

FRAUD POLICY

This fraud policy is established to facilitate the development of controls, which will aid in the prevention and detection of fraud at UA Cossatot.

This policy applies to any fraud, or suspected fraud, involving Board members, employees, consultants, vendors, contractors, outside agencies, students and any other parties with a business relationship with UA Cossatot.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position or title, or relationship to UA Cossatot.

Management is responsible for the prevention and detection of fraud, misappropriations, and other inappropriate conduct. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported to the University of Arkansas System's Internal Audit Department, who coordinates investigations with the University of Arkansas System's General Counsel and other affected areas, both internal and external.

Actions Constituting Fraud

The terms defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:

- An entry into the accounting records that is intentionally made to represent what is not true or does not exist, with intent to deceive
- Forgery of a check, bank draft, wire transfer or any other System financial document
- Unauthorized alteration of any financial document or account
- Misappropriation of funds, securities, supplies, or other college assets
- Impropriety in the handling or reporting of money or financial transactions
- Disclosing confidential and proprietary information to outside parties for personal gain, except as allowed under the Arkansas Freedom of Information Act or other law
- Theft of identity
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services or materials to the System, except as provided in gift policies
- Unauthorized destruction, removal or use of records, furniture, fixtures, and equipment for personal gain
- Any similar or related inappropriate conduct

Other Inappropriate Conduct

Suspected improprieties concerning an employee's moral, ethical, or behavioral conduct will be resolved by management and human resources rather than the University of Arkansas System's Internal Audit department.

Identity Theft Prevention Program

In accordance with the Federal Trade Commission issuing the Red Flags Rule under sections 114 and 315 of the Fair and Accurate Transactions Act (FACT), Subpart J, Section 41.90, CCCUA UA Cossatot will maintain a written Identity Theft Prevention Program. This program should be designed to detect, prevent, and mitigate identity theft in regard to *covered accounts*, as defined by law. The program must be approved by the Board of Trustees and include a requirement for an annual review and update filed with the University of Arkansas System Vice President for Finance and Chief Fiscal Officer through the Chancellor's Office.

Investigation Responsibilities

The University of Arkansas System's Internal Audit Department has the primary responsibility for the investigation of all suspected fraudulent financial acts as defined in the policy. If the investigation substantiates that the fraudulent activities have occurred, the Internal Audit Department will issue reports to appropriate designated System officers and personnel and to the Board of Trustees through the Audit Committee.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for further independent investigation will be made in accordance with Arkansas and Federal laws by the Officers and Trustees of the System in consultation with the General Counsel, as will final decisions on disposition of the case.

Confidentiality

The University of Arkansas System's Internal Audit Department treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Internal Audit Department, and should not attempt to personally conduct investigations or interviews related to any suspected fraudulent act.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know subject to Arkansas Freedom of Information Act. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct.

Reporting Procedures and Fraud Hotline

Great care must be taken in the investigation of suspected improprieties or wrongdoings, so as to avoid mistaken accusations or alerting suspected individuals that an investigation is underway.

An employee who discovers or suspects fraudulent activity will contact the University of Arkansas System's Internal Audit Department either directly or through the System's established Fraud Hotline. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Internal Audit Department or General Counsel. No information concerning the status of an investigation will be released.

The reporting individual should be informed that they should not contact the suspected individual in an effort to determine facts or demand restitution or discuss the case, facts, suspicions, or allegations, with anyone, unless specifically asked to do so by the General Counsel or the Internal Audit Department.

Termination

The University of Arkansas System’s Internal Audit Department does not have the authority to terminate an employee for committing fraudulent acts. Decisions to terminate an employee reside with the senior management in consultation with Human Resources and the General Counsel.

Policy History:

November 3, 2014
January 31, 2011

PROCEDURE: NONE