

Financial Compliance

April 17, 2025



FINANCIAL COMPLIANCE TEAM

Guiding Principle

We act as **stewards** for the students, parents, taxpayers, sponsors, and others who entrust us UVA assets



Olga Weider
AVP & University Controller



James Sullivan
Director, Financial
Compliance



Christine Kennedy-Tyburski
Senior Financial
Controls Coordinator



Matt Phillippi
Senior Compliance
Analyst



OUR OBJECTIVES

- Identify emerging fiscal risks.
- Assess risk and identify potential gaps in the internal control framework.
- Partner with stakeholders across grounds to streamline processes & strengthen controls.
- Enhance employees' understanding of fiscal roles and responsibilities.
- Help units navigate the fiscal compliance environment in a way that supports their individual operations and mission.

Our Stakeholders

- Students & their Families
- Faculty
- Donors
- Research Sponsors
- Regulatory Agencies
- Taxpayers
- UVA Community





CURRENT/FUTURE INITIATIVES



ARMICS (Agency Risk Management & Internal Control Standards)

Framework to ensure fiscal accountability & safeguard Commonwealth's assets



Workday User Access and Kainos

Know who can do what in Workday and identify any segregation of duties issues



Freedom of Information Act

UVA Finance central point for receiving and responding to various FOIA requests



Conflict of Interest

Monitor, assess and review conflicts of interest between employees and suppliers (non-research)



Promote Internal Controls

Assess automated and manual processes for efficiency and effectiveness for management



Support UVA's ERM Program

Identifies and mitigates future enterprise risks to the achievement of UVA's mission.



Monitoring Programs

Monitor high-risk financial areas and conduct transaction reviews.

An aerial photograph of a university campus at dusk. The sky is filled with vibrant orange and red clouds from the setting sun. In the foreground, a large, circular building with a prominent dome and classical columns is illuminated. Surrounding it are various other campus buildings, some with lights on, and green lawns. In the background, a range of dark mountains is visible under the twilight sky. The text "INTERNAL CONTROLS" is centered over the middle of the image in a white, serif font.

