Message from our VP of Audit and Compliance

BLANCA MALAGON

The Office of Audit and Advisory Services in collaboration with University Compliance Services is dedicated to the mission of the University of Miami (UM) and has designed this quarterly newsletter to be a resource for our UM family to communicate who we are and what we do.

As we continue to navigate the highs and lows of this pandemic, our ability to work together to build and maintain a strong internal control environment shines through. It is imperative that we continue to work with each other lock and step to foster strong internal controls (IC).

We adhere to the professional standards set forth by UM and the internal audit profession.

We are proud that we can successfully “partner” with management, faculty, and staff, while maintaining our independence and objectivity as we work together to enhance UM’s controls and processes.

We recognize there is always room for improvement in any operation, and we welcome any suggestions that you may have as to how our office can better serve the students, faculty, and staff in our fine organization.

Thank you!

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Internal Controls in a Hybrid Environment

Maintaining a strong system of internal controls is already difficult. However, doing so in the current hybrid working environments poses even more of a challenge. A conscientious, hands-on, nimble approach is necessary to constantly adjust to risks and control environment vulnerabilities that present themselves due to our new working environments.

Departments should ensure that their teams understand the University’s software, cloud, and security policies including user access.

Also, everyone should be aware of the University’s procurement policies. In addition, here are seven tips to maintaining strong internal controls in a hybrid environment.

1. Continuous monitoring through internal control self-assessments.
2. Remain up to date with latest training offered by the University.
3. Assess the types of information and method for storage within your area.
4. Verify goods or services received for invoices posted to accounts.
5. Complete your balance sheet account reconciliations on a monthly basis.
6. Retain the support for your balance sheet account reconciliations.
7. Use of the University’s sales tax exemptions as appropriate (see controller’s website).
Compliance Corner: Five Ways the Pandemic has Changed Compliance—Perhaps Permanently!

By: Amii Barnard-Bahn / Compliance Week Article

Will the COVID-19 pandemic permanently change compliance and how do we do our jobs? A resounding 76 percent of respondents to Compliance Week’s “Inside the Mind of the CCO” survey said yes, it would. Here are the top 5 impacts they’ve predicted and thoughts from seasoned colleagues:

1. Heightened risk environment
2. Core compliance processes are changing
3. Workplace culture
4. Compliance team impact
5. Doing more with less

https://www.complianceweek.com/opinion/five-ways-the-pandemic-has-changed-compliance-perhaps-permanently/29526.article

Compliance and Ethics Week took place on Monday, November 8 at 11 a.m. via Zoom

The University community was invited to participate in Compliance Services’ annual Compliance and Ethics Week interactive session titled, "Preventing Sexual Harassment and Discrimination." The online session facilitated by Maria Sevilla, deputy Title IX coordinator, discussed the importance of understanding what harassment and sexual misconduct are and how to cultivate a culture of compliance. If you didn’t have the chance to attend, you can view the presentation here. For any questions related to harassment and sexual misconduct, please email Maria Sevilla directly at: titleixcoordinator@miami.edu.

Pandemic Fraud

During the pandemic, it has become even more pertinent for organizations to monitor fraud risks regularly as opportunity, pressure and rationalization, all three elements of the fraud risk triangle, have been heightened. "Trusted" employees usually are the perpetrators of fraud. We came across an example of fraud committed at another university, see how this fraud scheme was perpetrated below.

An accounts manager for a non-profit business office servicing the University of South Florida’s medical system admitted to stealing at least $12.7M over a six-year period, although university officials believe he may have stolen closer to $15M. In his role, Ralph Puglisi had exclusive control of the non-profit’s four credit card programs, giving him sole authority to set up new credit card accounts, manage spending limits, and close accounts.

Without compensating controls to detect his scheme, Puglisi treated himself and family members to home renovations, a wedding, yacht charters, Disney vacations, adult entertainment, and a slice of paradise on St. John in the USVI. Ballooning expenses eventually tipped off senior management at the non-profit, who launched an investigation. Puglisi faces up to 20 years of prison and will pay restitution for the $12M he stole.


Fighting Fraud

The University Hotline is open to any individual who wishes to report a concern regarding irregularities at UM. See the NavexGlobal/EthicsPoint FAQ’s for info.

UM employees who report an activity that may be in violation of a law, rule, or regulation are protected against retaliation by the Whistleblower Protection Statement.

To Make a Report: