

Tennessee Tech University

Office of Internal Audit



Preventing and Reporting Fraud, Waste or Abuse

“Educating Tennessee”

PREVENTING FRAUD, WASTE, OR ABUSE

Management at Tennessee Tech University is responsible for establishing and implementing systems and procedures to prevent and detect fraud, waste and abuse.

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 Tennessee Tech University 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.

Internal Audit can provide assistance in reviewing risks, processes, procedures or internal controls Contact our office at: (931) 372-3045.

INVESTIGATIONS

Internal Audit has reporting responsibility to the Tennessee Tech Board of Trustees. This reporting relationship enables Internal Audit staff to independently and objectively review matters involving any level of administration.

When the Office of Internal Audit receives allegations of fraud, waste, or abuse by an employee, outside contractor, or vendor, Internal Audit staff are required to conduct an investigation.

Supervisors should **not** attempt to conduct investigations nor alert suspected employees of an impending investigation.

NON – FRAUD, WASTE, OR ABUSE COMPLAINTS

The Tennessee Tech Office of Internal Audit also provides a confidential method for reporting concerns that do not rise to the level of fraud, waste, or abuse, such as:

- Code of Conduct violations
- Internal control weaknesses
- Accounting or auditing concerns

The form to report non-fraud, waste, or abuse complaints can be found at:

<https://www.tntech.edu/internalaudit/general-complaint-reporting>

Non-fraud, waste, or abuse matters are typically referred to the appropriate Tennessee Tech office for resolution.

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REPORTING FRAUD, WASTE, OR ABUSE

Tennessee Tech University is committed to the responsible stewardship of resources. State law requires all public institutions of higher education provide a means by which students, employees, or others may report suspected or known improper or dishonest acts (*T.C.A.* § 49-14-103(a)). Whether you are part of departmental management, a faculty or staff member, a student, or an interested citizen, we encourage you to report known or suspected fraud, waste, or abuse by employees, outside contractors, or vendors (*T.C.A.* § 8-50-116).

ACTIONS TO REPORT

Activities such as the following, either known or suspected, should be reported:

- Theft or misappropriation of funds, supplies, property, or other institutional 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 the Board's conflicts of interest policy
- Authorization or receipt of compensation for hours not worked

BE REASONABLY CERTAIN!

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

PROTECTION UNDER STATE LAW

State law provides protection for individuals by prohibiting discrimination or retaliation of any kind against employees who report, in good faith, allegations of fraud, waste or abuse or for cooperating with auditors conducting an investigation. Internal Audit working papers, including allegations of fraud, waste or abuse and the individual reporting information to Internal Audit are confidential under *T.C.A.* § 10-7-504(a)(22), unless subject to court action requiring disclosure. If there is a separate legal obligation to investigate the complaint (e.g., complaints of illegal harassment or discrimination), anonymity or complete confidentiality cannot be guaranteed. *T.C.A.* § 49-14-103(b) directs that a person who knowingly and willingly retaliates or takes adverse action of any kind against any person for reporting alleged wrongdoing pursuant to the provisions of this part commits a Class A misdemeanor.

REPORTING OPTIONS

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

You may report your concerns:

➤ *Supervisor or Official*

Your supervisor or an Institution official

➤ *TTU Office of Internal Audit*

Phone: (931) 372-3045

Website: <https://www.tntech.edu/internalaudit/fwafirmsubmit>

➤ *Tennessee Comptroller's Hotline for Fraud, Waste or Abuse*

Phone: **1-800-232-5454**

Website: <http://www.comptroller.tn.gov/hotline>

If you are a supervisor, department head, or campus official and you receive a report of fraud, waste, or abuse, do not investigate but contact Internal Audit at (931) 372-3045 for assistance.

Tennessee Tech does not condone and will not tolerate discrimination against any individual on the basis of race, religion, color, creed, sex, age, national origin, genetic information, disability, veteran status, and any other bases protected by federal and state civil rights law. The Affirmative Action Director has been designated to handle employee discrimination complaints and can be reached at equity@tntech.edu, PO Box 5132, Cookeville, TN 38505, 931-372-3034. The Title IX Coordinator has been designated to handle student discrimination complaints and can be reached at gholt@tntech.edu, PO Box 5037, Cookeville, TN 38505, 931-372-6062.