

**Southern Oregon University
Policy Statement**

Title: Financial Irregularities

Effective January 30, 2003

Last Revised July 15, 2003

Who Should Read This Policy

All University Employees

Definitions

Financial Irregularities are intentional misstatements or omissions of information related to financial transactions that are detrimental to the interests of the institution or OUS. These may include violations of relevant Federal, State, OUS or institution laws, rules, and procedures.

These acts include, but are not limited to embezzlement, fraud, and forgery or falsification of reports, documents, or computer files to misappropriate assets.

Suspected Financial Irregularity is a reasonable belief or actual knowledge that a financial irregularity is occurring or has occurred.

Relevant Unit is a recognized functional or budgetary unit within the organizational structure of the institution.

Unit administrators are appointed by the President or designee. They include: Vice Presidents; Provost; Associate Provost; Deans; Directors; Division and Department heads; as well as other managers authorized to determine and assign duties to institution employees. Department authority and responsibility for management of financial matters is vested in Unit Administrators.

Institutional Designated Administrator is the individual designated by the institution to serve as a point of contact for known or suspected financial irregularities:

SOU Institutional Designated Administrator:

Craig Morris, Director of Business Services
Phone: 552-6585
Email: cmorris@sou.edu

Oregon University System
Internal Audit Division
Phone (541) 737 - 2193
<http://www.ous.edu/iad/>

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Background & Purpose

Southern Oregon University (SOU) is committed to the highest standards of moral and ethical behavior. Employees of the university are expected to report known or suspected financial irregularities. Oregon University System (OUS) Policy requires the institution to designate an administrator responsible for reporting known or suspected financial irregularities to the Oregon University System Internal Audit Division.

The purpose of this policy statement is to provide a formal protocol for communication among relevant parties in order to comply with the OUS policy. Responsible units may wish to adopt policies or procedures that provide specific guidance on the appropriate lines of communication within their units.

Policy

All employees of SOU are expected to report to their unit administrator known or suspected financial irregularities within their unit. Unit administrators are expected to forward reports of suspected irregularities to the Institutional Designated Administrator at the time they become aware of the incident. The Institutional Designated Administrator (see *definitions*) is responsible for ensuring appropriate communication occurs with:

1. Vice President for Administration and Finance
2. Relevant unit administrators (see *definitions*)
3. OUS Internal Audit Division

All parties involved with a financial irregularity must handle the reporting and investigation with utmost confidentiality and objectivity. Under no circumstances shall electronic communications (e-mail) be used for the internal campus investigation; however, representatives from the OUS Internal Audit Division may require, as part of their own review, the use of e-mail for communication with SOU.

It is important that when an employee makes a good faith report of known or suspected financial irregularities, this employee feels safe and protected from retaliation. The Oregon University System shall take steps to protect the reputation and maintain confidentiality of the employee that is reporting the suspected financial irregularity. The Whistleblowers Protection Law defined in ORS 659A.224 protects employees disclosing fraud in good faith. Persons found to be making frivolous claims under this policy will be subject to disciplinary action.

References

OUS Policy on Financial Irregularities

Oregon Revised Statutes Chapter 659.505 to 659.545
Oregon Whistleblower Law

Oregon Revised Statutes Chapter 297
Investigating Loss of Public Funds or Property 297.120

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Department of Administrative Services Policy Manual
Number 125-7-203
Issuing Division- Risk Management Division
Employee Dishonesty Policy

Procedures

1. An employee believes a financial irregularity has occurred

An employee who suspects a financial irregularity has occurred is expected to report the irregularity and provide relevant information at the time they become aware of the incident. The normal reporting protocol is as follows:

- The employee reports it to the administrator of the relevant unit according to the unit's reporting hierarchy.
- The relevant unit reports the known or suspected financial irregularity to the Institutional Designated Administrator.

In the event the relevant unit's administrator is suspected to be involved or has not taken appropriate action, the suspecting employee is expected to contact the Institutional Designated Administrator.

In the event the Institutional Designated Administrator is suspected to be involved or has not taken appropriate action, employees are expected to contact the Vice President for Administration and Finance.

2. Evaluation of appropriate measures

The Institutional Designated Administrator is responsible for contacting and consulting with the Vice President for Administration and Finance, relevant unit administrators, and OUS Internal Audit Division as appropriate to determine courses of actions, which may include:

- Determining if further investigation is warranted;
- Determining who should appropriately conduct further investigation;
- Conducting investigation;
- Determining appropriate contacts and communications with relevant internal and external parties.

3. Completion

At the completion of the investigation, OUS Internal Audit Division will report results of the investigation to institution management and ensure relevant OUS and external

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reporting requirements are met. The Institutional Designated Administrator will ensure appropriate institutional communication occurs.

Institution management will determine appropriate corrective actions based on report findings and recommendations including but not limited to seeking loss recovery and discipline up to and including discharge.

4. Record Keeping

If the investigators for the suspected irregularity determine that no irregularity has occurred, all written correspondence and record keeping kept on the SOU campus will be destroyed. If the investigators for the suspected irregularity determine that in fact a financial irregularity has occurred, all written correspondence and record keeping will be retained in the office of the Institutional Designated Administrator.

Institution management will determine appropriate corrective actions based on report findings and recommendations including, but not limited to, seeking loss recovery and discipline up to and including discharge.

Approved by President

Elisabeth Zinser

Date

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PROCEDURE SUMMARY

RESPONSIBLE PARTY	RESPONSIBILITY
Employee	<ul style="list-style-type: none"> • Report known or suspected financial irregularity to the administrator of the responsible unit or other parties as appropriate (e.g., administrator at next level over that unit).
Relevant Unit	<ul style="list-style-type: none"> • Report known or suspected financial irregularity to Institutional Designated Administrator. • Provide data for investigation procedures as necessary.
Institutional Designated Administrator	<ul style="list-style-type: none"> • Ensure OUS and University Financial Irregularities Policy is followed. • Contact and consult with Vice President for Administration and Finance, relevant unit administrators and Internal Audit regarding suspected financial irregularity and appropriate measures. • Assist Internal Audit Division in investigation. • Complete or provide data for investigation procedures as necessary. • Ensure appropriate institutional communications occur.
Vice President for Administration and Finance	<ul style="list-style-type: none"> • Advise, inform and assist Institutional Designated Administrator, Internal Audit Division and relevant parties as appropriate. • Keep University President informed appropriately.
OUS Internal Audit Division	<ul style="list-style-type: none"> • Ensure OUS Financial Irregularities Policy is followed. • Consult with Institutional Designated Administrator and relevant institution representatives regarding appropriate measures. • Complete investigation procedures as necessary. • Report results of investigations to institution management – Vice President of Administration and Finance and University President. • Ensure relevant system and external reporting requirements are met.
All parties	<ul style="list-style-type: none"> • Maintain confidentiality and objectivity throughout the investigation