, the University is prohibited from indemnifying or holding harmless the other party in the contract. This opens the University to additional risks.

We suggest that this contract be reviewed by the Legal Department to determine the proper resolution.

MANAGEMENT RESPONSE

The contract with RefPay is an on-line click through agreement. Procurement Services will work with Athletics to seek a written agreement with RefPay to address mutual acceptance of terms.

8. We were unable to verify the June 2013 food service commission amount received from Sodexo due to failure by the University to obtain supporting documentation from the vendor. Since it was the last commission check for Sodexo's contract, the University was unsuccessful in obtaining support from them. As a result, the June commission income of \$8,367.82 remains unverified.

It is important that the University obtain the underlying documentation for the commission checks received to ensure the correct amounts are being received.

MANAGEMENT RESPONSE

We agree with the recommendation and will work with Food Service Contractors to provide all documentation for commission checks. Chartwells supplies all necessary underlying documentation for commission checks.



9. Upon testing of the ComDoc contract, we discovered that the supporting documentation received to support the invoice for copy charges were not consistent and sometimes did not agree to the meter readings provided by ComDoc. Without the proper supporting documentation, it cannot be determined if YSU is being billed the correct amount.

We suggest that the University have a representative from ComDoc explain their invoices and supporting documentation so that YSU can determine that the amounts billed are correct.

MANAGEMENT RESPONSE

We agree with the recommendation and will work with a representative from ComDoc on improving the clarity and consistency of the supporting documentation received to support the copy charges shown on the invoices. We are working with ComDoc to upgrade their electronic reporting to increase consistency in reporting and eliminating errors created from manual processes. If the supporting documentation is not clear and consistent we will have a representative explain the invoice so that we can assure that the University is being billed the correct amount.





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**INTERNAL AUDIT REPORT  
AUDIT OF CONTRACT MANAGEMENT**

**YOUNGSTOWN STATE UNIVERSITY**

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DRAFT

Mr. John Habat  
Youngstown State University  
One University Plaza  
Youngstown, Ohio 44555

This report summarizes the results of our examination of contract management by Youngstown State University for the period ended May 31, 2005. Please review this report and if you have any questions please call us at (330) 744-4277.

Please provide a written response to these findings within 30 days of the date of this report. Please prepare your response by addressing each finding and correlate your response to this report. Your response will be attached to this report and submitted to the individuals on the distribution list on the cover page.

We wish to thank you and the University's staff for the cooperation that was extended to us during the course of this audit.



PACKER THOMAS  
August 3, 2005

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**AUDIT OF CONTRACT MANAGEMENT**

An audit of contracts managed by the University for the period ended May 31, 2005 was recently completed by Packer Thomas. Our procedures were performed as a result of the internal audit risk assessment which was approved by the Audit Subcommittee. The following is a summary of our procedures and findings.

Our objectives were to verify that a University contract management policy exists and is properly adhered to as well as to verify that contracts are signed by authorized personnel and are being properly monitored.

PROCEDURES

- 1) Obtained and read copies of University contracts and/or a list of known contracts and performed the following:
  - a. Verified that a copy of the contract exists.
  - b. Verified the contract was properly signed by authorized personnel.
  - c. Inquired as to who monitors each contract and documented the processes. After documenting the processes, walkthroughs were performed to verify the process was accurate.
  - d. For contracts that contained a provision for YSU to disburse and/or receive funds, we inquired as to who verifies that the amount YSU is billed or receives is accurate per the contract guidelines.
  - e. For contracts that require liability insurance, inquired as to who verifies the University's coverage meets the contract requirements and that the University obtains proof of insurance from the other party to the contract.
- 2) Inquired as to the process of renewing and initiating contracts to determine if it meets University policy.

FINDINGS AND RECOMMENDATIONS

1. The University does not have a comprehensive contract management policy but does have two board approved policies and various memos that relate to contract authorization and management.
2. Per our discussions, it is not clearly communicated as to who is authorized to sign contracts. We noted that contracts were signed by senior management and signature authorities. We noted one instance where an important contract was almost negated due to it not being signed by the deadline. This situation was a result of the contract being passed to several different employees because it was unclear as to who was the proper authority to sign the contract.

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AUDIT OF CONTRACT MANAGEMENT

3. We noted that although the University has a record retention schedule recommended by the Inter-University Council, this information has not been routinely or recently communicated to the University community. This has caused an over abundance of outdated files and storage problems.
4. We noted inconsistencies and misunderstandings as to the criteria used to determine when the legal department is required to review a contract prior to it being signed.
5. We noted instances when persons were not aware that they were to be responsible for monitoring a contract until it after it was executed and well into its term.

We recommend that the University revise its existing board approved policies that relate to contracts and develop detailed guidelines and procedures for contract authorization and management in order to respond to these issues. This will: 1) ensure that contracts are reviewed and authorized by appropriate University personnel; 2) provide guidance to those who are responsible for monitoring and maintaining the contracts; and 3) help identify those who are to be responsible for proper renewal.

MANAGEMENT'S RESPONSE

A comprehensive review of the University's board approved policies (i.e., The Guidebook) was initiated in March of this year. The goals of this review are to: 1) update the existing policies for technical changes (e.g., department names, organizational changes, staff titles, etc.); 2) revise policies that require more substantive changes; 3) identify new policies that need to be developed; and 4) ensure that clear guidelines and procedures are in place to support the policies. The need to clarify the University's policies and related procedures for contract authorization and management has already been identified through this review. A committee has been established to revise the current policies and develop specific contract management guidelines. Target date for completion is March 1, 2006.

