



# RUTGERS

## Treasurer's Town Hall

***J. Michael Gower***

*Executive Vice President, University Finance and Administration  
University Treasurer*

November 8, 2018  
College Avenue Student Center



RUTGERS

***Nimish Patel***

*Chief Procurement Officer*

- Voice of the Customer
- Purchasing and Travel Cards
- RU Marketplace
- Expense Management

## University Procurement Service’s (UPS) Mission

- Provide customer service to meet function’s purchasing needs
- Identify and deliver value to the organization as a whole

### Voice of the Customer

Universitywide assessment to baseline UPS against  
our goals to become a **customer-focused,**  
**strategic service** organization.

Comprehensive review of UPS operations to understand the **perception, needs and expectations** of the organizations we serve

**Face-to-face interviews** with Deans, Chancellors and Business Managers



**Online survey** among University community



**Benchmarking** against Big10 peer groups and leading practices



## Leading Practices

- Multi-channel stakeholder engagement
- Deep analytics capabilities
- Separate strategic sourcing and purchasing operations
- Supplier relationship management
- Centers of Excellence
- Dashboard, performance metrics, and reports

## University Benchmarks



Perceptions	<ul style="list-style-type: none"><li>▪ Unresponsive (black hole), inaccessible, rigid, no expertise</li><li>▪ No data reporting available</li><li>▪ Policing instead of helping and partnering</li></ul>
Campus Relationship/ Alignment	<ul style="list-style-type: none"><li>▪ Campus Liaison program is well-received</li><li>▪ UPS staff (Newark, Camden) drive collaboration</li></ul>
Communications	<ul style="list-style-type: none"><li>▪ Limited, inconsistent updates and recommendations</li><li>▪ Confused by new policy, procedures, forms</li></ul>
Data / Reporting	<ul style="list-style-type: none"><li>▪ Lack expertise regarding data/reporting and analytics</li><li>▪ Unit-level spend data is needed</li></ul>
Strategic Sourcing Value Creation	<ul style="list-style-type: none"><li>▪ Universitywide spend not leveraged</li><li>▪ Lack of sourcing mindset, v. purchasing mindset</li><li>▪ Want consultative approach, more flexibility and speed</li></ul>
Systems / Process	<ul style="list-style-type: none"><li>▪ Operational issues with requisitions, travel and expense</li></ul>

As a **forward-leaning, customer-focused** organization, UPS will be in position to contribute to the *bottom line and top line*, propelling us forward from a **buying** to a **sourcing** organization.

***To become a forward leaning, customer-focused organization, UPS will***

- Partner with campuses, including cross-campus collaborations
- Align with department's priorities
- Encourage customer-focused decision making
- Simplify business processes
- Adopt an “enabler for success” mindset



	Key Recommendations	Benefits
<b>People</b>	Deploy a <b>consolidated</b> organization in support of strategic goals	<ul style="list-style-type: none"> <li>▪ Improved customer service</li> <li>▪ Value creation (cost reduction)</li> <li>▪ Continuous improvement</li> <li>▪ Development opportunities</li> </ul>
<b>Process</b>	<b>Deepen relationships</b> with campuses, schools, and units	<ul style="list-style-type: none"> <li>▪ Improved collaboration</li> <li>▪ Strategic planning</li> <li>▪ Reduction in transactions</li> <li>▪ Operational efficiencies, rebates</li> </ul>
<b>Systems and Data Analytics</b>	Develop stronger <b>linkages</b> between data systems	<ul style="list-style-type: none"> <li>▪ Improved performance</li> <li>▪ Operational efficiencies</li> <li>▪ Strategic insights, risk management</li> <li>▪ Transparency and accountability</li> </ul>
<b>Governance</b>	Build strategic partnerships with campuses and units	<ul style="list-style-type: none"> <li>▪ Value creation (cost reduction)</li> <li>▪ Shared goals / team benefits</li> <li>▪ Greater, mutual accountability</li> <li>▪ Improved spend, budget controls</li> </ul>