INTERNAL CONTROLS

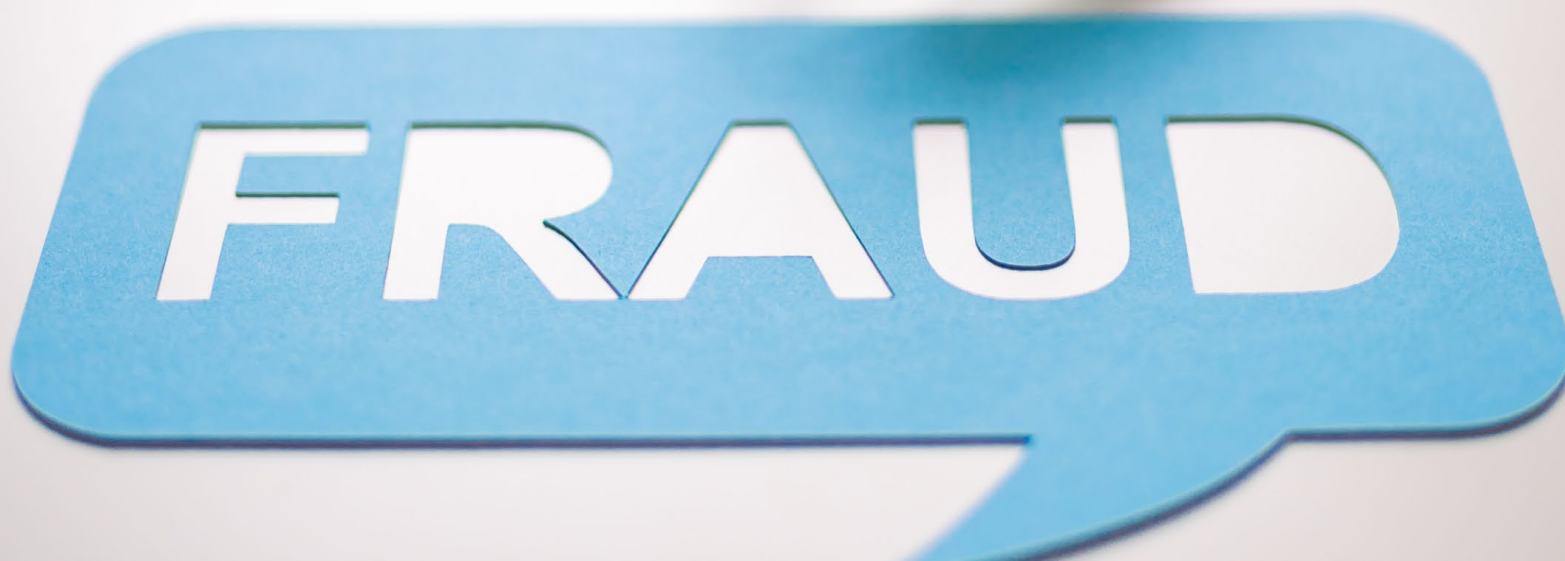


Internal Controls

- Internal Controls are **ongoing processes affected by an organization's people** designed to provide reasonable assurance of the following objectives:
 - Operational effectiveness and efficiency
 - Reliability of financial reporting
 - Compliance with laws and regulations

**An organization's control environment
directly impacts the risk of fraud**

What is Fraud?



What is Fraud?

Fraud

Intentional misrepresentation of information for unauthorized financial **gain** or to derive some other **benefit**

Abuse

Improper use of funds, resources or authority that results in higher costs

Waste

Misuse of resources or practices that result in excessive or nonessential expenditures

Mismanagement

Failure to appropriately manage budgets, expenditures, or documentation

ACFE estimates

5%

of annual revenue is
lost to fraud *each year*.



A typical fraud case costs

\$117k



In the News

Student Loan Scam: Woman Pleads Guilty in \$5 Million Fraud Case

Duke University Agrees to Pay U.S. \$112.5 Million to Settle False Claims Act Allegations Related to Scientific Research Misconduct

University of San Francisco Agrees to Pay over \$2.5M for Alleged False Claims in Its Administration of AmeriCorps Grants

Ex-Yale Medical School employee admits stealing \$40 million in electronics

The former Yale administrator pleaded guilty to fraud and tax offenses after the theft of computer and electronics from the school.

A professor used \$185K in research grants on strip clubs, iTunes and more, officials say

Ex-Drexel University professor Chikaodinaka D. Nwankpa is accused of spending research grant funds on strip clubs, authorities say.

The Washington Post
Democracy Dies in Darkness

Accounting manager who handled USF health care funds embezzled millions

Most of the stolen \$12.8 million flowed to an adult website, investigators say. Ralph Puglisi pleaded guilty in federal court.

Tampa Bay Times

Why We Care

MACRO:

Reputational
damage

Loss of community,
sponsor and donor trust

Financial loss

Budgetary & funding
impacts

MICRO:

Potential audits

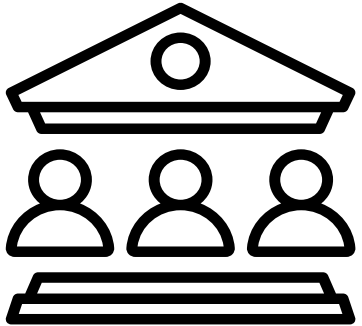
Demand for time
and resources

Negative
work culture

When Does Fraud Occur?



