



February 2019 Newsletter

# The Audit Perspective

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• <u>Self-</u> Assessment Purchase Notification Reports (PNRs) provide timely notice of certain types of expenditures posting to University accounts. The PNRs should be a tool used by departments to actively monitor accounts in order to identify potential issues quickly. It also provides signatory officers and principal investigators (PIs) vital oversight of account activity.

# **Purchase Notification Reports**

### What are Purchase Notification Reports?

PNRs are nightly, auto generated reports from SAP received via email. They provide information from SAP such as the account number affected, document number, amount, and text summary about certain expenditures. PNRs are emailed to employees designated as signatory officers in SAP. Another employee in the department who is not a signatory officer may also receive PNRs if setup by the Accounting Office. PNRs cannot be re-generated.

## Why should I review Purchase Notification Reports?

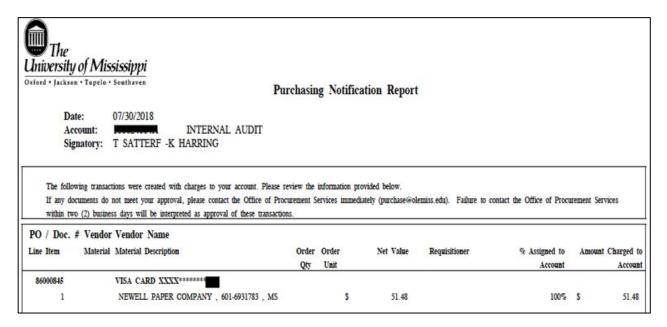
PNRs are an important internal control. The reports allow departments to quickly identify potential issues due to errors or fraud. It is important that questionable expenditures be reviewed in a timely manner and corrected, if necessary. For example, federal programs have time limits on cost transfers, and PNRs help departments stay within those limits.

# How often should Purchase Notification Reports be reviewed?

Recipients should review PNRs daily. Signatory officers and PIs should not rely on other staff to review on their behalf. Someone other than individuals who make purchases and those responsible for processing purchasing documents (i.e. purchase requisitions, Visa documents, Request for Payments, etc.) should also be receiving PNRs to ensure an appropriate separation of duties.

Departments should ensure employees who leave the department are removed as a signatory officer and/or recipient of Purchasing Notification Reports. Departments can contact the Accounting Office to request changes.

Below is an example of a Purchasing Notification Report:



## Are Purchase Notification Reports generated for all account activity?

PNRs are not generated for all activity that is posted to a departmental account. The following types of activity do not generate a PNR:

- Postage expenses such as campus mail, FedEx, UPS, USPS, etc. due to the high volume of transactions
- Postings to revenue general ledger codes
- Some interdepartmental charges (ex: Facilities Management)
- Payroll postings
- Prior month-end postings made by the Accounting Office or Procurement Services during the monthly close-out process

# What if my department didn't make the purchase shown on the Purchase Notification Report?

If any activity does not meet the signatory officer's approval, the signatory officer is responsible for contacting Procurement Services immediately. Failure to contact Procurement Services within two (2) business days will be interpreted as approval for all purchases on the PNR.

## Do I need to retain copies of Purchase Notification Reports?

Departments are not required to retain PNRs. Because they do not show all activity posting to an account, PNRs are not to be considered source documentation for account reconciliation. Departments must use the Tableau Budget Report and/or SAP reports to generate the information needed for account reconciliation to ensure all activity is being captured for review during the reconciliation process.

# **Training with Internal Audit**

#### Lead Your Team:

A section on the Code of Ethics and Conduct is presented by Internal Audit during the Lead Your Team training sessions. Lead Your Team is a three-day program designed to develop the skills necessary to supervise professionally and effectively. This is a core course highly recommended for employees with supervisory and people management responsibilities. The next Lead Your Team sessions are offered on February 14<sup>th</sup> and 21<sup>st</sup>. Sign up on the <u>HR website!</u>

### Account Reconciliation:

The Office of Internal Audit offers training on account reconciliation. A session is currently scheduled for April 16<sup>th</sup> from 11:00am – 12:00pm at Insight Park, 1<sup>st</sup> Floor Seminar Room. In this class, employees will learn how to perform monthly account reconciliations for revenue and expenditures (including payroll) in order to be compliant with the Responsibilities of Signatory Officers Policy. This class is designed for signatory officers as well as other employees who have been delegated the responsibility for reconciling departmental accounts. To register for upcoming sessions, go to our website.

## In the News

Woman caught in alleged theft of \$330,000 from Chester County employer https://www.phillyvoice.com – Written by Michael Tanebaum. Published 12/20/2018

# **New and Updated Policies**

The University of Mississippi <u>Policy Directory</u> is a central location for accessing University policies. Since our last newsletter, the following policies have been implemented or updated:

#### **New Policies**

• <u>Firewall Review / Change Log (HIPAA)</u> – Document the ongoing firewall change log to ensure the protection of data in the HIPAA Covered Entities of UM.

## **Updated Policies**

Relocation Stipend of New Employees – All moving expense monies offered to new
employees must be treated as taxable income. Moving expense reimbursements
will be paid by initiating a Form 40 for the new hire. Employees or departments
will no longer be required to route or send anything through the Procurement
office as part of this process. Moving expense reimbursements are capped at 10%
of the new hires salary. Exceptions to this amount must be approved by the Vice
Chancellor for Administration and Finance.

- <u>Domain Name Policy</u> This policy outlines updated procedures related to domain name registration and the UM campus network.
- <u>Administrative Leave for Jury Duty, Witness, and Elections</u> The policy clarifies employees may have time off with pay to vote in county, state, or federal elections.
- <u>Federal Perkins Loan (Financial Aid)</u> The policy added Federal Perkins Loan was indefinitely suspended on September 30, 2017 and is no longer a funding option.
- <u>Satisfactory Academic Progress</u> The policy added an academic plan and graduation date must be confirmed by the academic advisor before an SAP appeal decision is made. Students submitting appeals with a target date and academic plan exceeding a one-year timeframe will not be considered for an appeal.
- <u>State of Mississippi Aid Programs (Financial Aid)</u> The policy added as of Fall 2018, the University will disburse approved HELP grants at the beginning of the semester (before the State sends the actual funds).

## **Self-Assessment**



Self-assessment is a valuable tool to help identify internal control deficiencies and assist in departmental management and audit preparation. The self-assessment consists of a series of "yes" or "no" questions. "Yes" indicates adequate controls in an area, while "no" indicates control deficiencies. Additional control related information is provided below each question to aid in resolving control deficiencies. Links to relevant policies are also included for each section. The self-assessment can be accessed <a href="here">here</a>. For questions not addressed in the self-assessment, please feel free to contact us at 662-915-7017 or <a href="mailto:auditing@olemiss.edu">auditing@olemiss.edu</a>.