



MEMORANDUM

TO: Sathy Rajendran, Dean of CEPS
FROM: Jesús Baldovinos, Internal Audit Manager
DATE: August 8, 2023
SUBJECT: Paramedicine Program Audit – Purser Paramedicine Conference

Background

Internal Audit has been approached by the Dean of CEPS, Sathy Rajendran, to conduct a comprehensive, risk-based audit review of the paramedicine program. The audit's aim is to provide objective insights and an evaluation of the program's performance and viability, using metrics such as contact hours and faculty allocations. During the course of the audit, it was brought to our attention that the 2023 Purser Paramedicine Conference resulted in potential violations of University policies and procedures. As a result, Internal Audit further investigated the matter and issued the following separate report.

Audit Approach

The audit review was conducted by following a proven process to collect information through interviews and the review of relevant documents. This process included the following actions:

- Gathered information through interviews with staff and management.
- Reviewed the following documentation:
 - Expense reports for the Purser Paramedicine Conference
 - Budget and ledger reports obtained from Budget & Budget Development
 - Relevant email threads between employees regarding the conference
 - Other supporting documents

Audit Results

Internal Audit identified risks, corresponding improvement opportunities, and the difference between current conditions and needs. The audit review concluded with this succinct report of observations and recommendations, focusing on how the department can operate more efficiently and effectively.

Observation of Current Practices and Processes

Overall, our audit disclosed that there were inadequate internal controls, policies and procedures over the processes surrounding the operations of the program expenses and reimbursements.

Internal Audit

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Our overall evaluation of internal controls over the respective process is summarized in the table below:

CRITERIA	SATISFACTORY	FAIR	INADEQUATE
Process Controls			X
Policy & Procedures Compliance			X
Effect			X
Information Risk			X
External Risk			X
INTERNAL CONTROLS LEGEND			
CRITERIA	SATISFACTORY	FAIR	INADEQUATE
Process Controls	Effective	Opportunities exist to improve effectiveness	Do not exist or are not reliable
Policy & Procedures Compliance	Non-compliance issues are minor	Instances of non-compliance are evident	Non-compliance issues are pervasive, significant, or have severe consequences
Effect	Not likely to impact operations or program outcomes	Impact on outcomes contained	Negative impact on outcomes
Information Risk	Information systems are reliable	Data systems are mostly accurate but need to be improved	Systems produce incomplete or inaccurate data which may cause inappropriate financial and operational decisions
External Risk	None or low	Moderate	High

Recommendations

1. Process Control – Unapproved procedures by Program Director

The Program Director's (Douglas Presta) actions led to the involvement of CWU in the 2023 Purser Paramedicine Conference, as funds from donors were directed to CWU and subsequently utilized to cover the expenses associated with the conference.

Additionally, the Director utilized CWU speedkeys to charge expenses related to the conference, resulting in the conference becoming CWU business. Further, the Director did not accept the organizational framework. Specifically,

- It was made clear to the Director that CWU would not host the conference. Yet, the Director involved CWU financially.
- It was made clear to the Director that a third party paysite proposed to purchase for the conference was not approved. Yet, it was claimed for reimbursement and the funds collected through the paysite are unknown.

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- It was made clear to the Director that a CWU account was not in place since CWU was not hosting the conference. Yet, the Director continued to push for staff to make an account available.
- It was made clear to the Director that CWU will not be covering expenses for the conference. Yet, \$4,193 was claimed for reimbursement and \$19,204 were charged to CWU. (*Exhibit A*)

In addition, it appears as if the Paramedic Program Lecturer, Mitchell Russell, had a close working relationship with the Program Director as a conference cohost, which could be subject to the same compliance issues.

Cause of condition:

The Program Director consistently displayed insubordination and an unwavering unwillingness to adhere to established protocols and cooperate within the defined organizational framework.

Recommendations:

We recommend key staff of the Paramedicine Program take action, where necessary, based on the results of our internal audit of unapproved procedures of event. Specifically,

- Implement the following training over procedures and requirements to respective staff:
 - Ethics in Public Service
 - Financial Conflicts of Interest
- Pursue the loss of \$4,193 reimbursed to the Director and the unknown loss of funds collected through the paysite.

