

Christopher Newport University

Policy: Fraud, Waste and Abuse Detection, Investigation and Reporting Policy

Policy Number: 1015

Executive Oversight:	Chief of Staff
Contact Office:	Internal Audit
Frequency of Review:	Annually
Date of Last Review:	November 2022

A. PURPOSE

The University has invested in exceptional resources – both human and physical – to enable, support, promote and enhance the work of the University. This policy establishes the roles and responsibilities of university officers, administrators, faculty and staff in preventing, identifying, and reporting fraud, waste and/or abuse of university resources.

B. POLICY STATEMENT

All University employees are responsible for University resources under their control and shall ensure such resources are used for authorized purposes only and in accordance with university policies and applicable federal and state laws. The University does not tolerate fraud, waste, or abuse of state or university resources made available for the University's use or benefit. Anyone found responsible for such conduct whether it is criminal or non-criminal shall be subject to discipline up to and including termination and, in the case of fraud, may be subject to criminal prosecution.

C. PROCEDURES

1. The Chief of Staff, the Provost and Vice Presidents shall establish and maintain necessary systems of internal controls, designed to prevent and detect errors and irregularities that indicate or create fraudulent activity, to safeguard university resources.
2. The Chief of Staff, the Provost and Vice Presidents shall identify and seek to mitigate risk of fraud and financial misconduct in their areas of responsibility.

3. All University employees are responsible for University resources under their control and shall ensure such resources are used for authorized purposes only and in accordance with university policies and applicable federal and state laws. Upon discovery of information or circumstances indicating fraud, waste or abuse may have occurred, a university employee shall notify one of the following entities:
 - Supervisor
 - Department Head
 - Vice President
 - Chief of Staff
 - Provost
 - Director, Internal Audit
 - Chief, University Police
 - Director, Human Resources
 - Office of the State Inspector General Fraud, Waste and Abuse Hotline
4. Any information received pursuant to paragraph 3 above shall be turned over to the Office of Internal Audit. Once reported, the Office of Internal Audit shall log the information and, in cases which may involve fraud, shall notify the University Chief of Police. In instances where the Chief of Police is notified first, he shall immediately notify the Office of Internal Audit.
5. All reports received by the Office of Internal Audit shall also be shared with the Provost or Vice President responsible for the area where the reported conduct is alleged to have occurred, or with the President if the misconduct alleged is by the Provost or a Vice President. If alleged against the President, the Rector shall be notified.
6. Upon circumstances suggesting a reasonable possibility that a fraudulent transaction has occurred involving University funds or property, such misconduct shall be promptly reported by the Office of Internal Audit to the Auditor of Public Accounts, the State Inspector General and the Superintendent of State Police.
7. Retaliation against any employee who reports a good faith concern that particular conduct violates this policy, expresses uncertainty about a possible violation of this policy, or participates in an investigation, is prohibited. Retaliation shall be reported to the Office of Human Resources. Retaliation may result in discipline up to and including termination.
8. The deliberate submission of a report concerning a violation of this policy that is known to be false will be grounds for disciplinary action.
9. Investigations:
 - a. The Office of Internal Audit shall investigate reported non-criminal violations of this policy. Should criminal conduct be discovered through the investigation, the Internal Auditor shall notify University Police. Where criminal activity may be involved the investigation shall be performed by the University Police. Should

non-criminal conduct be discovered through an investigation performed by the University Police, University Police shall notify Internal Audit.

Office of Internal Audit shall assist University Police in investigations of suspected theft, misappropriation and other fiscal irregularities that require accounting and auditing knowledge of system records.

- b. To every extent permitted by law, investigations of violations of this policy shall be confidential and disclosed to only those employees with a legitimate need to know.
 - c. Any investigation of violations of this policy shall attempt to quantify any losses that may have resulted from the alleged misconduct.
 - d. All employees shall cooperate fully in investigations conducted pursuant to this policy.
 - e. Should fraud or other misconduct in violation of this policy be confirmed by investigation, results shall be reported to the University's Internal Auditor who shall review the activity and recommend improvements to internal controls, if any, that might prevent similar conduct in the future.
 - f. Reports involving students who are not employees are not covered by this policy. All reports involving students, whether employees or not, shall be provided to the Vice President of Student Affairs.
10. Disciplinary Action: An employee suspected of committing or otherwise involved in fraud may be suspended with or without pay during an investigation of the allegations. If the evidence substantiates that the employee participated in fraudulent acts, the employee will be subject to disciplinary action, up to and including termination. Criminal fraud may also be subject to prosecution.

D. DEFINITIONS

Fraud: Intentional misrepresentation or falsification by an individual or individuals, or entity, either internal or external to the University, to facilitate unauthorized or unlawful use of University resources, in order to obtain a tangible or intangible benefit to themselves, others, the University or the Commonwealth or to cause harm to others, the university, or the Commonwealth.

Waste: The unauthorized, irresponsible or unnecessary expenditure, consumption, management, or other misuse of University or Commonwealth resources.

Abuse: Excessive or improper use of a resource, or to use an item or resource in a manner contrary to its authorized purpose. Abuse can be of financial or non-financial resources.

E. REFERENCES

[CNU Code of Conduct and Ethics Policy](#)

Code of Virginia § 30-138

Code of Virginia § 2.2-3011

Office of the State Inspector General Fraud, Waste and Abuse Hotline, report by calling 1-800-723-1615 or submitting an [online complaint form](#)

[State Employee Fraud, Waste, and Abuse Hotline Policies and Procedures Manual](#)

F. APPROVAL AND REVISIONS

Approved By: Policy Committee, November 10, 2022

G. NEXT REVIEW DATE: Fall 2023