
TOPIC: Policy Revision: VIII-7.10 – Policy on Reporting Suspected or Known Fiscal Irregularities

COMMITTEE: Audit Committee

DATE OF COMMITTEE MEETING: June 7, 2017

SUMMARY:

Policy VII-7.10I – Policy on Reporting Suspected or Known Fiscal Irregularities was established by the Board of Regents on June 21, 1990 with no subsequent updates. The revisions are made to reflect a suitable minimum reporting requirement from \$100 to \$1,000. Recommended revisions are reflected in red in the attached.

(Attachment)

FISCAL IMPACT: none

CHANCELLOR’S RECOMMENDATION: Recommend Approval

COMMITTEE ACTION: Recommend Approval

DATE: 6/7/2017

BOARD ACTION:

DATE:

SUBMITTED BY: David Mosca , Director of Internal Audit

Attachment

287.0 VIII-7.10 - POLICY ON REPORTING SUSPECTED OR KNOWN FISCAL IRREGULARITIES

(Approved by the Board of Regents, June 21, 1990)

1. The Chief Executive Officer of each institution and component of the University System shall establish a comprehensive internal control structure that ensures financial accountability.
2. As part of a comprehensive internal control structure, the Chief Executive Officer shall establish internal procedures concerning suspected or known fiscal irregularities such as embezzlement, theft, falsification of documents, and financial conflicts of interest. The procedures shall identify the institutional official responsible for determining the appropriate course of action when there is a report of suspected financial misconduct. The official so identified shall immediately notify the Chief Executive Officer, the Chancellor, the System Administration Internal Audit Office, the manager of financial operations where the fiscal irregularity allegedly occurred, and the Office of Attorney General. Irregularities involving the loss of assets with a monetary or fair market value of ~~\$100~~ \$1,000 or less need not be reported to the Chancellor and Internal Audit Office unless they occur in departments that routinely handle cash or cash equivalents, occur in departments that routinely handle other valuable assets such as inventories, accounts receivable, and marketable securities, or involve personnel responsible for major fiscal functions such as payroll, procurement, accounts payable, or bookkeeping. Sequential events in which multiple, related irregularities are less than \$1,000 individually, but accumulate to \$1,000 or more, shall be reported to the Chancellor and Internal Audit Office.

Attachment

3. The responsible official shall immediately investigate the report of alleged misconduct. When a preliminary investigation has been completed, the responsible official will report the findings to the Chief Executive Officer who, in consultation with the Office of Attorney General, shall determine a course of action, e.g., discipline, restitution, or discharge. The determination of the Chief Executive Officer shall be reported to the System Administration Internal Audit Office and the Chancellor. The Office of Attorney General will independently make a determination concerning criminal prosecution.
4. A person who suspects financial misconduct may initially report the suspicion to the Internal Audit Office of System Administration for investigation. Preliminary findings will be reported by the Internal Audit Office to the Chancellor and to the Chief Executive Officer for further action.
5. In no case may University System officials promise known or suspected offenders that the University System will forego criminal prosecution and in no case may the officials enter into written agreements that preclude criminal prosecution.
6. Federal requirements shall be followed if the financial misconduct involves federal grant funds.
7. Every effort shall be made to ensure the confidentiality of any person reporting the suspected financial misconduct, and every effort shall be made to ensure that no retaliation of any kind will be tolerated against any individual who, in good faith, furnishes information about known or suspected

Attachment

fiscal irregularities.