Management Response

[*add management response*]

2. Process Controls – Inadequate documentation to evidence validity of transactions

Internal Audit tested a non travel reimbursement to the Paramedicine Program Director, Douglas Presta, for the 2023 Purser Paramedicine Conference, totaling \$4,193 (*Exhibit B*), to determine propriety of purchases. Our testing results identified the following compliance issues:

- The 2023 Purser Paramedicine Conference was declined to be hosted as a CWU event, yet it was financed through CWU.
- 18 out of 18 purchases or 100% had no receipts. Retaining fully itemized receipts can help ensure the purchase is legal and allowable.
- 30 additional compliance issues were noted, including:

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- Alcohol purchase
- Unaccounted for/missing funds
- Appears as if conference paysite is still able to collect donations
- Hotel charges outside of conference dates
- Reimbursed credit card charges still pending
- Inventory controls
- Lack of lodging agreements for guest speakers
- Unknown hotel room occupant/speaker
- Questionable hotel location
- Incorrect budget charges
- The conference website & paysite purchase was declined by management, yet it was claimed for reimbursement.
- Duplicate hotel charges for same guest speaker; hence, false reporting.

In addition, we expanded our testing and tested an additional 33 expense reports for a total of \$13,363 (*Exhibit C*) and found similar and recurring issues as well as the following new issues:

- Missing explanation of expense purpose
- Questionable mileage reimbursement
- Amount reimbursed does not match supporting documents
- Appears as if faculty circumvented procedures
- Questionable use OR location of the expense
- Missing exchange rate documentation and proof of validity used in calculation

Cause of condition:

Key staff of the Paramedicine Program and Travel lacked understanding of policies and procedures over creating, processing, and reviewing expense reports.

Recommendations:

We recommend key staff of the Paramedicine Program and Travel take action, where necessary, based on the results of our internal audit of expense reports. Specifically,

- Strengthen internal controls/business processes that help monitor, track, and provide oversight of the departments' critical functions, specifically expense reports.
- Itemized receipts for purchases are obtained and retained by card custodians.
- We also recommend respective training to key staff.

Management Response

[*add management response*]

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3. Process Controls – Conference website & paysite

The Program Director, Douglas Presta, demonstrated a lack of transparency and failed to provide adequate documentation regarding the allocation of funds collected through the conference website & paysite. This lack of transparency creates significant risks in terms of financial integrity and accountability. Specifically:

- Despite CWU financing the site, thus making it CWU property, the funds appear to have been collected by Co-Sponsor LifeLink and amounts are unknown
- When inquired about whereabouts of funds collected through the paysite, the Program Director and cohost were unclear about ownership and whereabouts of the funds.
- The Director's decision to work with a third party paysite created additional lack of transparency as opposed to a CWU provided service.

Cause of condition:

The Program Director failed to transparently show the fund allocation regarding a paysite CWU owns, creating a significant financial risk. In addition, the Director chose to work with a third party paysite rather than a CWU provided service as instructed.

Recommendations:

We recommend key staff of the Paramedicine Program take action, where necessary, based on the results of our internal audit of the conference website & paysite. Specifically,

- The compilation of the unknown amounts of funds collected through the third party paysite. Including any known agreements between LifeLink and hosts.
- Implement the following training over procedures and requirements to respective staff:
 - Ethics in Public Service
 - Financial Conflicts of Interest

Management Response

[add management response]

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Closing Remarks

We thank you and the customer service staff for their cooperation and assistance and appreciate your commitment to resolve the issues. If you have any questions, please feel free to contact me at (509) 963-1191 or Jesus.Baldovinos@cwu.edu.

