# NOTICE OF AMENDED REGULATION

**August 8, 2022**

 **BOARD OF GOVERNORS**

Division of Universities

University of North Florida

**REGULATION TITLE:**

Fraud Prevention and Detection

**REGULATION NO.:**

1.0110R

**SUMMARY:**

 The amendments to the Regulation are being proposed to better align the University’s Regulation to Board of Governors Regulations 4.001, University System Processes for Complaints of Waste, Fraud, or Financial Mismanagement which was recently amended by the Board of Governors.

**FULL TEXT:**

The full text of the regulation being proposed is attached.

**AUTHORITY:**

Fla. Constitution, Article IX, Article 7(c); BOG Regulation Development Procedures as amended 9/16/20 and Board of Governors Regulations 3.003 and 4.001.

**UNIVERSITY OFFICIAL INITIATING THE PROPOSED REVISED REGULATION:**

Julia Hann, Chief Audit Executive

**INDIVIDUAL TO BE CONTACTED REGARDING THE PROPOSED REVISED REGULATION:**

Stephanie Howell, Paralegal, Office of the General Counsel, showell@unf.edu, phone (904)620-2828; fax (904)620-1044; Building 1, Room 2100, 1 UNF Drive, Jacksonville, FL 32224.

***Any comments regarding the amendment of the regulation must be sent in writing to the contact person on or before Monday, August 22, 2022, to receive full consideration.***

 Regulation

**Regulation Number**: 1.0110R

**Effective Date**: 06/17/21 **Revised Date**:

# Subject: Fraud Prevention and Detection

**Responsible Division/Department**: President’s Office

**Check what type of Regulation this is:**

[ ] New Regulation

[ ] Major Revision of Existing Regulation

[x] Minor/Technical Revision of Existing Regulation

[ ] Reaffirmation of Existing Regulation

[ ] Repeal of Existing Regulation

##

## I. OBJECTIVE & PURPOSE

## The University has adopted this Regulation to promote actions which assist in the prevention and detection of fraud and related wrongful acts that could potentially be committed by any member of the University community and provide a mechanism for reporting and investigating such conduct. This Regulation sets forth the University’s zero-tolerance approach to fraud and related misconduct and the consequences whenever such conduct occurs. This Regulation complements the University’s Code of Conduct and Ethics (1.0020P).

## II. STATEMENT OF REGULATION

The University has zero tolerance concerning fraudulent activity. For purposes of this regulation, fraud is defined as an intentional misrepresentation or concealment of a material fact for the purpose of obtaining a benefit that would not otherwise be received or inducing another to act upon the misrepresentation or concealment to his or her detriment. Examples of wrongful acts that may constitute fraud include, but are not limited to the following:

* Embezzlement, misappropriation, or other financial irregularities;
* Forgery or alteration of documents (checks, time sheets, contractor agreements, purchase orders, other financial documents, electronic files);
* Improprieties in the handling or reporting of money or financial transactions;
* Misappropriation or misuse of funds, securities, supplies, inventory, or any other University property (including furniture, fixtures or equipment);
* Authorizing or receiving payment for goods not received or services not performed; and
* Authorizing or receiving payments for hours not worked.

This Regulation applies to all members of the University community, including but not limited to Board of Trustees members, University employees, entities contracting with or doing business with the University, vendors, volunteers, and students. In addition, UNF faculty and staff must also observe and comply with UNF's Statement of Ethical Conduct (1.0020P) and the applicable provisions of the Code of Ethics for Public Officers and Employees.

The UNF Board of Trustees and the President have designated the Office of Internal Auditing as the University department responsible for designing and overseeing the University’s antifraud framework and strategies. The Vice President for Administration and Finance will provide continuous support to the Office of Internal Auditing by assisting in the designing and overseeing antifraud strategies. Further, administrators at all levels of management are expected to set the appropriate tone by displaying the proper attitude toward complying with laws, University regulations and policies, and general ethical requirements. Administrators are responsible for establishing and maintaining proper internal controls which provide for the security and accountability of the resources entrusted to them. In addition, administrators should be cognizant of the risks and exposures inherent in their area of responsibility and should be aware of the symptoms of fraudulent or other wrongful acts. In those instances where internal controls may need strengthening, the Office of Internal Auditing should be consulted for assistance on how to enhance those controls. In situations where questions regarding proper ethical behavior may arise, individuals should contact the University's Chief Compliance Officer.

## III. STATEMENT OF PROCEDURES

A. Reporting Requirements

All members of the University community have the responsibility to prevent, detect, and report suspected fraudulent or related wrongful conduct. Any employee who becomes aware of suspected fraudulent or related wrongful activity must report the suspected activity to the Office of Internal Auditing who will then determine if an investigation is warranted and the applicability of Florida Statute 112.3187, also known as the Whistle-blower Act. Any individual reporting detected, or suspected fraudulent activity must be acting in good faith and have reasonable grounds for believing the information provided. An employee’s failure to report suspected fraudulent or wrongful activity to the Office of Internal Auditing may result in discipline, up to and including termination.