**Realign operating model to address unmet and evolving University needs**

- Purchasing Card
  - Pilot with Athletics, Mason Gross School of the Arts (completed)
  - Phase 1
    - Diners Card replacement (started)
    - Usage analysis for high-impact purchasing (in progress)
    - Target launch 4Q18 (200+ cards)
- Travel Card
  - Launched pilot with President's Cabinet (Oct 1, 2018)
  - Replaced American Express cards with Bank of America Visa cards
  - Replace JP Morgan cards (planned)

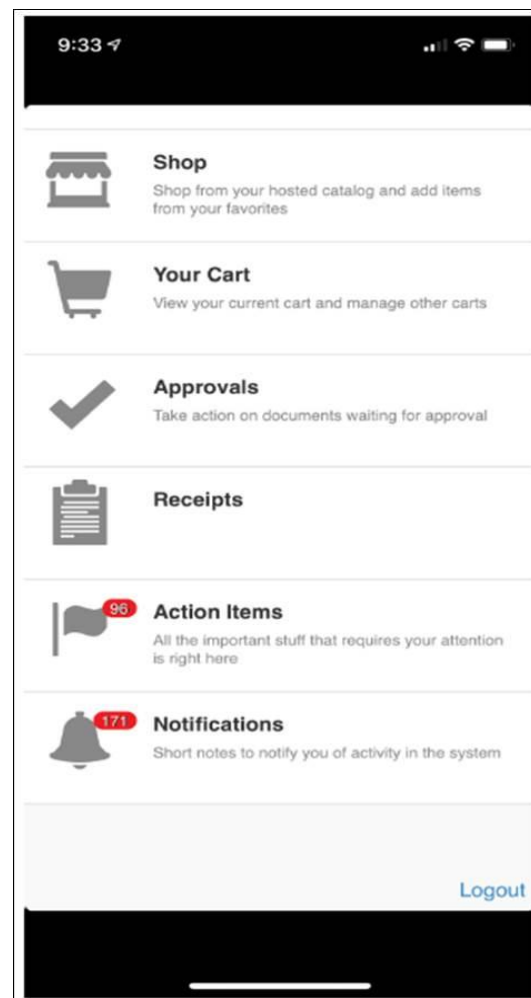


## Jaggaer applications

- Mobile application release on Apple iOS (Available Nov. 1, 2018)
  - Contact Procurement help desk for account activation
- Android application (TBD)

## I-Expense (mobile) application

- Mobile application in testing (TBD)