C: Joel Klucking, VP of Financial Affairs
Dr. Tishra Beeson, Department Chair of Health Sciences
Stuart Thompson, AVP Campus Planning and Facilities Management
File: 24-02

DRAFT

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A = Unapproved event expense
B = Missing speaker agreements (\$1,000/each)
C = 41 compliance issues (see Expense Breakdown)
D = Initially missing \$5,000 donation check, subsequently found while audit was in session
E = Other potential donations went to Square Space conference website & paysite
F = Unaccounted for other revenue
G = Appears as if Square Space website is still able to collect donations

Grand Total	\$	(2,598.07)
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A = Missing itemized receipt; Questionable validity of item	I = Unaccounted for/missing funds collected through Square Space website
B = Outside of Conference Dates	J = Incorrect budget charged per Lisa Saucier - Travel
C = Payment pending	K = Incorrect budget charged per Sheri Kinnan - Financial
D = Inventory controls	L = Alcohol purchase
E = Lack of lodging agreement	M = Questionable Hotel Location
F = No name listed for hotel room occupant/speaker	N = Unapproved purchase of Square Space website and paysite
G = Appears as if Square Space website is still able to collect donations	O = Appears to be a duplicate transaction per Lisa Saucier
H = Multiple hotel charges for what appears to be the same speaker	P = False reporting

No.	Description	C	Card Date	Amount	Flags	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
1	Square Space - Internet & Paysite		10/7/2022	\$ 353.16	4	✓						✓		✓					✓		
2	Priceline - Hampton INN - Hotel for Speaker - Dr. Devenish		3/9/2023	\$ 252.18	4	✓	✓			✓			✓								
3	24hr Wristebands - back back bags for conference		3/10/2023	\$ 417.15	2	✓			✓												
4	Amazon - Lanyards and Badges		3/16/2023	\$ 56.66	1	✓															
5	Priceline Wingate - Hotel for Dr. Devenish		3/16/2023	\$ 409.70	5	✓	✓			✓			✓					✓			
6	Dollar Tree - Stickers for passports conference		3/20/2023	\$ 16.35	1	✓															
7	Costco - Wine for Beer Garden Event		3/21/2023	\$ 117.05	2	✓											✓				
8	Hotel Windrow Ellensburg - Dr. Antevy		3/24/2023	\$ 321.28	4	✓				✓										✓	✓
9	Jimmy Johns - food for event planning		3/25/2023	\$ 23.83	1	✓															
10	Tap Room Ironhorse - Beer & SWAG prizes for Beer Garden Event		3/25/2023	\$ 195.12	2	✓											✓				
11	Hampton INN - Hotel for Speaker		Pending	\$ 280.68	4	✓		✓		✓	✓										
12	Safeway - food for VIP room		Pending	\$ 32.16	2	✓		✓													
13	Hampton INN - Hotel for event		Pending	\$ 240.68	3	✓		✓			✓										
14	Hampton INN - Hotel for event		Pending	\$ 240.68	3	✓		✓			✓										
15	Hampton INN - Hotel for event		Pending	\$ 240.68	3	✓		✓			✓										
			Total	\$ 3,197.36	41	15	2	5	1	4	4	1	2	1	0	0	2	1	1	1	1

[illegible]

Expanded Testing of Douglas Presta's Travel Expense Reports
3/4/2019 to 3/27/2023

Tickmark Legend

A = Missing itemized receipt; Questionable validity of item	H = Questionable use/location of expense
B = Unapproved Purchase	I = Itemized receipt not fully legible or missing dates
C = Missing explanation of expense purpose	J = Missing exchange rate documentation/validity
D = Questionable mileage reimbursement	K = Falsely reported expense amount
E = Amount Reimbursed does not match supporting documents	
F = Appears as if Faculty circumvented procedures	
G = Dates outside of event dates	

