LSU

MONTHLY BUSINESS

Tuesday, June 7, 2011

9:30 am   11:00 am

225 Peabody Hall

Announcements

No meetings in July & August due to yearend

Long Distance Charges & Cell Phone Certification

Leave Certification Requirements

Payroll Records

Alternate Work Schedules

Launch of Business Manager Toolkit

June 8th from 12:30   4:00 pm in 225 Peabody Hall
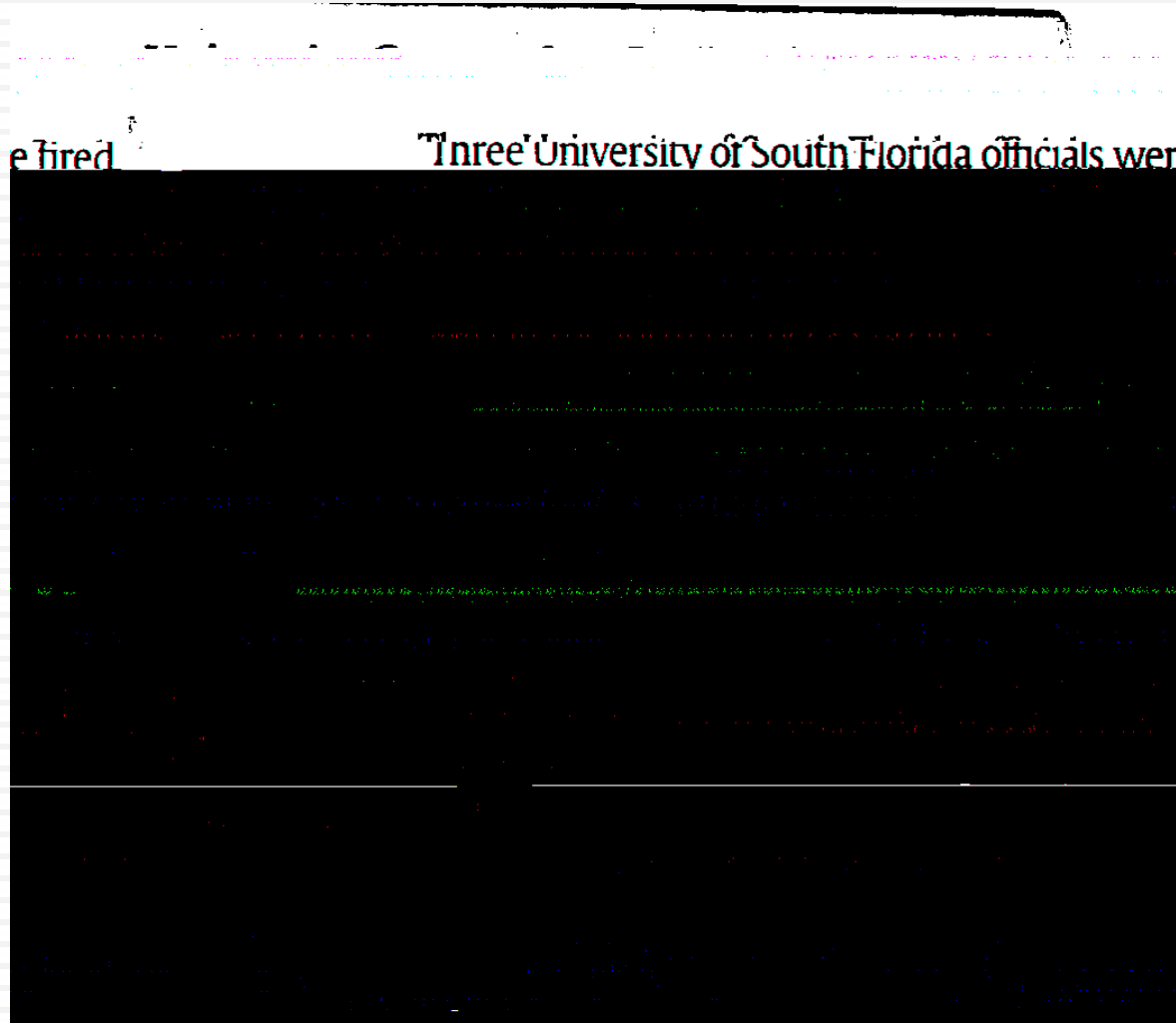
Register through HRM Training Programs in PAWS

