

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*, found on the TBR website. To access the document click here:

<http://www.tbr.edu/antifraud>

Please contact Internal Audit if you need assistance in reviewing risks, processes, procedures or controls, or in providing internal control training at (423)354-5228.

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 TBR has a separate legal obligation to investigate the complaint (e.g., complaints of illegal harassment or discrimination), TBR and its institutions 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.

Northeast State Community College is an AA/EEO employer and does not discriminate on the basis of race, color, religion, creed, ethnic or national origin, sex, sexual orientation, gender identity/expression, disability, age, or status as a covered veteran, or genetic information in its programs and activities. The following person has been designated to handle inquiries regarding the nondiscrimination policies: Equity and Compliance Officer, P.O. Box 246, Blountville, TN 37617-0246, (423) 354-5255.

Northeast State Community College



PREVENTING AND REPORTING FRAUD, WASTE OR ABUSE

This information has been adapted from the Tennessee Board of Regents (TBR) brochure "Preventing and Reporting Fraud, Waste or Abuse" which can be accessed at: <http://www.tbr.edu/offices/businessandfinance.aspx?id=1874>

REPORTING FRAUD, WASTE OR ABUSE

State law requires that the Tennessee Board of Regents (TBR) system provide a means by which students, employees, or others may report suspected or known fraud, waste or abuse. In addition, the Tennessee Board of Regents 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 Northeast State Community College 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 a Northeast State Community College official.
- Northeast State Community College Office of Internal Audit
Phone: (423) 354-5228
Email: InternalAudit@NortheastState.edu
Website: <http://www.northeaststate.edu/internalaudit>
- TBR Office of System-wide Internal Audit
Phone: (615) 366-4441
Email: reportfraud@tbr.edu
Website: <http://tbr.edu/reportfraud>
- Tennessee Comptroller's Hotline for Fraud, Waste or Abuse
Phone: 1-800-232-5454
Website: <http://www.comptroller.tn.gov/hotline>

If you are a supervisor or official and you receive a report of fraud, waste or abuse, contact the Northeast State Community College Office of Internal Audit at (423) 354-5228 or TBR Office of System-wide Internal Audit at (615) 366-4441 for further assistance.

TBR POLICY ON PREVENTING AND REPORTING FRAUD, WASTE OR ABUSE

For additional information, see TBR Policy 4:01:05:50, *Preventing and Reporting Fraud, Waste or Abuse* at: <https://policies.tbr.edu/>

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.

In an investigation, objectives include verifying the facts, maintaining objectivity and confidentiality, determining responsibility, and recommending corrective actions to help ensure that similar actions do not occur in the future.

REPORTING RESPONSIBILITY

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