

Polk State College Procedure

Subject	Reference	Date	Number
Fraud Reporting	DBOT Rule 1.06 DBOT Rule 3.32 FS 112.312(12)(a) and 112.312(12)(b)	11/7/17	6088

I. Purpose

This procedure addresses the responsibility of all employees for detecting and reporting fraud and/or suspected fraud.

II. Procedure

A. Definitions

1. For the purposes of this procedure, fraud shall include but not be limited to:

- theft or misappropriation of College assets
- submitting false claims for payments or reimbursements
- submitting false timesheets and/or failure to submit leave requests for time not worked
- accepting or offering a bribe or accepting gifts or other favors [see F.S. 112.312(12)(a) and F.S. 112.312(12)(b)]
- accepting a commission from a third party
- blackmail or extortion
- “off books” accounting or making false or fictitious entries
- knowingly creating and/or distributing false or misleading financial reports
- paying of excessive prices or fees where justification thereof is not documented
- violation of the College's procedures with the aim of personal gain or to the detriment of the College
- willful negligence intended to cause damage to the material interest of the College
- a dishonorable, irresponsible, or deliberate act against the interests of the College

B. Responsibility for Detection and Prevention of Fraud

1. Responsibility of Employees

- a. It is the responsibility of all employees to conduct College business in such a way as to prevent fraud from occurring in the workplace.

Employees must also be alert to the possibilities for fraud and for any indications that improper or dishonest activity is taking place.

2. Responsibility of Administration

- a. It is the responsibility of college administration to be familiar with the types of improprieties that might occur in their area and to be alert for any indication that improper activity, misappropriation, or dishonest activity is or was in existence in their area, and put in place controls to avoid such occurrences.
- b. Administrators are required to support and work with other departments and law enforcement agencies in the detection, reporting, and investigation of dishonest or fraudulent activity, including the prosecution of offenders. If fraud is detected in an area, the administrator or manager is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent recurrence of improper actions.

3. Reporting Fraud

- a. It is the responsibility of all College employees to report suspicions of fraud without delay according to the procedure laid out below. Persons who cover up, obstruct, or fail to report suspected fraud will be considered an accessory after the fact and may be subject to disciplinary action and/or discharge. Persons who threaten retaliation against a person reporting a suspected fraud shall be subject to disciplinary action up to and including termination of employment.
- b. Great care must be taken in dealing with suspected dishonest or fraudulent activities. Avoid the following:
 - i. incorrect accusations
 - ii. alerting suspected individuals to an investigation underway
 - iii. treating employees unfairly
 - iv. making statements that could lead to claims of false accusations or other charges
- c. The incident, facts, suspicions, or allegations should not be discussed with anyone inside or outside the College unless specifically directed to do so by the College officer investigating the incident.
- d. Fraud can be detected at any level within the College, and the following general principles should apply in reporting suspected fraud.

- i. A person who suspects fraud has occurred or is occurring should report the matter to his/her dean or immediate supervisor. Should it be inappropriate to make such a report to an immediate supervisor, the report should be made to a higher level.
- ii. Once a report of suspected fraud is made to a supervisor/manager, that person should report the suspicion to his/her dean or immediate supervisor. The dean or immediate supervisor on receipt of a report of a suspected fraud, should then report the matter to the appropriate member of President's Staff.
- iii. No investigation of the suspected fraud should take place until the Vice President for Administration/CFO has been informed.

4. Procedures for the Investigation of Alleged Fraud

- a. The Vice President for Administration/CFO will be responsible for coordinating the College's response and will seek expert legal advice from the College's legal counsel or other advice if required.
- b. The Vice President for Administration/CFO will notify the appropriate staff, conduct an initial investigation to gather factual information, and reach a preliminary determination as to whether further action is required. The findings, conclusions, and recommendations will be reported to the appropriate vice president, campus provost, or the President.
- c. Where initial investigation provides reasonable grounds for suspecting an employee of fraud or dishonest activity, the relevant vice president, campus provost, or President will decide if any actions are necessary to prevent further loss. This may require, in consultation with the President, the suspension with or without pay of the member or members of staff (which will take place in accordance with Board policies) and/or the decision as to whether further investigation is required.
- d. Each case will be considered individually in accordance with the expert advice obtained with a view to minimizing the losses (both monetary and otherwise) to the College. Having reached a decision as to further necessary actions and how such actions should be undertaken, the appropriate vice president or campus provost will communicate with the affected employee and the employee's supervisor.
- e. Results of fraud investigations will be considered and the internal control structure assessed so that recurrence of the same or similar fraud can be prevented or at least promptly detected by the relevant vice president and staff in the future. Following consultation with the relevant

department(s), documentation regarding the findings, conclusions, and recommendations will be maintained.

5. Accounting for Loss, Restitution, and Recovery

- a. The department incurring the loss from a dishonest or fraudulent act will normally suffer the loss until monies can be recovered through insurance or restitution.
- b. If the suspected incident involves the Office of the Vice President for Administration/CFO, the President shall undertake the role and functions specified for the Vice President for Administration/CFO.

6. Disciplinary Action

- a. The Human Resources Office will be consulted for any employee disciplinary actions resulting from fraudulent activity.
- b. Documentation related to such employee discipline will be maintained in the employee's personnel file.

History:

Adopted: July 8, 2011

Revised: November 7, 2017

	11/13/17		11/13/17
Executive Responsible for Procedure	Date	President's Staff Member's Approval	Date
			11/14/17
President's Approval			Date