Recognizing and Reporting Fraud

Bursar/Director
Bursar Operations

A Real Life Example

Types of Fraud

- Misappropriation of funds
- Time and effort
- Misuse of resources
- Influence

Common Myths

Audits will detect all fraud

All employees are trustworthy

Initial Fraud Detection

46.30%

15.10%

The Fraud Triangle

Rationalization

Pressure

Opportunity

Climate for Fraud

Personal habits

Life events

Attitude of entitlement

Morale

Uncertainty

Competition

Opportunity

Decentralization

Understaffing

Lack of pay increases

Belief that all staff are honest

Uncertainty

Individual Profile

Likely to be married

Member of a church

Educated beyond high school

No arrest record

Age range from teens to over 60

Socially conforming

Employment tenure from 1 to 20 years

Acts alone 70% of the time

Organizational Profile

Delegation of too much authority and/or responsibility to one individual

Lack of financial activity reconciliation

Inappropriate signature authority

They are given the _____ that creates the opportunity for fraud

Controlling Fraud

_____ accounting and administrative practices established and maintained by management to provide reasonable assurance that organizational objectives are being met.

Reconciliation

Segregation of duties

Appropriate system access

Awareness of the areas where fraud can occur

What do I do if I suspect fraud?

! Work within your management chain of command

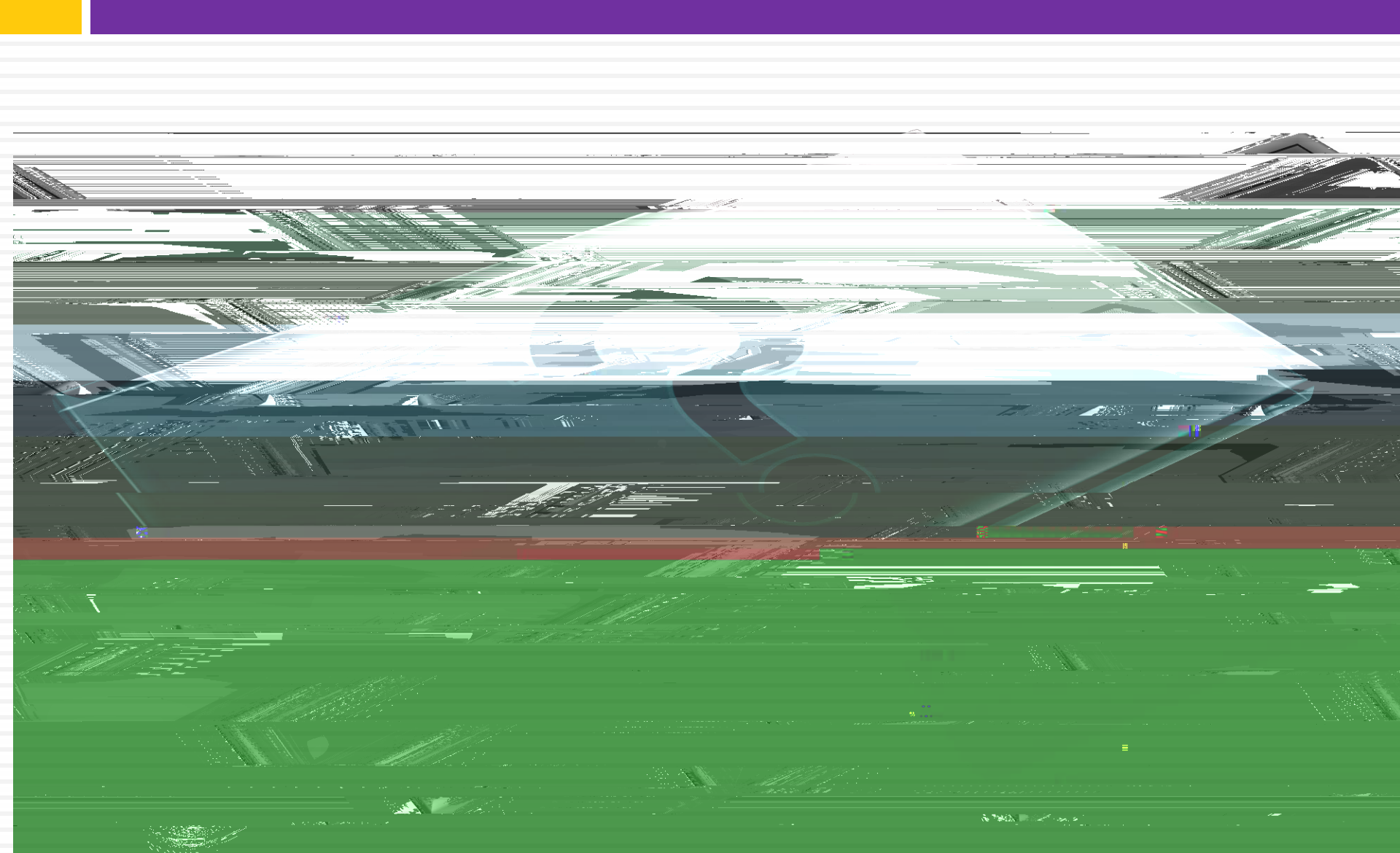! <u>DO NOT </u>confront the suspected perpetrator or investigate the case yourself

