

Texas Woman's University

University Regulation and Procedure

Regulation and Procedure Name: Fraud and Fraudulent Activities

Regulation and Procedure Number: **URP: 01.215**

Policy Owner: **Finance and Administration**

POLICY STATEMENT

This policy is designed to increase awareness of all employees of Texas Woman's University ("TWU") of their responsibility for detecting and reporting fraud or suspected fraud. The creation, implementation, and adherence to this fraud policy will help ensure that the highest standards of professional ethics are maintained by all.

APPLICABILITY

This policy is applicable to TWU Employees.

DEFINITIONS

1. "Employee" means an individual who is employed part-time, full-time, or in a temporary capacity as faculty, staff, or who is required to be a student as a condition of employment, undergraduate or graduate.
2. "Fraud" means an illegal, unethical, improper, or dishonest act or activity, including but not limited to:
 - a. embezzlement;
 - b. misappropriation, misuse, misapplication, and other fiscal irregularities, and destruction, removal, or concealment of property;
 - c. alteration or falsification of records or other documentation;
 - d. false claims by students, employees, vendors, or others associated with TWU;
 - e. theft of any asset including, but not limited to, money, tangible property, trade secrets, intellectual property, or time;
 - f. inappropriate use of computer systems, including hacking and software piracy;
 - g. bribery, rebate, or kickback;
 - h. conflict of interest;
 - i. misrepresentation of facts; or
 - j. knowingly assisting others to obtain personal or financial benefits to which they are not entitled by law or policy.

REGULATION AND PROCEDURE

I. General Information

At TWU, the Chancellor and President and the Vice Presidents have the primary responsibility for identifying potential areas of risk and for being aware of the possibility that fraudulent acts could occur in those areas. Information detailing the risk areas and how to detect and prevent fraudulent activities is available from the TWU Office of Audit Services. The officers of the University will notify all TWU employees that they are to report incidents of fraud or suspected fraud in accordance with procedures outlined in this fraud policy.

II. Procedures

When suspected fraud is observed by or made known to an employee, the following procedures must be followed.

- A. The employee must immediately report the suspected fraud to the Office of Audit Services, which has the primary responsibility for the investigation, documentation, and reporting of the incident except as otherwise authorized by the Chancellor and President or Board of Regents. All such investigations, documents, and reports will be considered confidential and highly security-sensitive to the extent allowable by the law. Reports of suspected fraud must be based on reasonable, factual information rather than speculative information or rumor.
- B. The reporting employee will refrain from further investigation of the suspected fraud, confrontation of the suspect, or further discussion of the incident with anyone other than the Office of Audit Services, but will cooperate in their investigative process. TWU officials will not allow retribution against individuals providing information concerning fraud or suspected fraud for acting in the best interest of the institution.
- C. The Office of Audit Services will notify the Senior Vice President for Finance and Administration and the TWU Police Department of the suspected fraud. Full cooperation between the internal audit function and the law enforcement function is necessary for full utilization of resources available for the safeguarding of assets.
- D. The Office of Audit Services will consult with the Office of General Counsel as necessary so that appropriate legal measures are taken during the investigation to protect the rights, privileges, and responsibilities of all parties involved.

- E. The TWU Police Department will prepare a case report for each investigation where the suspected fraud involves allegations or reveals suspected criminal activity that may constitute a felony offense. Each case report will include (but not be limited to) the following: subject of the investigation; statement of non-compliance with policy, plan, procedure, law, or regulation; description of acts or practices discovered; statements of witnesses; appropriate documentation; and other data considered necessary by law enforcement officials.
- F. The Chief Audit Executive will prepare a report giving the amount and type of loss, the means used to perpetrate the fraud, and action to be taken to reduce additional losses. The report will be distributed to the Chancellor and President, the Senior Vice President for Finance and Administration, and other administrators as necessary. A summary report will be presented to the Finance and Audit Committee of the Board of Regents.
- G. Fraud or suspected fraud may also be reported to the State Auditor's Office using the website for fraud reporting.
- H. Employees found to have participated in fraudulent acts as defined by this policy shall be subject to disciplinary action, including termination, per URP 01.210, URP 02.330, and URP 05.600. Additionally, employees suspected of perpetrating fraudulent acts may be relieved of authority to expend university funds or placed on administrative leave during the course of the investigation.
- I. The relationship of other individuals or entities associated with the TWU system found to have participated in fraudulent acts as defined by this policy shall be subject to review, with possible consequences including termination of the relationship.

REVIEW

This policy will remain in effect and published until it is reviewed, updated, or archived. This policy is to be reviewed once every six years. Interim review may be required as a result of updates to federal and state law or regulations, Board of Regents policies, or internal processes or procedures.

REFERENCES

[State Auditor's Website](#)

[URP 01.210: Ethics Policy for Employees](#)

[URP 02.330: Faculty Responsibilities, Standards of Conduct, and Disciplinary Processes](#)

[URP 05.600: Staff Standards of Conduct and Disciplinary Process](#)

FORMS AND TOOLS

None

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