No.	TA ID	TA Status	Travel Description	Date (based on creation date)	Total Amount	Purpose	Flags	A	B	C	D	E	F	G	H	I	J	K
1	0000034697	PD	Presta Spokane Mileage F22 W23	3/27/2023	\$ 229.22	SITE	2					✓	✓					
2	0000033857	PD	Presta NTR Meal Memo 11/29	12/9/2022	\$ 149.31	OTHER	0											
3	0000033323	PD	Presta EMS 22 Expo 10/9/22	10/21/2022	\$ 1,200.00	CONF	1						✓					
4	0000032703	PD	Presta Paralab Pig Parts	8/1/2022	\$ 120.00	OTHER	0											
5	0000032599	PD	NTR Presta Para supplies	7/15/2022	\$ 35.05	OTHER	0											
6	0000032411	PD	Presta Accredicon 06/01-05	6/22/2022	\$ 2,979.28	CONF	2	✓										✓
7	0000031376	PD	NTR - Presta 03/08/2022	3/23/2022	\$ 123.88	OTHER	0											
8	0000031085	PD	NTR - Pure Country 02/23/22	2/23/2022	\$ 960.00	OTHER	1									✓		
9	0000030914	PD	NTR - PRESTA 1/18/22	1/19/2022	\$ 94.27	OTHER	0											
10	0000030172	PD	Training registration	9/15/2021	\$ 394.00	TRAIN	0											
11	0000030154	PD	reimbursement	9/13/2021	\$ 75.28	OTHER	2			✓						✓		
12	0000030016	PD	reimbursement	7/26/2021	\$ 91.47	OTHER	1			✓								
13	0000029803	PD	end of year celebration	6/9/2021	\$ 120.39	OTHER	1	✓										
14	0000029221	PD	reimbursement-Presta	9/21/2020	\$ 485.50	OTHER	4		✓			✓			✓			✓
15	0000029157	PD	Presta Spo-Eburg Rtrip 8/19	8/25/2020	\$ 127.24	SITE	1				✓							
16	0000029154	PD	Presta Spo-Lynn Rtrip 8/5	8/25/2020	\$ 195.97	SITE	1				✓							
17	0000029153	PD	Presta Spo-Lynn Rtrip 7/22	8/25/2020	\$ 195.97	SITE	1				✓							
18	0000029152	PD	Presta Spo-Lynn Rtrip 7/15	8/25/2020	\$ 195.97	SITE	1				✓							
19	0000029150	PD	Presta Spo-Lynn Rtrip 7/8	8/25/2020	\$ 195.97	SITE	1				✓							
20	0000029149	PD	Presta Spo-Lynn Rtrip 7/1	8/25/2020	\$ 195.97	SITE	1				✓							
21	0000029148	PD	Presta Spokane-Lynnwood Rtrip	8/25/2020	\$ 195.97	SITE	1				✓							
22	0000029147	PD	Presta return visit June 10	8/25/2020	\$ 59.38	SITE	0											
23	0000029146	PD	Presta return visit June 3	8/25/2020	\$ 75.62	SITE	1				✓							
24	0000029145	PD	Presta return trip May 27	8/25/2020	\$ 59.38	SITE	0											
25	0000029052	PD	site visit EMS-Presta	7/22/2020	\$ 78.68	SITE	0											
26	0000029013	PD	D. Presta Visit Para Location	6/25/2020	\$ 75.62	SITE	1				✓							
27	0000029012	PD	D. Presta Visit Para Location	6/25/2020	\$ 59.38	SITE	0											
28	0000029011	PD	D. Presta Visit Para Location	6/25/2020	\$ 59.38	SITE	0											
29	0000028977	PD	Safety Equipment - Paramed	6/11/2020	\$ 257.90	OTHER	0											
30	0000028026	PD	EMS advanced standing interview	1/31/2020	\$ 200.15	OTHER	3	✓							✓	✓		
31	0000027606	PD	Study Abroad Paramed Australia	12/13/2019	\$ 2,111.34	OTHER	8	✓				✓	✓	✓	✓	✓	✓	✓
32	0000024887	PD	NREMT testing	5/31/2019	\$ 417.52	OTHER	3					✓			✓	✓		
33	0000023214	PD	EMS Dallas conf-Presta, Doug	3/4/2019	\$ 1,548.22	CONF	1								✓			
Grand Total					\$ 13,363.28		38	4	1	2	9	4	3	1	5	5	1	3