

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 of the college 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 as an exhibit in their Professional Auditing Standard AU 316 at the AICPA's website: www.aicpa.org.

Internal Audit can provide assistance in reviewing risks, processes, procedures or controls, or in providing internal control training at (423) 697-4749.

Protection under State Law

State law provides protection for individuals by prohibiting discrimination or retaliation of any kind against employees who report, in good faith, allegations of fraud, waste or abuse or for cooperating with auditors conducting an investigation. Internal Audit working papers, including allegations of fraud, waste or abuse and the individual reporting information to Internal Audit are confidential under T.C.A. § 10-7-504(a)(22), unless subject to court action requiring disclosure. If there is a separate legal obligation to investigate the complaint (e.g., complaints of illegal harassment or discrimination), anonymity or complete confidentiality cannot be guaranteed. T.C.A. § 49-14-103(b) directs that a person who knowingly and willingly retaliates or takes adverse action of any kind against any person for reporting alleged wrongdoing pursuant to the provisions of this part commits a Class A misdemeanor.

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.

T.C.A. § 39-16-502, False Reports, states that it is unlawful to make a false report if the offense or incident reported did not occur; the person has no information relating to the offense or incident reported; or the information relating to the offense reported is false.

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: tbr.edu/audit/fraud-waste-and-abuse



Pub. No 11-70-102001-538-6/17 • 250 copies • Chattanooga State Community College does not discriminate against students, employees, or applicants for admission or employment on the basis of race, color, religion, creed, national origin, sex, sexual orientation, gender identity/expression, disability, age, status as a protected veteran, genetic information, or any other legally protected class with respect to all employment, programs and activities sponsored by Chattanooga State. The following person has been designated to handle inquiries regarding the non-discrimination policies:
Director, Human Resources, 4501 Amnicola Highway, Chattanooga, TN 37406, 423-697-2417.

Chattanooga State



Preventing and
Reporting Fraud,
Waste or Abuse | **Your Guide**

Reporting Fraud, Waste or Abuse

State law requires all public institutions of higher education provide a means by which students, employees, or others may report suspected or known improper or dishonest acts (T.C.A. § 49-14-103(a)). In addition, Chattanooga State Community College 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 (T.C.A. § 8-50-116).

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

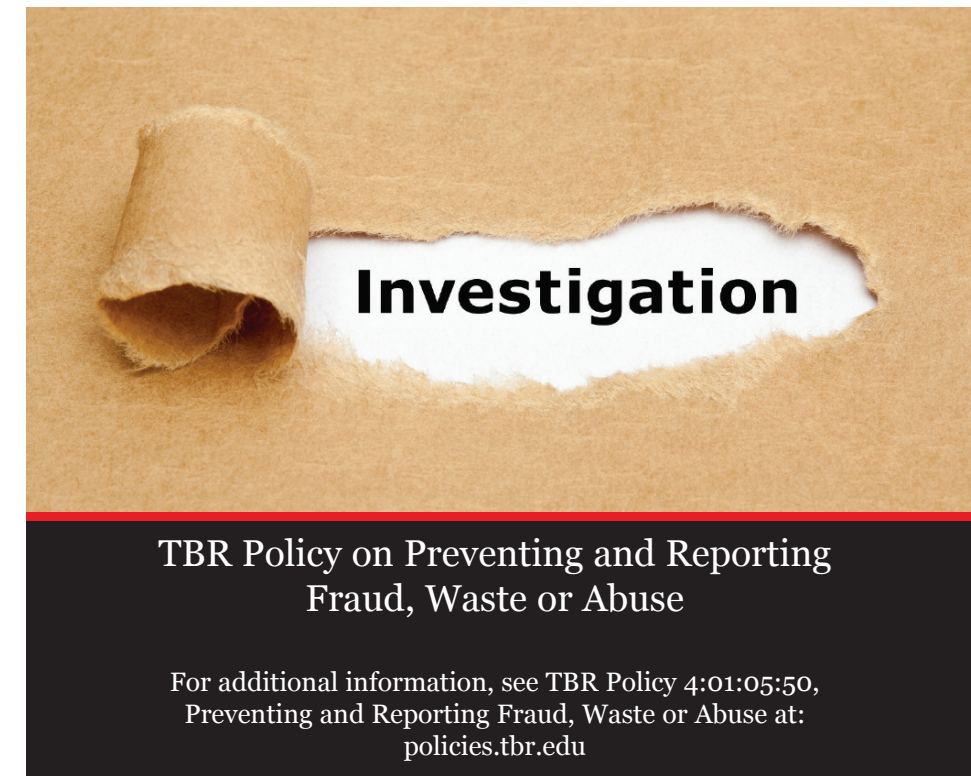
Reporting Options

Several options are available to all Chattanooga 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 Chattanooga State Community College official.
- Chattanooga State Community College Office of Internal Audit
Phone: (423) 697-4749.
Email: internalaudit@chattanoogastate.edu
Website: chattanoogastate.edu/fraud-waste-abuse
- TBR Office of System-wide Internal Audit
Phone: (615) 366-4441
Email: reportfraud@tbr.edu
Website: tbr.edu/reportfraud
- Tennessee Comptroller's Hotline for Fraud, Waste or Abuse
Phone: 1-800-232-5454
Website: comptroller.tn.gov/hotline

If you are a supervisor, department head, or campus official and you receive a report of fraud, waste or abuse, do not investigate but contact the Office of Internal Audit at (423) 697-4749 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:
policies.tbr.edu

Investigations

When the Office of 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.