

# OREGON INSTITUTE OF TECHNOLOGY

## Financial Irregularities

### OIT-40-050

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#### Background and Purpose

Oregon Institute of Technology (OIT) is committed to the highest standards of moral and ethical behavior. Employees of OIT 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. Responsible departments may wish to adopt policy or procedures that provide specific guidance on the appropriate lines of communication within their department.

#### Policy

All employees of OIT are expected to report known or suspected financial irregularities within their responsible department. The responsible department administrator or director is expected to forward the report to the Vice President for Finance and Administration at the time they become aware of the incident. The Vice President (*see definitions*) is responsible for ensuring appropriate communication occurs with:

1. Financial Irregularity Advisory Committee (*see definitions*)
2. Responsible department administrators (*see definitions*)
3. OUS Internal Audit Division

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. OIT shall take steps to protect the reputation and maintain the confidentiality of the employee that is reporting the suspected financial irregularity. The Whistleblowers Protection Law as 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 659A.200 to 659A.224  
Oregon Whistleblower Law

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

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

## **Related Procedures**

### **1. Employee believes a financial irregularity has occurred**

When an employee believes a financial irregularity has occurred the employee is expected to report such instances along with relevant information. The normal reporting protocol is as follows:

- Employee reports to responsible department administrator according to the department's reporting hierarchy.
- Responsible department administrator reports known or suspected financial irregularities to the Vice President for Finance and Administration.

### **2. Evaluation of appropriate measures**

The Vice President for Finance and Administration is responsible for contacting and consulting with the Financial Irregularities Advisory Committee, responsible department administrators, and OUS Internal Audit Division as appropriate to determine course of actions. Further actions 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 investigations to institution management and ensure relevant system and external reporting requirements are met.

The Vice President for Finance and Administration will ensure appropriate institutional communication occurs.

Institutional management will determine appropriate corrective or disciplinary actions based on report findings and recommendations including but not limited to seeking loss recovery.

### **Definitions**

***Financial Irregularities*** are intentional misstatements or omissions of information related to financial transactions that are detrimental to the interests of the campuses or system. These may include violations of relevant Federal, State, OUS or campus 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.

***Responsible Department*** is a recognized functional or budgetary department within the organizational structure of the institution.

***Department administrators*** are appointed by the President or designee. They include: Vice Presidents, Provost, Vice Provosts, Deans, Directors, and Department administrators; as well as other managers authorized to determine and assign duties to OIT employees. Department authority and responsibility for management of financial matters is vested in Department administrators and directors.

***Institutional Designated Administrator***: individual designated by the institution to serve as a point of contact for known or suspected financial irregularities. The Institutional Designated Administrator for OIT is the Vice President for Finance and Administration.

***Financial Irregularity Advisory Committee:*** a standing committee consisting of the following membership and other staff as deemed appropriate or necessary.

Vice President for Finance and Administration  
Provost and Vice President for Academic Affairs  
Vice President for Student Affairs  
Director, Human Resources  
Director, Campus Safety  
Director, Business Affairs

## Contacts

Oregon Institute of Technology  
Vice President for Finance and Administration  
Phone (541) 885-1110  
<http://www.oit.edu>

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

Recommended by:

President's Council – 6/09/03  
Revised 8/7/03

Approved: /s/ Martha Anne Dow  
Martha Anne Dow, President

Date: August 7, 2003

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## PROCEDURE SUMMARY

### Policy No. OIT-40-050

RESPONSIBLE PARTY	RESPONSIBILITY
Employee	<ul style="list-style-type: none"><li>• Report known or suspected financial irregularity within responsible department or other parties as appropriate.</li></ul>
Responsible Department Administrator	<ul style="list-style-type: none"><li>• Report known or suspected financial irregularity to Vice President for Finance and Administration</li></ul>
Vice President for Finance and Administration	<ul style="list-style-type: none"><li>• Ensure OUS and OIT Financial Irregularities Policy is followed.</li><li>• Contact and consult with Financial Irregularities Advisory Committee, responsible department administrators and/or directors and Internal Audit regarding suspected financial irregularity and appropriate measures.</li><li>• Assist Internal Audit Division in investigation.</li><li>• Complete or provide data for investigation procedures as necessary.</li><li>• Ensure appropriate institutional communications occur.</li></ul>
Financial Irregularities Advisory Committee	<ul style="list-style-type: none"><li>• Advise, inform and assist Vice President for Finance and Administration, Internal Audit Division and relevant parties as appropriate.</li></ul>
OUS Internal Audit Division	<ul style="list-style-type: none"><li>• Ensure OUS Financial Irregularities Policy is followed.</li><li>• Consult with Vice President for Finance and Administration and relevant campus representatives regarding appropriate measures.</li><li>• Complete investigation procedures as necessary.</li><li>• Report results of investigations to institution management.</li><li>• Ensure relevant system and external reporting requirements are met.</li></ul>
All parties	<ul style="list-style-type: none"><li>• Maintain confidentiality and objectivity throughout the investigation.</li></ul>