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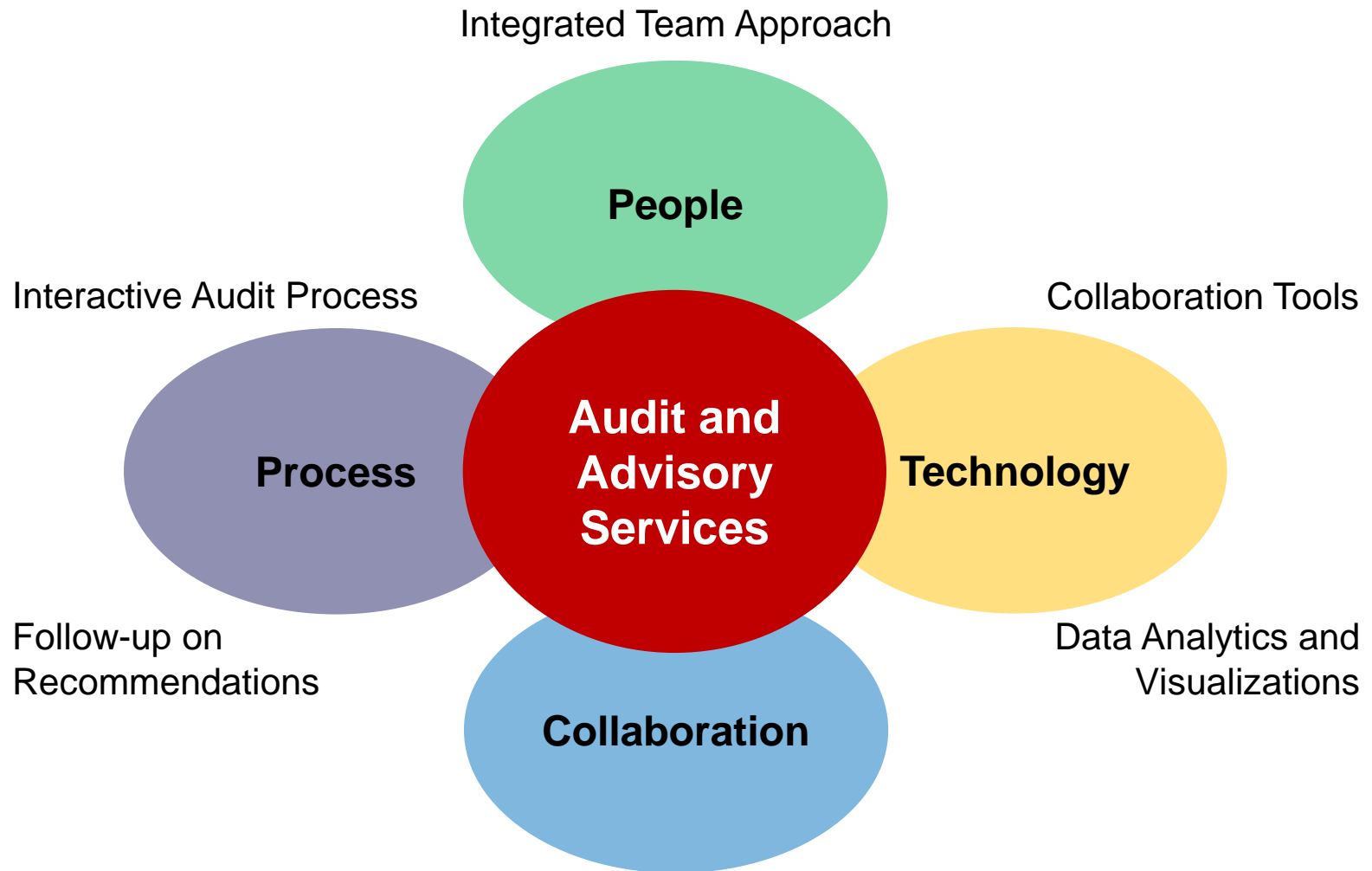
***Ruth Stevens***

*Chief Audit Executive*

- Who is Audit and Advisory Services (formerly Internal Audit)?
- What does Audit and Advisory Services Do?
- What is our Audit Process?
- Contact Us

