

December 2015



THE UNIVERSITY OF
MEMPHIS®

Office of Internal Audit and Consulting Newsletter

Internal Controls

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As noted in the Audit Charter, University Management has the primary responsibility for establishing and maintaining a sufficient system of internal controls. University Management is required to assess risk and develop adequate internal controls pursuant to state statutes (TCA 9-18-101, Known as "**The Tennessee Financial Integrity Act**").

In accordance with instructions from the Tennessee Department of Finance and Administration, Management's annual evaluation of internal controls follows guidance issued by the Committee of Sponsoring Organizations (COSO) regarding internal controls. Contact us if you need advice regarding internal controls for your office.

Additional Information May be Located at These Links:

Phone
(901) 678-2125

Email:
UoM_Audit@memphis.edu

[Tennessee Department of Finance and Administration](#)

[COSO Internal Controls Framework](#)

LINKS TO INTERNAL CONTROL RESOURCES WITHIN THE UNIVERSITY

[FOCUS ON FINANCE](#)

[CASH HANDLING GUIDELINES](#)

[FIXED ASSETS](#)

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[Link to Fraud Brochure](#)

File can be downloaded
and distributed.

Reporting Fraud, Waste, and Abuse of University Resources

University employees are encouraged to view the Office of Internal Audit and Consulting as a resource for objective and independent information with regard to any and all University processes, compliance questions, and other administrative concerns, including potential fraud, waste, or abuse of University resources.

What Should I Report?

Examples include:

- Theft or misappropriation of funds, supplies, property, or other University resources.
- Forgery or alteration of documents.
- Unauthorized alteration or manipulation of computer files.
- Falsification of reports to management or external agencies.
- Pursuit of a benefit or advantage in violation of the University's conflict of interest policy.
- Authorization or receipt of compensation for hours not worked.

Think Before You Speak!

Before making allegations of dishonesty, be reasonably certain of any claims. Such allegations can seriously and negatively impact the accused individual's life and adversely affect the working environment of the department. Telling your supervisor or senior management in your department is the first approach to consider unless there is a compelling reason you cannot tell your supervisor or senior management.

If you have information about activities at the University you believe constitute fraud, waste, or abuse, you may submit a report directly (link below) to the Office of Internal Audit and Consulting website. Options for reporting fraud at the University include:

1. Telling your supervisor.
2. Notifying a University official.
3. Contacting Internal Audit at 678-2125 or UoM_audit@memphis.edu

Reports may be made anonymously to Internal Audit.

Online Link to Report Fraud to Internal Audit

REPORT FRAUD



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Tis the Season for Cybersecurity Fraud and Scams



Studies have shown that every year there is a spike in online fraud during the holiday season. IT security experts have predicted that online cyber fraud may increase as much as 28% over last year due to the increased use of “chip” credit cards. In addition, other studies have shown that close to 1 million cyber threats (computer viruses or other malicious software) are released each day. Past incidents have shown that the University technology environment is a prime target for hackers and malicious software so stay alert.

Some Tips to Follow

- Do not click on anything in emails that appear suspicious.
- Report any suspicious emails to the University IT Security area using the email: abuse@memphis.edu
- Follow practices for good password management.
- Do not go to websites that are suspicious or you do not recognize.

Be alert with the University Pcard and your credit cards as there is a huge uptick in bogus online vendor sites during the holiday season.

The University ITS area has additional details about security practices you should follow at this link.

[IT Security Resources](#)



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Purchasing Card Reminders and Tips



- * Timely review of purchases by the approved card reviewer. Only the approved card reviewer on file with Procurement and Contract Services is allowed to sign as the reviewer. Do not wait until The Office of Internal Audit and Consulting requests documentation to have the card reviewer sign.
- * Know your responsibilities as the cardholder, card reviewer and card administrator. These can be found in [BF10119 Purchasing Card Guideline](#).
- * Prohibited/Unauthorized Purchasing Card Use Include the Following:
 - Purchasing computer products or services from a vendor with whom the University has negotiated contracts, e.g., Dell, Apple, etc., must be purchased through Tigerbuy eProcurement system with an online purchase requisition.
 - Meals and food unless you have received prior approval by Procurement and Contract Services.
 - Membership dues. Registration fees are permitted for local and out of town conferences/seminars, when no other travel-related expenses, e.g., lodging, membership dues etc., are associated with the registration fee. A travel purchase order must be created and approved before a University P-Card is used to pay registration fees for conferences and seminars.
 - **Using Out of country vendors** is prohibited with the Pcard.
- * Check your statements thoroughly for accidental duplicate vendor charges. Card reviewers please make sure you have a receipt for every charge on the bank statement and that each receipt is itemized.
- * Always request sales tax exemption when making a purchase on the P-Card. Some states outside TN may not accept a TN sales tax exemption but make sure to always ask especially when making purchases through Amazon. In order for Amazon.com purchases to qualify for tax exemption, each cardholder must perform a one-time upload of the University's Tax Exemption Certificate.
- * Do not split purchases into smaller transactions in order to bypass standard procurement procedures.
- * Do not allow anyone else to use your P-Card and account number.
- * Report all cases of fraudulent activity to The Office of Internal Audit and Consulting and to Procurement and Contract Services immediately upon discovery. **REVIEW YOUR TRANSACTIONS FOR FRAUD!!!!!!**

If questions contact the Procurement Specialist at 901.678.3673.

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Phone
(901) 678-2125

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UoM_Audit@memphis.edu

Internal Audit Staff in Tiger Blue

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