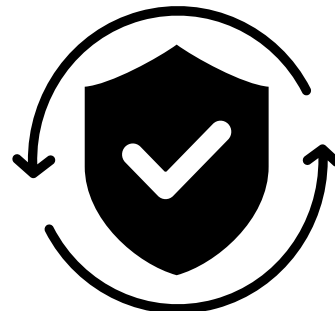
Internal Control Framework



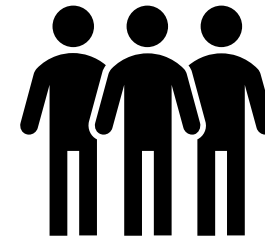
Governance



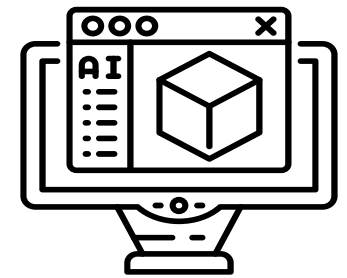
Risk Assessment



**Prevention &
Detection**



**Information &
Communication**



Monitoring



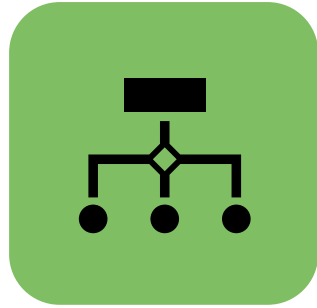
**How do you
play a role?**



Examples of Internal Controls



Reconciliations



**Organizational
charts**



**Hiring
Practices**



**Performance
Evaluations**



**Approvals of
Expenditures**



**Physical
Inventory Counts**



**Employee
Training**



**Expense Report
Approval**



Security Roles

**The first
building block of
compliance is
YOU!**



An aerial photograph of a university campus at dusk. The sky is filled with dramatic, orange and yellow clouds from the setting sun. In the foreground, a large, red-brick building with a prominent white dome and classical columns is illuminated. Surrounding it are various other campus buildings, some with lights on, and green lawns. In the background, a range of dark mountains is visible under the twilight sky. The text "INTERNAL CONTROLS & ARMICS" is superimposed in the center of the image in a white, serif font.

INTERNAL CONTROLS & ARMICS

ARMICS (Agency Risk Management & Internal Control Standards)

Ensure **fiscal accountability** and **safeguard** Commonwealth assets.

This is achieved by **implementing internal control standards** and best practices, ultimately aiming to improve the reliability of financial reporting, enhance operational efficiency, and strengthen compliance with applicable laws and regulations.



ARMICS: The Two Levels of Submission



Risk Assessment

- Agency Level
- Review of internal control components
- Identify significant fiscal processes
- Document the control environment and overall agency-level controls



Process/ Transaction Level

- Test significant fiscal process key controls at the transactional level (professional judgement used to determine what is significant) on an annual basis

Agency Level = Tone at the Top

A piece of brown, textured paper is torn, revealing a white surface underneath. The word "Governance" is printed in a black, serif font on the white surface.

Governance

A Significant Process – Procure-to-Pay





TESTING

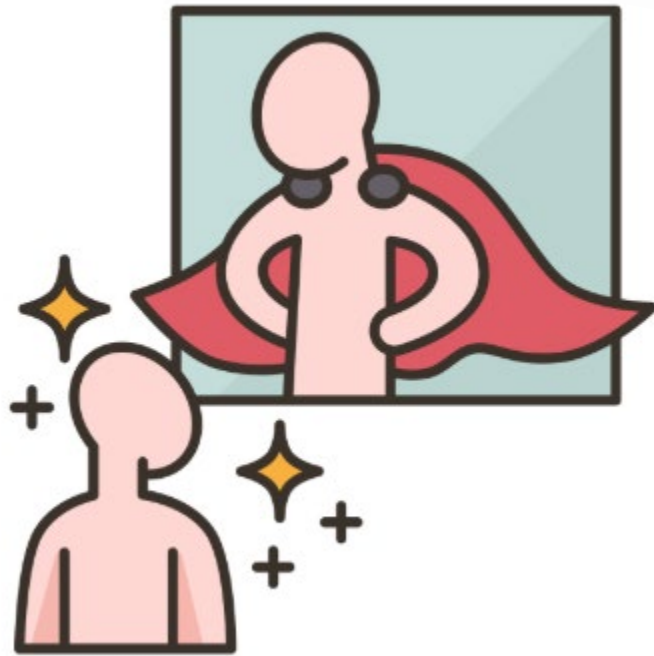


Due Date: October 31

**Signed by
President Ryan**

Signature

ARMICS and You!



You play a vital role in ARMICS!

The internal controls you put into place and maintain are the foundation of our submission for the University.

From time to time, you may hear from a member of our team to coordinate identified testing opportunities and further strengthen our compliance structures together!

Compliance Concerns: What & To Whom?

What?

Remember: S.O.C

- Strange: Atypical in Work Behavior; Unusual
- Odd: Single; Not Frequent
- Concerning: Unsettling; Hard to Understand



To Whom?

1. Manager:
 - If you feel comfortable, tell your direct supervisor
2. Compliance Team:
 - JJ: js4nz@virginia.edu
3. Compliance Helpline:
 - Anonymous and Formal
 - 800.235.8700
 - [Compliance Helpline | UVA Compliance](#)

If you would like additional support or have questions on internal controls for your area, please reach out to AskFinance!

Moving Forward



**We are relying on each of
you!**

**Every step forward leads
us to a more secure
compliance position for
UVA and each of our
stakeholders!**

An orange speech bubble with a pointed tail at the bottom right, set against a solid blue background. The words "THANK YOU" are cut out of the bubble in a bold, sans-serif font, revealing the blue background underneath.

THANK YOU