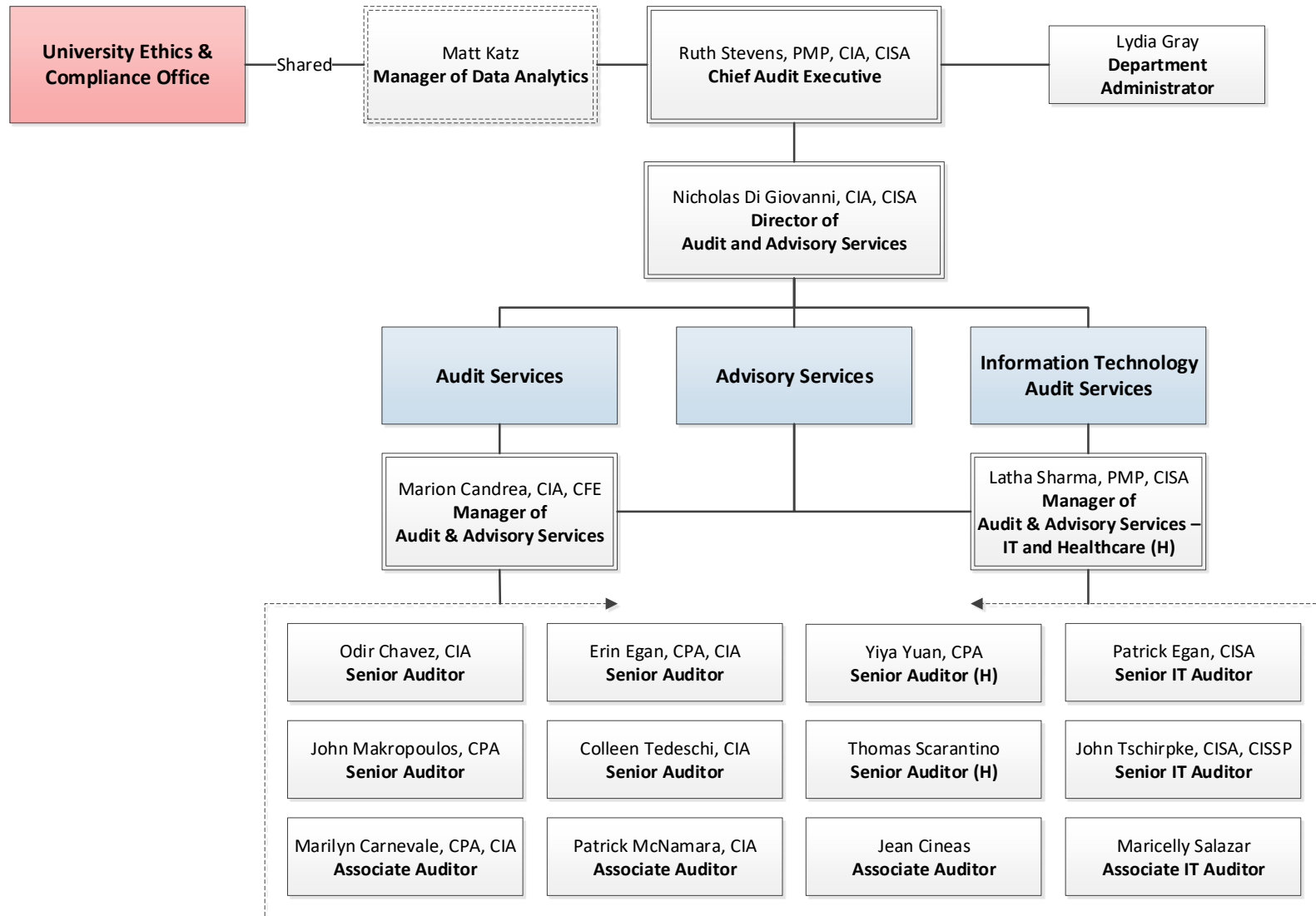
# **WHO IS AUDIT AND ADVISORY SERVICES?**

Adding value across Rutgers by providing services and guidance that result in effective management



University Ethics and Compliance  
Senior Leadership Team and Management  
Big Ten and Ivy Plus Peers





# **WHAT DOES AUDIT AND ADVISORY SERVICES DO?**



- Continuous improvement of departmental operations
- Increased effectiveness of controls and governance practices to mitigate risk
- Proactive response to compliance, fraud, cyber security and data privacy concerns
- Support of informed decision-making through data mining and analytics
- Serve in an advisory capacity on committees
- Facilitate communication between departments