Freedom from Reprisal for Disclosure of Improper Acts - R.S. 42:1169

LSU Fraud Policy
Anonymous Tip Hotline

Questions

Reconciliation Requirements/Recommendations

Director

Financial Accounting & Reporting

Ledgers

Mechanism to provide departments information regarding financial operations

information on the ledgers is accurate and reliable

Reconciliation

Perform on a _____ basis

Reconciliations with supporting documentation should be maintained according to an established record retention policy

Transactions must be:
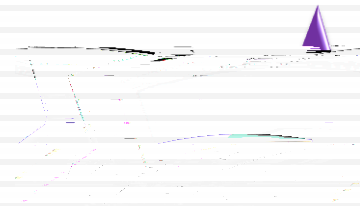
Appropriate

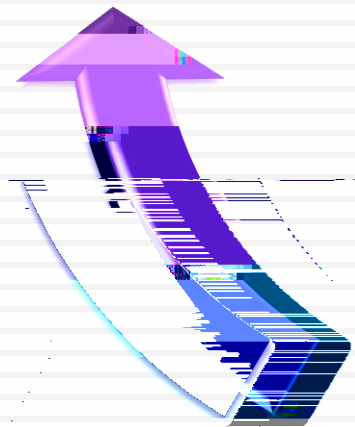Valid

Reasonable

Funded

Accurately recorded

Supportable

Recorded timely

Reconciliation

Supporting
Documentation

Summary
Ledger

Detail Ledger

Supporting Documentation

A file should be maintained of all supporting documentation

Reporting Tools

University Subsidiary Summary Ledger

University Subsidiary Detail Ledger

University Overdrawn Accounts

Outstanding Order Summary

Payroll Distribution Report

Accounts Receivable Transaction Activity Report

Reconciliation Checklist

Review changes in budget

Verify revenues

Monitor encumbrance balances

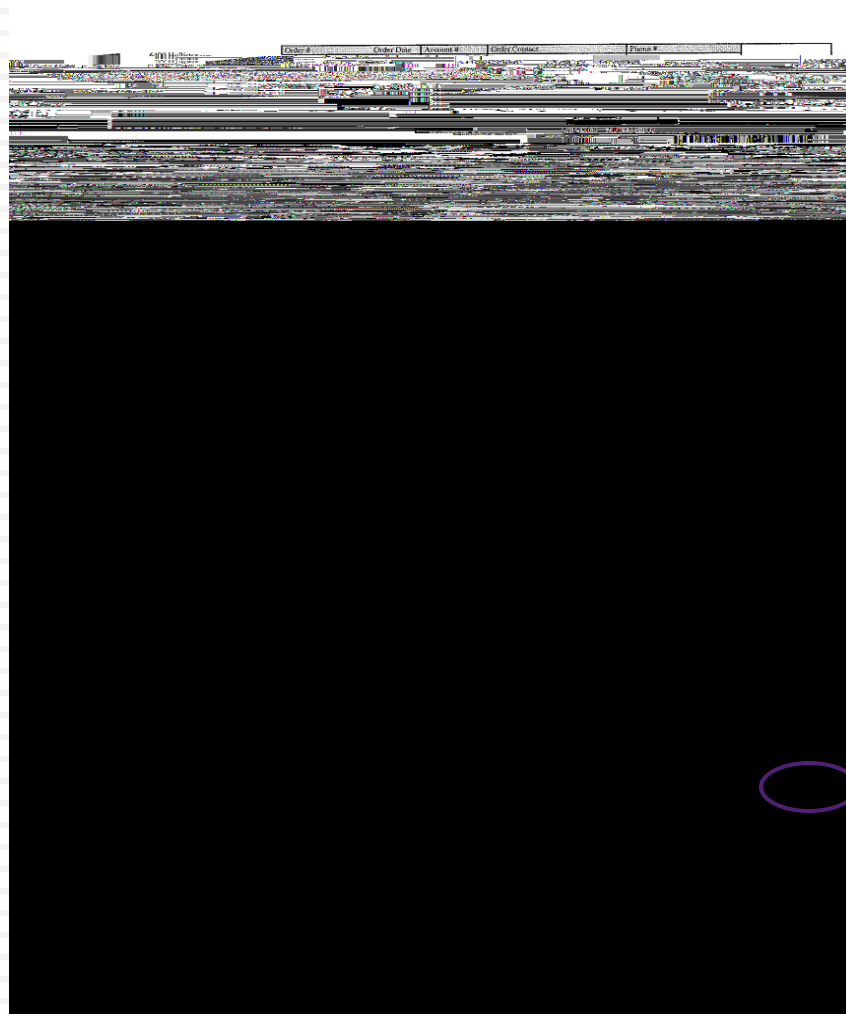Ensure account is not in an overdraft status

