

VIRGINIA STATE UNIVERSITY

Section: Presidential Policy

Procedure Number: 201

Procedure Name: Fraud Reporting Policy

Applicability: All University Employees

Effective Date: March 27, 1998

Review Date: March 24, 1998 - Supersedes Executive Memorandum Number 94-2, issued July 1, 1994 and entitled Fraud Reporting Policy.

Revision Date: September 1, 1999

I. Purpose

Section 2.1-155.3 of the *Code of Virginia* requires that the state agency head, upon the discovery of circumstances suggesting a reasonable possibility that a fraudulent transaction has occurred, must report this information to the Auditor of Public Accounts and the Department of State Police.

The purpose of the policy is to supplement this code requirement by informing University management of its responsibility to report suspected fraudulent actions to the President's Office and the Internal Audit Unit.

II. Policy

The President's Office and the Internal Audit Unit shall be notified in all cases where the discovery of circumstances suggests a reasonable possibility that assets have, or are thought to have, been lost through defalcation or other security breaches in the financial and operating systems. The term "assets" encompasses property of all kinds, real and personal, tangible and intangible. Property also includes computer data, programs, software, and service. Upon such notification, the Director of Internal Audit should ensure that the proper authorities within the University have been notified of the potential loss and that University authorities promptly notify other State departments as required under *Code* '2.1-155.3.

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The Internal Audit Unit will perform sufficient tests to identify the weakness in financial and operating procedures which permitted the loss and will evaluate the impact of this weakness with respect to other activities of the institution. In addition, the Internal Audit Unit will recommend improvements to correct the weakness and incorporate appropriate tests in future audits to disclose the existence of similar weaknesses in other areas of the institution.

APPROVED BY: _____
President

DATE: _____