FINDINGS AND RECOMMENDATIONS

6. There were instances where those responsible for monitoring a contract did not have a copy of the actual contract or only had a draft copy (not the final signed copy).

We recommend that original contracts be maintained in a central area but that copies of the signed contract should be given to those who are responsible for monitoring the contract. This will ensure proper monitoring of the contracts.

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AUDIT OF CONTRACT MANAGEMENT

MANAGEMENT'S RESPONSE

As a result of the policy review process currently underway, the University has recognized the need to develop a more centralized approach to contract execution, monitoring, and management. The University has developed a preliminary list of job responsibilities to ensure compliance with University policies and procedures, terms and conditions of contracts, and record-keeping requirements (i.e., maintaining original documents centrally and providing copies to those involved). It is anticipated that the University's plan for a centralized office to oversee the contract management process will address the majority of the audit findings and recommendations. It is planned that this office will be established by March of 2006 and newly adopted procedures implemented no later than July 1, 2006.

FINDINGS AND RECOMMENDATIONS

7. We noted one contract that was not being properly monitored. YSU is to receive \$1,200 a month or 0.5% of total revenues and no one was reviewing for compliance. After additional research, it was noted that the \$1,200 a month was being received by Bursar but they were unaware of what the money was for.

We recommend that better controls be implemented to ensure that all funds to be received and or paid are properly monitored in accordance with the contract terms and conditions.

MANAGEMENT'S RESPONSE

Agree. Centralization of the contract management function is expected to strengthen contract monitoring controls.

FINDINGS AND RECOMMENDATIONS

8. There were numerous instances where the contract manager was unaware if the necessary liability coverage per the contract was maintained by the University or the other party to the contract.

We recommend that proof of insurance be obtained at the contract signing and that proof of insurance be updated at least annually.



AUDIT OF CONTRACT MANAGEMENT

MANAGEMENT'S RESPONSE

Agree. It is anticipated that procedural guidelines which will be developed will include a checklist of all necessary documentation, including proof of insurance, prior to the agreement or contract authorization.

FINDINGS AND RECOMMENDATIONS

9. In various contracts, YSU receives a percentage of the other party to the contract's revenue. Included in these contracts are provisions that allow YSU to audit the revenue of these companies in order to verify that the fee YSU is receiving is accurate. Based on our inquiries, YSU has chosen not to audit any of these entities.

We recommend that YSU consider performing audits of these contracts to ensure that YSU is receiving the proper amount of revenue.

MANAGEMENT'S RESPONSE

Agree, subject to availability of resources and materiality of contract provisions.

FINDINGS AND RECOMMENDATIONS

10. Currently, the University does not automatically provide General Accounting with copies of lease agreements upon signing. In order to properly account for lease agreements, General Accounting needs to know the terms of the lease.

We recommend that a procedure be implemented to provide a copy of all leases to General Accounting. This will ensure that the lease is properly accounted for and presented properly in the University's financial statements.

MANAGEMENT'S RESPONSE

Agree. It is anticipated that procedural guidelines to be developed will include a standard protocol for the distribution of final agreements.





## AUDIT OF CONTRACT MANAGEMENT

FINDINGS AND RECOMMENDATIONS

11. We noted that there are entities that occupy University space but do not pay rent to the University.

We recommend that these entities be identified and that the University formally document the reasons that these entities are not paying rent. If it is determined that YSU should not charge them rent, YSU may want to consider contracting for discounts or free services or products from these entities in lieu of rent.

MANAGEMENT'S RESPONSE

These types of arrangements will be documented by the contract management office.

FINDINGS AND RECOMMENDATIONS

12. We noted an instance where terms of a contract were agreed upon verbally and never formally written into the contract. As a result, aspects of the verbal agreement that were to be performed by the other party to the contract have not been completed.

It is recommended that all provisions, terms and conditions of contracts be written and not verbal. This will help eliminate misunderstandings and provide for better contract management.

MANAGEMENT'S RESPONSE

Agree. The policy and procedures will emphasize that only terms and conditions that are included in the written contract are valid.

FINDINGS AND RECOMMENDATIONS

13. We noted an instance where YSU is not currently paying the amount they owe on a contract because YSU is unaware of whom to send the check to.

All pertinent contract information such as contact names, phone numbers, addresses, etc. should be made available to those who are responsible for monitoring the contract upon signing of the contract.

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AUDIT OF CONTRACT MANAGEMENT

MANAGEMENT'S RESPONSE

Agree. It is anticipated that procedural guidelines to be developed will include a standard format for all pertinent information regarding the contract or agreement.

FINDINGS AND RECOMMENDATIONS

14. One particular contract requires the other party to the contract to perform daily backups of computer data pertinent to YSU. YSU has never verified that this is being done per the contract provisions.

A YSU representative should routinely verify that the backup procedures as stated in the contract are actually being performed. This will help reduce the risk (and potential liability to YSU) of lost data.

MANAGEMENT'S RESPONSE

Agree. Centralization of the contract management function is expected to strengthen contract monitoring controls.

ITEM FOR CONSIDERATION

Although not a finding, we noted that certain companies that provide tuition assistance require a specific format of invoicing. We suggest that YSU take a proactive approach in informing these companies of the changes that will be occurring as a result of the new Banner system. The University will want to make sure that they are satisfying the needs and requests of these companies without causing a lot of customizing to the Banner system and/or causing manual processing.