Review tentative transactions

Match supporting documentation to detail transactions on ledger

Reconcile supporting documentation to identify items that have not yet hit the ledger
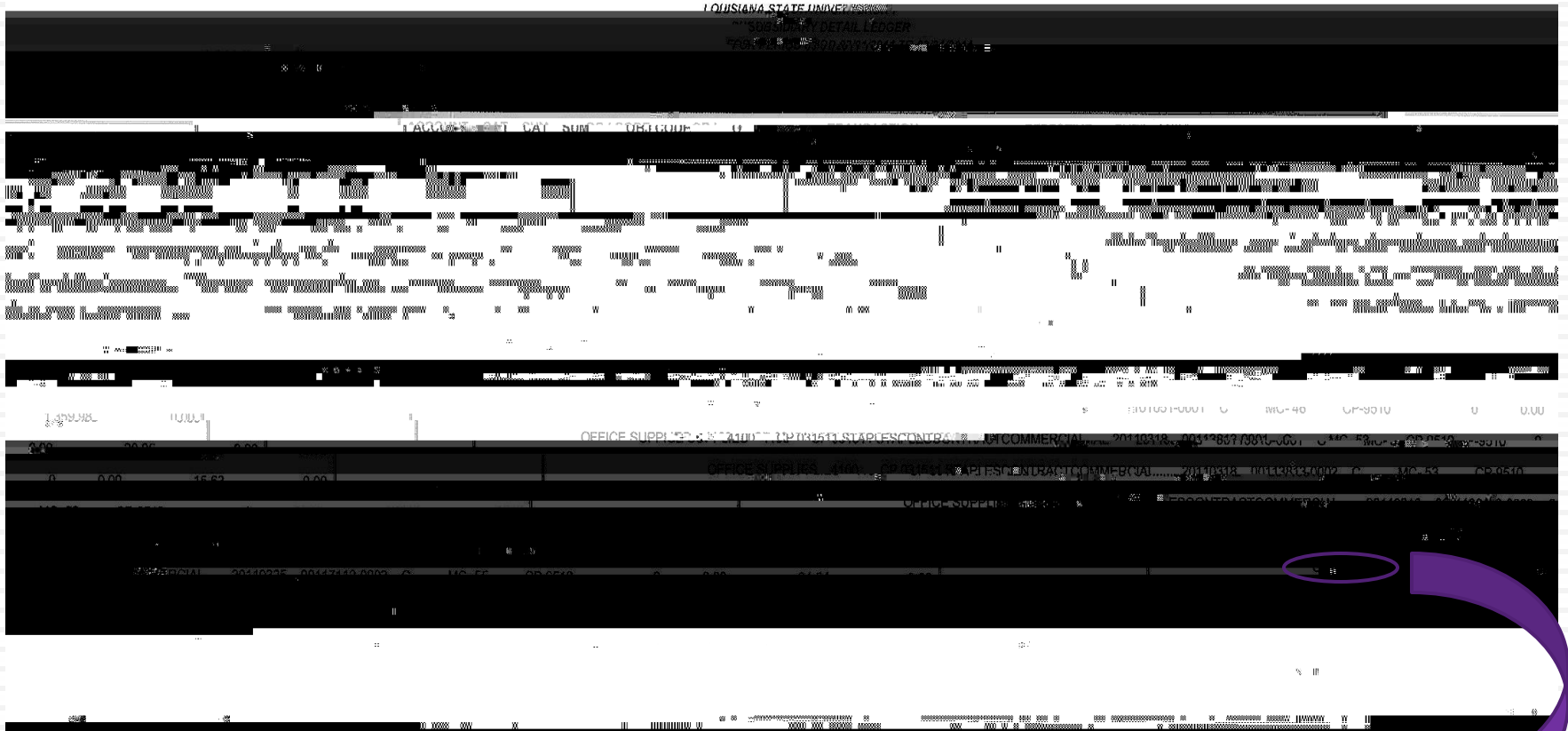
Investigate/correct errors

LaCarte Example

Invoice total of $94.54

LaCarte Example

Payroll Example

LOUISIANA STATE UNIVERSITY
SUBSIDIARY DETAIL LEDGER
FOR PERIOD 02/01/2011 TO 02/28/2011

SAS Output   Page 1 of 1

PAYROLL DISTRIBUTION
FOR 2011

184350500 ACCOUNTING SERVICES

AMOUNT	ACCOUNT	OBJECT	NAME	SUID	VOUCHER
195.75	184350500	1240			
195.75	184350500	1240			
195.75	184350500	1240			
195.75	184350500				

Scholarship/Exemption Example

★ The Transaction Activity Report must be reconciled to the ledger ____

Record Retention

Unrestricted, Auxiliary, Restricted (non-sponsored agreements)	1 complete fiscal year prior to current year
Sponsored Agreement	3 years after the final financial report is accepted by the sponsor
Plant Accounts	1 year after the project is complete
University Endowment, Foundation	Deposits and supporting documentation relative to donor restrictions should be maintained for as long as account exists. 1 complete fiscal year prior to current year for disbursement records.

Segregation of Duties

A control policy to divide responsibilities within an organization in order to reduce the potential of fraud or theft by ensuring that an employee is not responsible for more than one related function.

ooking or Recording Transactions

Recording or processing a financial transaction in GLS

Approving PO invoices, direct charge invoices, journal vouchers, procurement card entries, deposit entries

omparison or Review of Transactions

Reviewing transactions for validity and reasonableness and comparing them to departmental supporting documentation

Where do I begin?

GLS Manual

Locate and review or create departmental policies and procedures

Update for system changes and segregation of duties

Send to Accounting Services for review

Questions

Office of Accounting Services
Financial Accounting & Reporting

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