

PREVENTING FRAUD, WASTE OR ABUSE

Management is responsible for establishing and implementing systems and procedures to prevent and detect fraud, waste and abuse.

The basic elements of a proper control system include:

- Creating a culture of honesty and high ethics
- Evaluating risks and implementing processes, procedures and controls to prevent, deter and detect fraud, waste and abuse
- Developing an appropriate oversight process

Management at all levels should review the information that is available from the American Institute of Certified Public Accountants in the document, *Management Antifraud Programs and Controls: Guidance to Help Prevent and Deter Fraud*, which can be found on our website at www.etsu.edu/intaudit/report-fwa

Please contact ETSU's Office of Internal Audit if you need assistance in reviewing risks, processes, procedures or controls, or in providing fraud, waste, and abuse prevention training at (423) 439-6155.

PROTECTION UNDER STATE LAW

As Internal Audit investigates allegations of fraud, waste or abuse, the reporting individual's confidentiality is protected under *Tennessee Code Annotated* Title 10, Chapter 7 unless subject to court action requiring disclosure. If ETSU has a separate legal obligation to investigate the complaint (e.g. complaints of illegal harassment or discrimination), the institution cannot guarantee anonymity or complete confidentiality. State law prohibits discrimination or retaliation of any kind against employees who report, in good faith, allegations of fraud, waste or abuse.

BE REASONABLY CERTAIN!

Before making allegations of fraud, waste or abuse, be reasonably certain of any claims. Such allegations could seriously and negatively impact the accused individual's life and adversely affect the working environment of the department.

East Tennessee State University does not discriminate on the basis of race, color, national origin, sex, disability, or age in its programs and activities. Inquiries regarding the non-discrimination policies should be directed to Legal Counsel. He can be reached at kellye@etsu.edu or 423 439-8550.



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PREVENTING AND REPORTING FRAUD, WASTE OR ABUSE



REPORTING FRAUD, WASTE OR ABUSE

State law requires that East Tennessee State University (ETSU) provide a means by which students, employees, or others may report suspected or known fraud, waste or abuse. In addition, ETSU is committed to the responsible stewardship of our resources.

Whether you are part of management, faculty, staff, a student, or an interested citizen, we encourage you to report known or suspected fraud, waste or abuse by employees, outside contractors, or vendors.

ACTIONS TO REPORT

Activities such as the following, either known or suspected, should be reported:

- Theft or misappropriation of funds, supplies, property, or other institutional resources
- Forgery or alteration of documents
- Unauthorized alteration or manipulation of computer files
- Improper and wasteful activity
- Falsification of reports to management or external agencies
- Pursuit of a benefit or advantage in violation of the Board's conflicts of interest policy
- Authorization or receipt of compensation for hours not worked

REPORTING OPTIONS

Several options are available to all ETSU employees, students and others for reporting known or suspected fraud, waste or abuse.

You may report your concerns to:

- Supervisor or Official
Your supervisor or an ETSU official.

If you are a supervisor or official and you receive a report of fraud, waste or abuse, contact the ETSU Office of Internal Audit at (423) 439-6155 for further assistance.

- ETSU's Office of Internal Audit
Phone: **(423) 439-6155**
Email: **reportfraud@etsu.edu**
Website: **<http://www.etsu.edu/intaudit>**
- Tennessee Comptroller's Hotline for Fraud, Waste or Abuse
Phone: **1-800-232-5454**
Website: **<http://www.comptroller.tn.gov/hotline>**

ETSU POLICY ON PREVENTING AND REPORTING FRAUD, WASTE OR ABUSE

For additional information, see ETSU Policy *Preventing and Reporting Fraud, Waste or Abuse* at: www.etsu.edu/intaudit/report-fwa

INVESTIGATIONS

When Internal Audit receives allegations of dishonesty or other irregularity by an employee, outside contractor, or vendor, the Internal Audit Office is required to conduct an investigation.

Supervisors should **not** attempt to conduct investigations nor alert suspected employees of an impending investigation.

REPORTING RESPONSIBILITY

Internal Audit has reporting responsibility to the Audit Committee of the East Tennessee State University Board of Trustees. This reporting relationship enables Internal Audit staff to independently and objectively review matters involving any level of administration.



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