

## *Preventing Fraud*

The prevention of fraud, waste and abuse is the responsibility of every UVA employee. Departments who have experienced a fraud investigation know how unsettling it can be to the department. By implementing the proper internal controls, you can take proactive measures to prevent fraud from occurring. For example,

- Creating a culture of honesty
- Evaluating existing processes and controls for weaknesses
- Developing appropriate oversight processes to eliminate or mitigate control weaknesses



The University's Board of Visitors, via the approval of the University Code of Ethics, declared that the University, through its employees, would "perform its public responsibilities, services and activities ethically, competently, efficiently and honestly, in keeping with University policy and applicable law."

In addition, the Board expects "that all necessary and proper controls safeguarding public resources are in place and observed, with periodic auditing of functions and departments by State Auditor of Public Accounts and/or the University Auditor."

## *Internal Audit Department*

### **FACULTY, STAFF & STUDENT GUIDE TO**

#### ***REPORTING***

***FRAUD,***

***WASTE,***

***OR***

***ABUSE***

***OF***

***STATE &***

***UNIVERSITY***

***RESOURCES***



**Laws, Policies, Procedures  
& Responsibilities  
For Reporting Suspect Activity  
and Fraudulent Transactions  
At UVA**



## ***What is Fraud?***

### ***Why Should I Get Involved?***

Fraud is an illegal act, the concealment of the act and receipt of benefits (generally in the form of financial gain) from that act. These acts ordinarily involve a willful or deliberate action with the intent to obtain an unauthorized benefit.

Some common examples of fraud include:

- Embezzling, including outright theft or temporary “borrowing” of State or University funds.
- Altering or falsifying documents or computer files, including Time & Attendance records and travel reimbursements.
- Unauthorized use of University property, including, computers, vehicles or the telephone system.
- Charging personal purchases to a University Procurement Card.
- Unauthorized use of a University employee to perform non-University business.
- Misapplying funds, including grant money, for unapproved purposes.



University Policy (I.A.2) requires that the Audit Department, Office of Risk Management, and the University Police be notified whenever a fraudulent transaction is suspected.

The Code of Virginia (Section 2.1-155.3) requires agencies to notify the Auditor of Public Accounts and the State Police of all incidences of fraud within their institutions. The Audit Department is responsible for this notification.

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## **REPORTING OPTIONS**

### **Internal Audit Department**

(434) 924-4110

Weekdays 8:00 AM to 5:00 PM

[www.virginia.edu/audit](http://www.virginia.edu/audit)

### **University Police Department**

(434) 924-7166

### **State Internal Auditor's Fraud, Waste & Abuse Hotline**

(800) 723-1615

Weekdays 8:15 AM to 5:00 PM



Individuals are encouraged to contact the Audit Department directly with information pertaining to potential fraud, waste or abuse. Direct reporting enhances the Audit Department's ability to gather the evidence necessary to substantiate the caller's claim. Calls made to the State Hotline are referred to the Audit Department for investigation, with some limited exceptions. Calls made directly to the Audit Department usually result in more successful investigations.

All reasonable steps possible will be taken to ensure that the identity of individuals conveying information remains confidential. Telephone calls made directly to the Audit Department cannot be identified.

The Board of Visitors, via the University's Code of Ethics, expects and encourages the good-faith reporting of fraud, irregularity, or dishonesty. In addition, retaliation against any employee or student making a good-faith report is strictly prohibited by the Code of Ethics.

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## ***Investigations***

Usually, faculty and staff are the first to become aware of suspected fraud, waste or abuse. The University recognizes that it is not always easy to report suspect activity. However, if the University is to maintain the highest standards of conduct and Jeffersonian ideals, it must be given the opportunity to investigate any suspect instances of fraud or irregularity.



In an investigation, objectives include verifying the facts, determining responsibility, and recommending corrective actions to ensure that similar instances do not occur in the future. In addition, maintaining objectivity and confidentiality are critical aspects of a successful investigation.

Department management should *not* attempt to conduct investigations nor should they alert suspected individuals of an impending investigation. Audit Department and University Police employees have been specifically trained to conduct special investigations. All allegations are taken seriously and are investigated to their fullest extent.

## ***Reporting Responsibility & Independence***

The Audit Department has a direct reporting responsibility to the Audit & Compliance Committee of the University's Board of Visitors. This reporting relationship enables the Audit Department to review matters involving all levels of employment and activity at the University independently and objectively.