An individual may make a report under this Regulation by contacting the [Office of Internal Auditing](https://www.unf.edu/internal_auditing/) directly or through the [UNF Ethics Hotline](https://www.unf.edu/internal_auditing/UNFEthicsHotline/). Reports may be made anonymously through the hotline, if desired.

In all reporting matters, the Chief Audit Executive shall timely notify the Board of Governors, through the Office of Inspector General and Director of Compliance (OIGC), of any significant and credible allegation(s) of fraud, waste, mismanagement, misconduct, and other abuses and provide sufficient information to demonstrate that the Board of Trustees is both willing and able to address the allegation(s). If the information provided by the Chief Audit Executive does not clearly demonstrate that the board of trustees is both willing and able to address the allegation(s), then the OIGC will conduct a preliminary inquiry.

If the allegations include significant and credible allegation(s) made against a member of the Board of Trustees or the president, then the chair of the Board of Trustees (or chair of the Board of Trustees’ committee responsible for handling audit matters if the allegations involve the board chair), in consultation with the chair of the Board of Governors, shall review the matter and may ask the OIGC to conduct a preliminary inquiry. If it is determined that an investigation is warranted, the Board of Trustees may hire an independent outside firm to conduct the investigation with the OIGC guidance and monitoring or the OIGC will perform the investigation and shall provide copies of all final investigative reports to the Board of Governors. At the conclusion of such investigation, the report shall be submitted to the subject, who shall have twenty (20) working days from the date of the report to submit a written response. The subject’s response and the investigator’s rebuttal to the response, if any, shall be included in the final report presented to the chair of the board of trustees and the Board of Governor’s Audit and Compliance Committee.

If the University receives a significant and credible allegation of fraud, waste, mismanagement, misconduct, or other abuse against the chief audit executive or the chief compliance officer, the president and the chair of the audit and compliance committee of the board of trustees will consult with the Office of the General Counsel to review the matter and timely provide the OIGC with sufficient information to demonstrate that the Board of Trustees is both willing and able to address the allegations. If, after review, an investigation is warranted, the Chair of the Audit and Compliance Committee may either hire an independent outside firm to conduct the investigation with the Chair and General Counsel’s guidance and monitoring, or refer the matter to the OIGC to conduct the investigation if appropriate.

The Office of Internal Auditing will provide on-going awareness campaigns to the UNF Ethics Hotline, and the Office of Compliance will provide continuous education on the University’s Statement of Ethical Conduct.

1. Non-Retaliation

This regulation is intended to encourage the reporting of potential fraud or wrongful acts; therefore, individuals who report such conduct in good faith, and those cooperating with the ensuing investigation, are protected from retaliation. If any reporting individual is concerned that they are suffering retaliation for reporting fraud or related wrongful acts, they should immediately contact the Office of Internal Auditing or the Office of Human Resources to express their concerns. The University will investigate complaints of retaliation and take all appropriate action to remediate any retaliation and to discipline those who have engaged in retaliation.

1. Investigations

If it is determined that an investigation is warranted, the Office of Internal Auditing is responsible for investigating the suspected fraudulent or wrongful act, in consultation with the appropriate University representatives, such as the Vice President and General Counsel, Human Resources, University Police Director of Safety and Security, or other administrators as appropriate. In some circumstances, the University may refer the investigation to the University Police Department or other law enforcement agency when a criminal investigation or prosecution is likely. During all aspects of any University investigation, the University will respect the legal rights of all participants. The investigation will be completed expeditiously and in accordance with established procedures. All members of the University community are expected to cooperate fully with those performing an investigation.

1. Investigative Findings

The Office of Internal Auditing will report the results of any investigations, either orally or in writing, to the University President, senior administrators, the Board of Trustees, the Board of Governors, or other appropriate administrator. The Office will provide recommendations to remediate the consequences of the fraudulent or other wrongful conduct. It will also make recommendations on the need to further review and revise antifraud measures in light of the misconduct.

1. Actions to Be Taken When Fraud or Related Misconduct Is Identified and Substantiated

Employees found to have violated this Regulation will be subject to disciplinary action, up to and including termination of employment, and prosecution, if appropriate. Such discipline will be imposed pursuant to University policies and regulations and any applicable collective bargaining agreement. In addition, the University will endeavor to recover any lost assets or mitigate other losses caused by the fraud or related misconduct. Other members of the University community who have engaged in fraud or related misconduct will also receive appropriate discipline, such as termination of contracts, civil or criminal proceedings, trespass from campus, and other appropriate actions.

1. Review

The Office of Internal Auditing will report to the Board of Trustees at least annually regarding the efficacy of the antifraud framework used and any necessary revisions and education needed to enhance the framework.

This Regulation shall be reviewed at least every five (5) years for currency and consistency with applicable Board of Governors and University regulations.

If you have any questions concerning this regulation, please contact either the Office of Internal Auditing at (904) 620-2851, the Office of Human Resources at (904) 620-2903, or the Office of the General Counsel at (904) 620-2828.

*Authority:* Board of Governors Regulations 3.003 and 4.001