

Procedures for Investigating Employee Fiscal Misconduct

Following this page you will find approved procedures for investigating employee fiscal misconduct. Please share these procedures with your supervisors. These procedures were designed to accomplish the following:

1. Encourage cooperation and communication between the University and Auxiliary offices responsible for performing specific aspects of a fiscal investigation.
2. Inform managers of the roles various university and auxiliary offices play in a fiscal investigation.
3. Inform managers of the requirements for reporting actual and suspected fiscal improprieties.
4. Designate the Internal Auditor as the coordinator of the investigative team and the individual responsible for notifying State Auditors and CSU officials of the investigation.

These procedures became effective February 25, 2000. Please feel free to contact me if you have any questions regarding this matter.

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University Procedures For Investigating Suspected Employee Fiscal Misconduct

This document establishes the procedures and responsibilities of relevant units at California State University, Fresno, and its recognized auxiliary corporations, for dealing with known or suspected employee fiscal misconduct. It is intended to supplement, not replace operating procedures in each unit, and is concerned primarily with the ways these units interact to produce optimal results for the university in a given situation.

Any of the following units are likely to first discover or receive notification of an instance of suspected employee fiscal misconduct:

- School/College/Department Dean or Director
- Academic Personnel
- Human Resources
- Controller's Office
- Internal Auditing
- Office of University Relations
- University Police
- Auxiliary Management

Because of the often unique and complex nature of fiscal misconduct, it is impossible to predict which unit will first become aware of a problem. However, it is important that key individuals be informed of the situation as soon as possible so that the following objectives can be met:

1. Establishing an investigatory team and an investigatory plan appropriate to the circumstances, drawing on the talents and responsibilities of each unit as necessary (the Internal Auditor will coordinate the development of the investigatory team).
2. In conjunction with the administrator of the affected area, taking immediate action to prevent further loss (for example, changing locks, dropping computer access).
3. Presenting a "unity of action" approach to the affected employees and administrators to minimize disruption of work routines and ensure consistency of treatment.
4. Making appropriate and timely disclosures in accordance with SAM Section 20060 and CSU directives. For campus operations utilizing State funds, SAM 20060 requires the university to notify the California Department of Finance and the Office of the State Auditor of all cases of actual or suspected fraud, defalcation or other irregularities it has become aware of either internally or by referral. In addition, the University must notify both offices of actual or suspected theft involving state employees. Notification under SAM 20060 must be made no later than the first business day following the actual or suspected theft or irregularity.

In addition to SAM reporting requirements, campuses are also required to notify the Chancellor within 24 hours of all cases of actual or suspected theft, defalcation, or fraud. Notifying the Chancellor applies equally to state and non-state (including auxiliary organization) funds. Such

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notification shall also be made to the Executive Vice Chancellor/Chief Financial Officer, Vice Chancellor for Human Resources, Office of General Counsel, and University Auditor.

The Controller will:

1. Provide policy Interpretation as needed.
2. Work with the affected units to implement the necessary internal controls to change and improve the business practices that permitted the fiscal misconduct.

University Police will:

1. Conduct a thorough investigation of an incident where sufficient facts or evidence are apparent and criminal misconduct is suspected. The President will be consulted prior to initiating a criminal investigation.
2. Determine if, in fact, criminal actions have occurred and conduct an investigation based on that determination.
3. Report in the standard manner to the appropriate prosecutorial office for adjudication.

The Office of University Relations will:

1. Provide information as necessary to media representatives.

The Office of General Counsel will:

1. Consult with management as to appropriate investigatory and corrective actions.
2. Provide policy interpretation and guidance.
3. Participate in the resolution process and prepare reports as necessary.
4. Review the terms of any proposed agreement before the agreement is presented to the employee in question.
5. Work with University Police in coordinating contact with external legal entities.

APPROVED:



JOHN D. WELTY **DATE** 2/16/00
PRESIDENT