

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.

Please contact Internal Auditing if you need assistance in reviewing risks, processes, procedures or controls, or in providing internal control training. You may contact our office at (901) 333-4203.

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 (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 such allegations in good faith.

BE REASONABLY CERTAIN!

Before making allegations of fraud, waste or abuse, be reasonably certain of any claims. Such allegations can 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.



REPORTING AND PREVENTING FRAUD, WASTE OR ABUSE

SOUTHWEST TENNESSEE COMMUNITY COLLEGE

INTERNAL AUDIT
(901) 333-4203

SOUTHWEST
TENNESSEE COMMUNITY COLLEGE



0111159REV17093 - Southwest Tennessee Community College is an AA/EEO employer and does not discriminate on the basis of race, color, national origin, sex, disability or age in its program and activities. The following person has been designated to handle inquiries regarding the non-discrimination policies: Executive Director of Human Resources and Affirmative Action, 737 Union Avenue, Memphis, TN 38103, (901) 333-5760.

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, Southwest Tennessee Community College is committed to the responsible stewardship of our resources.

Whether you are a part of TBR management, a TBR institution employee, 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 university/college 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 Southwest's conflict of interest policy
- Authorization or receipt of compensation for hours not worked

REPORTING OPTIONS

Several options are available to all TBR employees, TBR institution employees, students and others for reporting known or suspected fraud, waste or abuse.

You may report your concerns:

- To your supervisor or an official of Southwest Tennessee Community College
- To the TBR Internal Auditor at Southwest Tennessee Community College by email at internalaudit@southwest.tn.edu or call (901) 333-4203
- To the Tennessee Board of Regents by email at: ReportFraud@tbr.edu or call (615) 366-4441
- To the Tennessee Comptroller's Hotline for Fraud, Waste and Abuse at 1-800-232-5454

If you are a supervisor or administrator and you receive a report of fraud, waste or abuse, contact the Internal Audit Department at (901) 333-4203 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 or TBR Guideline B-080, Reporting and Resolution of Institutional Losses at www.tbr.edu.

INVESTIGATIONS

When Internal Audit receives allegations of fraud, waste or abuse by an employee, outside contractor, or vendor, they are 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 them to independently and objectively review matters involving any level of administration at the Tennessee Board of Regents or TBR institutions.

PREVENTING FRAUD, WASTE OR ABUSE

Management at Southwest Tennessee Community College is responsible for establishing and implementing systems and procedures to prevent and detect fraud, waste and abuse.