

# **SUL ROSS STATE UNIVERSITY**

*A Member of the Texas State University System*

## **Sul Ross State University Fraud Policy APM 2.20 (Reviewed 5/2012)**

Each member of the Sul Ross State University administration, including deans and department chairs, is responsible for detecting and reporting fraud as defined in this policy. Administrators should be aware of fraudulent actions that can occur within their area of responsibility. Any fraudulent actions that are detected or suspected must be reported immediately to the Director of Internal Audit for assessment and possible investigation. The President or his designee shall participate in the decision about how to proceed and who is to be involved in the investigation. If the President is suspected of involvement in the issues, the investigation shall proceed under the direction of the Texas State University System Chancellor. The Director of Internal Audit will coordinate all investigations with the University Department of Public Safety, Vice Chancellor and General Counsel and/or the Director of Audits and Analysis for the Texas State University System, and/or other authorities, both internal and external, as appropriate.

### **A. Scope of Policy**

The conditions of this policy apply to any fraudulent action or suspected fraudulent action involving fiscal or physical resources, and employees, students, vendors, and/or individuals representing external agencies.

### **B. Definitions**

The term “fraud” is defined to mean a knowing or intentional representation of fact which induces another to, in reliance upon it, surrender something of value or some legal right. A false representation of fact is that which, whether by words or conduct, by false or misleading allegations, or by concealment of that which should have been disclosed, deceives and is intended to deceive another so that he shall act upon it to his legal injury.

Fraudulent actions include, but are not limited to any kind of artifice employed by one person to deceive another such as;

1. Forgery or alteration of any document or account belonging to a student or the University.
2. Forgery or alteration of a check, bank draft, or any other financial document.
3. Misappropriation of funds, securities, supplies, or other assets;

# SUL ROSS STATE UNIVERSITY

*A Member of the Texas State University System*

4. Deceptive practices in the handling or reporting of money or financial transactions.
5. Accepting or seeking anything of material value (as defined in Chapter VIII, Section 3 of the *Rules and Regulations, Texas State University System*, pages 4-7.) from vendors or persons providing services/material to the University.
6. Destruction or removal of records, both written and electronic, furniture, fixtures, or equipment.

Questions as to whether an action constitutes fraud should be addressed to the Director of Internal Audit for guidance.

## C. Investigation Responsibilities

The Office of Audits and Analysis, with assistance from the University Department of Public Safety as appropriate, has the primary responsibility for the investigation. If the investigation reveals that fraudulent activities have occurred, the Director of Internal Audit will issue a report to the appropriate administrative officials, and, if appropriate, the Director of Audits and Analysis of the Texas State University System, the TSUS Board of Regents and the State Auditor's Office.

Decisions to prosecute or involve appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the University President in consultation with the Texas State University System Office.

## D. Confidentiality

To the extent permitted by the Texas Public Information Act, the Director of Internal Audit may receive relevant information on a confidential basis from an employee who suspects fraudulent activity. (See **REPORTING PROCEDURE** below.)

The results of investigations conducted by the Office of Audits and Analysis will not be disclosed or discussed with anyone other than those persons associated with SRSU who may have supervisory authority in the area under investigation and may have a reasonable need to know, as determined by the Director of Internal Audit and the President, in order to perform their duties and responsibilities.

## E. Authorization for Investigating Suspected Fraud

# SUL ROSS STATE UNIVERSITY

*A Member of the Texas State University System*

In those instances in which the Director of Internal Audit and the President believe it to be in the University's best interest, the Director of Internal Audit has the authority and duty, after consulting with the President, to conduct a full investigation with or without knowledge or consent of any individual who may have custody of items important to the investigation. The Director of Internal Audit may:

1. Take control of and/or gain full access to all university premises, whether owned or leased; and,
2. Examine, copy, and/or take control of all or any portion of the contents of files, file cabinets, desks, and other storage facilities. The appropriate custodian(s) will be provided copies of inventories of any documents or items removed for the investigation.

## F. Reporting Procedures

An administrator who discovers or suspects fraudulent activity should contact the Director of Internal Audit immediately. Information should be given to the Director of Internal Audit, and the administrator who suspects fraudulent activity should not attempt to conduct an investigation. The Director of Internal Audit must report to the President any investigative activity unless the President is a party to the suspected violation in which case the Chancellor and/or the Director of Audits and Analysis of the TSUS should be involved.

The reporting administrator must adhere to the following restrictions:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Director of Internal Audit.
3. Proper response by University personnel to any inquiry is: "I am not at liberty to discuss this matter."

## G. Retaliation Prohibited

It is a violation of university policy to retaliate against an employee who, in good faith, reports dishonest or fraudulent activity.

# **SUL ROSS STATE UNIVERSITY**

*A Member of the Texas State University System*

## **H. Sanctions**

If an investigation results in a recommendation to sanction an individual, usual University processes and procedures will be applied.