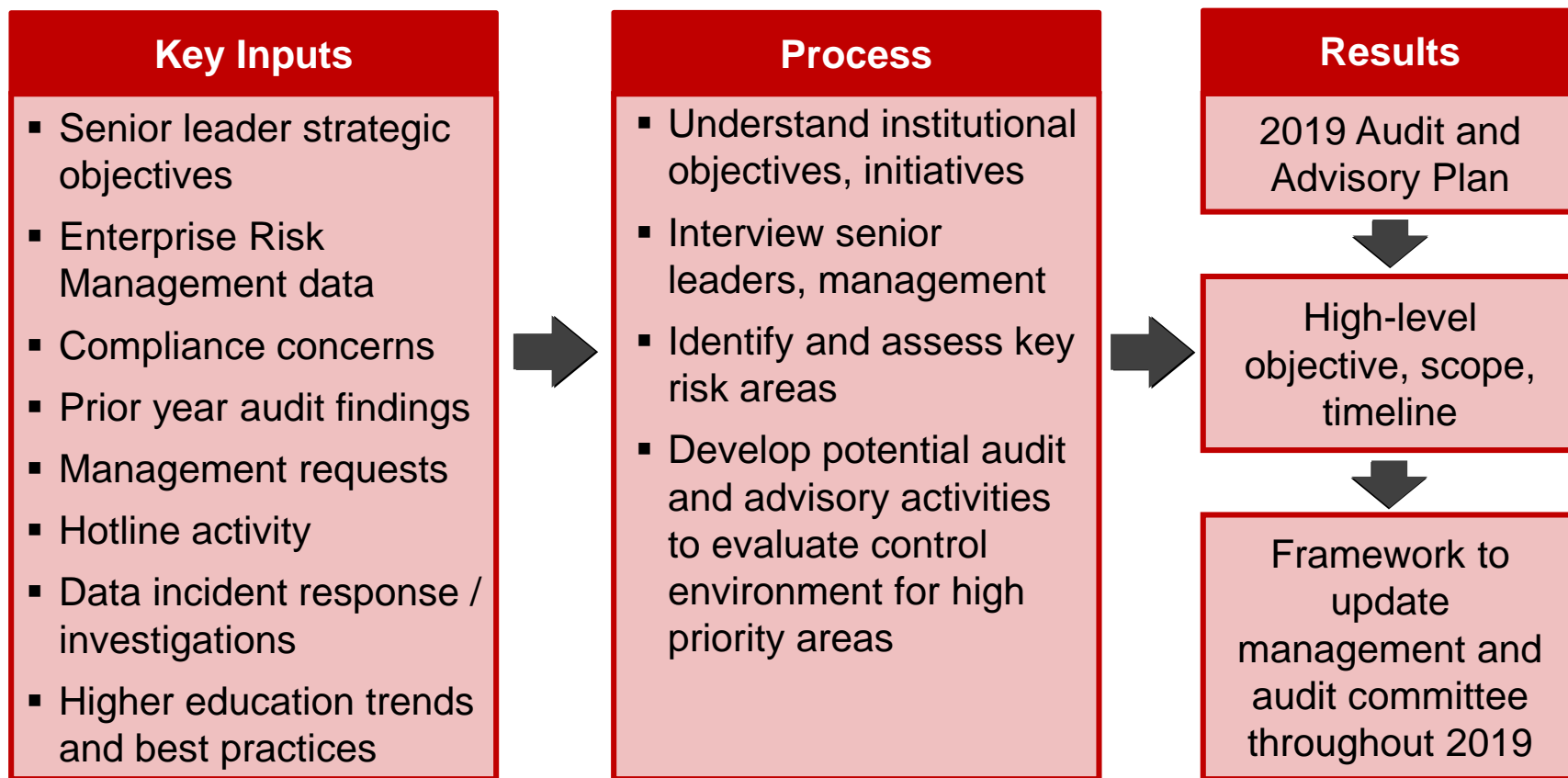
### **Audit and Advisory Projects**

- 14 internal audit reports presented to Audit Committee
- Rutgers Hotline monitoring
- Procure-to-Pay Data Analytics
  - ✓ Continuous monitoring scripts
  - ✓ Interactive T&E dashboard
  - ✓ Newark 2020
- Annual NCAA compliance reviews in Division of Intercollegiate Athletics
- Reduced past due audits (2+ years) from 16 to 1
- 219 recommendations closed/implemented since May 2017

### **Universitywide Initiatives**

- Cornerstone Finance Committees
- Chart of Accounts Initiative
  - ✓ Cross validation rules
  - ✓ Accounting procedures
- University Budget Office
  - ✓ Enterprise Tableau server
  - ✓ Data warehouse
- Reporting Optimization
- Reporting and Analytics Center of Excellence

Evaluate internal and external inputs to develop an initial plan that aligns audit's priorities with Rutgers' overall objectives and risk areas



### Finance and Operations

- Employee off-boarding and employee transfer process
- Cash management operations (petty cash, wire transfers, gift cards)
- Treasury management (review of active bank accounts)
- Purchasing card program (review of procedures, data analytics)
- University Finance and Administration review of human resource and procurement procedures and communications

