

Lake Region State College
Policy and Procedure Manual

SECTION 1500.06

LAKE REGION STATE COLLEGE REPORTING AND INVESTIGATING THEFT AND FRAUD

Purpose:

To assure all employees and contracted professionals of Lake Region State College understand the importance of identifying and reporting fraud, who they need to report it to, how it will be investigated, and how it will be resolved.

Scope:

This policy applies to all employees or contracted professionals of Lake Region State College.

Related Documents/Policies:

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| Lake Region State College Code of Conduct 1500.05 | https://www.lrsc.edu/faculty-staff/policies-procedures-manual/section-1500-safety-and-security |
| SBHE Policy 308.1 (proposed) | https://ndusbpos.sharepoint.com/:w:/s/NDUSPoliciesandProcedures/EYkroV0nwFVLk6aTOD_q_JwBxrE65PwDrXxJ94Qtg |
| SBHE Policies Section 611 Employee Responsibility and Activities | https://ndus.edu/state-board-of-higher-education/sbhe-policies/600-heading-policies/ |
| SBHE 615 Drug Free Workplace | https://www.ndus.edu/makers/procedures/sbhe/default.asp?PID=70&SID=7 |
| NDUS Procedure 615 Drug-Free Workplace | https://www.ndus.edu/makers/procedures/NDUS/default.asp?PID=305&SID=58 |

Lake Region State College employees are responsible for safeguarding College resources and ensuring they are used only for authorized purposes, in accordance with College rules, policies, and applicable law. All employees are responsible for reporting suspected theft, fraud, or unlawful or improper use of public funds or property.

1. As used in this policy, “theft, fraud or unlawful or improper use of public funds or property” includes:
 - a. Stealing larceny or embezzlement;
 - b. Making or altering documents or files with the intent to defraud;

- c. Purposely inaccurate accounting or financial reporting at any level;
 - d. Fraudulent conversion or misappropriation of public resources, including funds, supplies or other property;
 - e. Improper handling or reporting of financial transactions;
 - f. Authorizing or receiving compensation for goods not received, services not performed or hours not worked, including payment or receipt of a bribe, kickback or other unlawful or unauthorized payment.
2. Fraud Awareness
- a. All benefitted employees will receive training annually. The specific training will be directed by the Human Resource office.
 - b. It is suggested that all non-benefitted employees also receive the training. However, the training will not be mandated for non-benefitted employees.
3. Procedures for reporting suspected or detected fraudulent activity
- a. An employee with knowledge or suspicion of theft, fraud or unlawful or improper use of public funds or property involving Lake Region State College or affiliated entities, shall report that information to a supervisor, the Accounting/Human Resource Supervisor in Administrative Affairs or the President. An employee with knowledge or suspicion of theft, fraud or unlawful use of public funds involving an immediate supervisor, shall report that information to an employee at a level above the immediate supervisor. As an alternate method, an employee may call the Eide Bailly Fraud Hotline at 866-912-5378 to report suspicious activity.
 - b. Unreasonable failure to report such information as required may result in discipline, up to and including dismissal.
 - c. The employee or supervisor who suspects fraudulent activity should not attempt to conduct an investigation.
 - d. It is a violation of college policy to retaliate against an employee who, in good faith, reports dishonest or fraudulent activity.
4. Procedures for investigating suspected or detected fraudulent activity
- a. The Lake Region State College employees designated with responsibility for receiving and acting upon reports under this policy are the Accounting/Human Resource Supervisor for Administrative Affairs and the President. A supervisor or other person who receives a report of suspected theft or fraud shall report that information to the Accounting/Human Resource Supervisor or the President. The Accounting/Human Resource Supervisor shall inform the President, unless the President is implicated, in which case the Accounting/Human Resource Supervisor shall inform the General Counsel. If both the Accounting/Human Resource Supervisor and the President are implicated, the report shall be made to the ND University System General Counsel.
 - b. The Accounting/Human Resource Supervisor shall take reasonable and appropriate action in response to receipt of a report, which may include an internal investigation, commission of an audit, referral to law enforcement officials, recommended policy or procedure amendments, a report summarizing findings or other steps. The Accounting/Human Resource Supervisor shall consult the NDUS General Counsel and information shall be kept confidential as directed by the General Counsel.
 - c. The Accounting/Human Resource Supervisor, with assistance from the President as appropriate, has the primary responsibility for the investigation. If the investigation reveals that fraudulent activities have occurred, the Accounting/Human Resource Supervisor will issue a report to the appropriate administrative officials.

- d. Employee discipline, up to and including dismissal will follow College processes and procedures.
 - e. Decisions to prosecute or involve appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the College President in consultation with the NDUS General Counsel.
 - f. The Accounting/Human Resource Supervisor is also responsible for periodic review of Lake Region State College internal control procedures, making recommendations for appropriate controls and staff training to minimize opportunities for theft or fraud.
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History

Administrative Council Approved 05/11/11