

Title: Professional Standards and Business Conduct -- Reporting of Fraud
Code: 1-100-015
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Approved: JDM

Introduction

Sound business conduct requires that each employee, as a basic condition of employment, assume responsibility for safeguarding and preserving the assets and resources of the University, particularly those for which he or she is responsible. The following policy statements serve to remind us of that basic commitment and responsibility.

1. All revenues generated by the University, and all expenditures for goods and services, must be recorded and accounted for within the financial accounting system of the institution.
2. No false or artificial entries are to be made in the accounting records of the University for any reason. Moreover, no payment on behalf of the University is to be approved or made with the understanding that any part of such a payment is to be used for any purpose other than that described by the documents supporting the payment.
3. The use of University funds or assets for any personal, unlawful, or improper purpose is prohibited.
4. The use of any University equipment, supplies, or facilities for a revenue generating activity that benefits an individual employee is strictly prohibited without the express written approval of the cognizant vice president and the Executive Vice President.
5. No person in a supervisory or management position is to use the authority of that position to assign an employee to perform nonemployment related tasks.
6. Managers have a responsibility to develop and implement controls to minimize opportunities for fraud to occur.

Policy

In conjunction with the policy guidelines stated above, each University employee is further expected to report any instance of suspected fraud to the Director of Internal Audit. If an instance of suspected fraud is reported instead to a supervisor, chairperson, director, dean, vice president, or other responsible person, that person is to report the instance to the Director of Internal Audit.

If presented with reasonable evidence of a suspected fraud, the Director of Internal Audit will conduct an audit to determine if the reported suspicions of fraud are valid. The Director will also inform the supervisor of any employee under investigation. If, based on the results of the audit, the Director has reason to believe that fraudulent activities have occurred, he or she will report the findings to the President, the Executive Vice President, the Financial Vice President and Treasurer, and the Controller.

Any determination of fraudulent activities that may involve an amount of money over \$50,000, or that may prove a source of public embarrassment for Boston College, will be reported immediately by the Financial Vice President and Treasurer to the Chairman of the Financial and Audit Committee of the Board of Trustees.

All determinations of fraudulent activities will be reported semiannually by the Director of Internal Audit to the Financial and Audit Committee. The Director will compile a report for the Committee's review outlining the following information: (a) the amount of the fraud; (b) the individual(s) involved; (c) how the fraud was identified; (d) how the fraud was perpetrated; (e) how the University chose to deal with the perpetrator; and (f) the controls that have been implemented to prevent recurrence of the fraud.

WWW: April 24, 1997