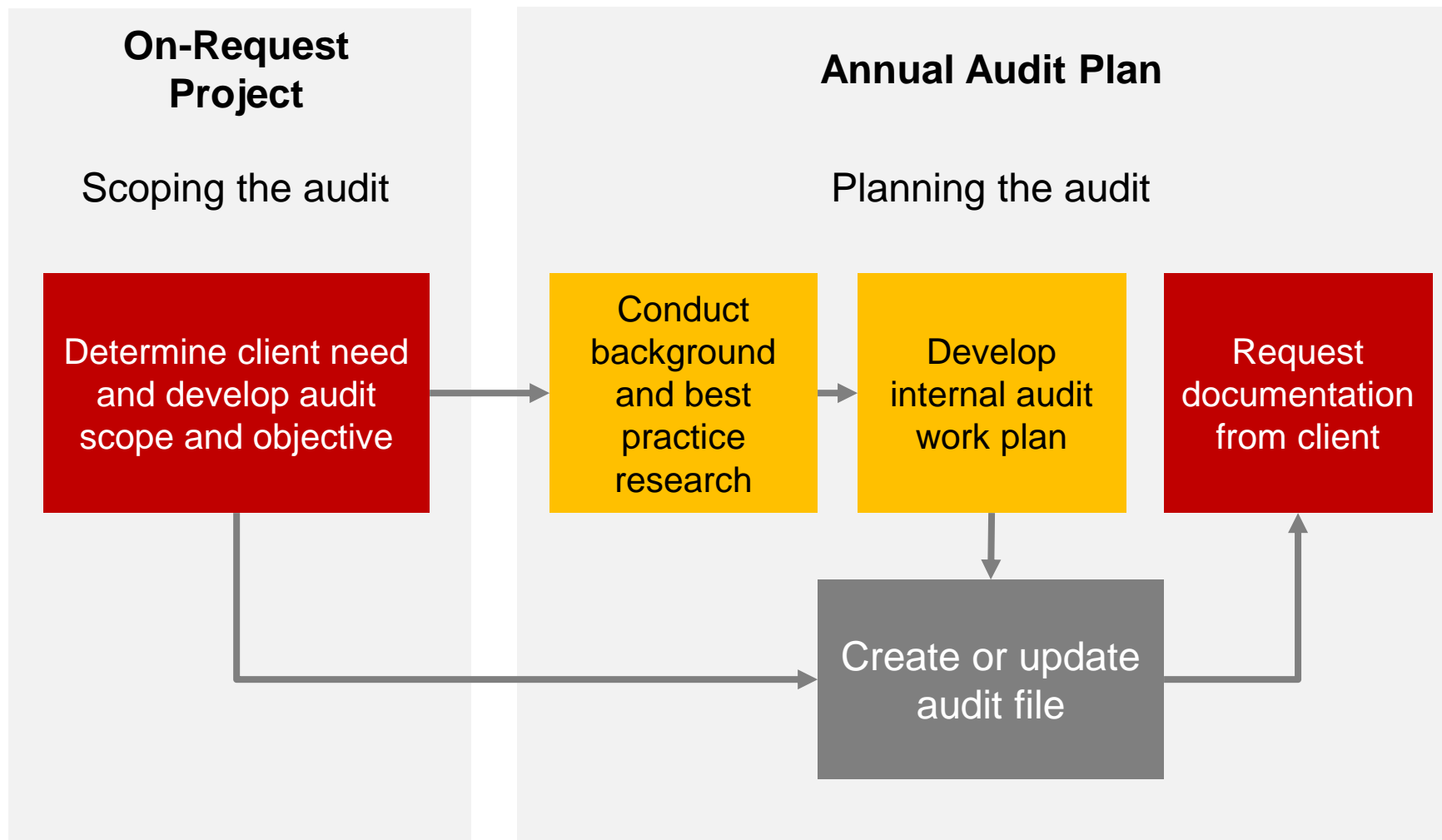
### Healthcare, Research and Compliance

- Sponsored Research (Post-Award Billing/ Collection, Service Centers)
- Annual Athletics Audit and Compliance Program (NCAA Year 3)

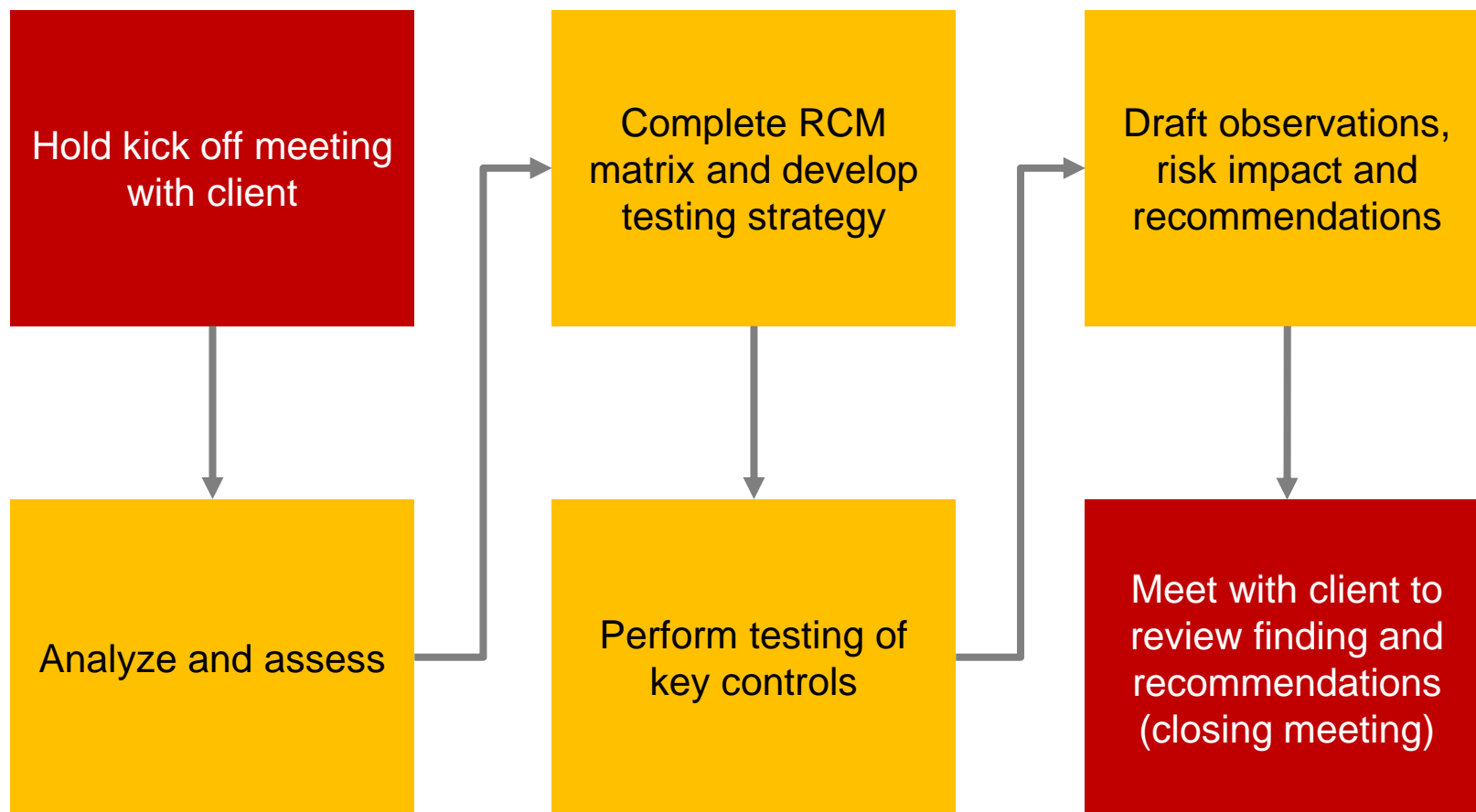
### Information Technology and Systems

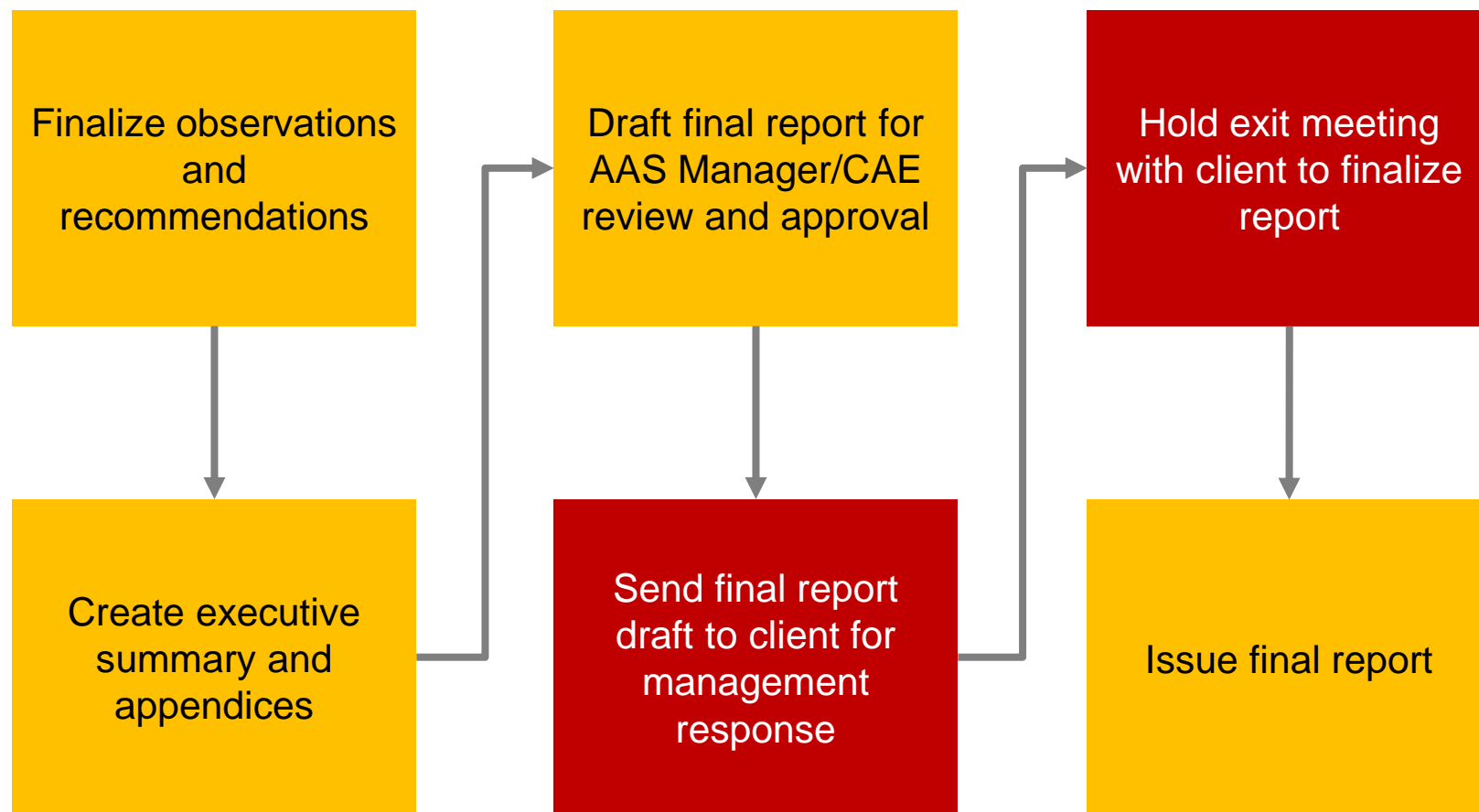
- System Implementation Quality Assurance and Advisory Support
- Cornerstone Advisory Support
- IT Security and Support Assessment

# **WHAT IS OUR AUDIT PROCESS?**









- Engagement results reported to:
  - ✓ Client (Management for units involved)
  - ✓ Board of Governors Committee on Audit
  - ✓ President
  - ✓ Senior Leadership Team
  - ✓ External Audit Firm (currently KPMG)
  
- Types of Communications:
  - ✓ Audit Reports (with Management Responses)
  - ✓ Memorandums
  - ✓ Emails
  - ✓ Verbal Consultations



The Audit and Advisory Services team provides expert and confidential guidance by certified professionals for:

- Continuous improvement of departmental operations
- Increased effectiveness of controls and governance practices to mitigate risk
- Proactive response to compliance, fraud, cyber security and data privacy concerns
- Support of informed decision making through data mining and analytics

University Ethics and Compliance ►

Read the [CAE's message](#) to our clients.

**New Jersey  
Cybersecurity and  
Communications  
Integration Cell**

<https://internalaudit.rutgers.edu>



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