



# OLD DOMINION UNIVERSITY

## University Policy

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### Policy #3003

### DETECTION, INVESTIGATION AND REPORTING OF FRAUD AND MISUSE OF UNIVERSITY PROPERTY/FUNDS

**Responsible Oversight Executive:** Vice President for Administration and Finance  
**Date of Current Revision or Creation:** September 30, 2009

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#### A. PURPOSE

The purpose of this policy is to establish University policy and responsibilities concerning the detection, investigation and reporting of fraud and misuse of University property or funds.

#### B. AUTHORITY

[Code of Virginia, Section 23-9.2:3, as amended](#), grants authority to the Board of Visitors to establish rules and regulations for the institution. Section 6.01(a)(6) of the [Board of Visitors Bylaws](#) grants authority to the President to implement the policies and procedures of the Board relating to University operations. Section 7.01 of the Board of Visitors Bylaws grants specific authority to the University Auditor.

[Old Dominion University Board of Visitors Policy 1610 – Charter of the Internal Audit Department](#)

[Code of Virginia, Section 30-138, as amended - State agencies, courts, and local constitutional officers to report certain fraudulent transactions; penalty.](#)

#### C. DEFINITIONS

Defalcation is the fraudulent appropriation of funds or property entrusted to an individual's care but actually owned by someone else.

Fraud is the crime or offense of deliberately deceiving another in order to damage them – usually, to obtain property or services unjustly. It is any illegal act characterized by deceit, concealment or violation of trust. Fraud can be committed through many methods, including mail, wire, phone, and the Internet (computer crime and Internet fraud) or through the aid of forged objects.

Misuse of University Property/Funds is the use of University assets for means other than their original intent or purpose, especially for personal benefit, the benefit of others outside the University community, or for other than for the mission of the University.

#### **D. SCOPE**

This policy applies to all employees, students, volunteers, employees of affiliated organizations, and visitors to the institution. Employees include all staff, administrators, faculty, full- or part-time, and classified or non-classified persons who are paid by the University. Students include all persons attending classes whether enrolled or not enrolled. Affiliated organizations are separate entities that exist for the benefit of the University and include the foundations, the Community Development Corporation, and the Alumni Association. Visitors include vendors and their employees, parents of students, volunteers, guests, uninvited guests and all other persons located on property, owned, leased, or otherwise controlled by the University.

#### **E. POLICY STATEMENT**

The Code of Virginia, Section 31-138, as amended, requires that, “[U]pon the discovery of circumstances suggesting a reasonable possibility that a fraudulent transaction has occurred involving funds or property under the control of any . . . agency of the Commonwealth, . . . as to which one or more officers or employees of state or local government may be party thereto, the state agency head . . . shall promptly report such information to the Auditor of Public Accounts (‘Auditor’) and the Superintendent of State Police (‘Superintendent’).”

Therefore, it is the duty of all University employees to be aware of the potential for fraud and to duly report any cases of suspected fraud or misuse of University property or funds.

The Internal Audit Department shall be notified in all cases where the discovery of circumstances suggests a reasonable possibility that assets have, or are thought to have, been lost through defalcation or other security breaches in the financial, operating or information systems.

#### **F. PROCEDURES**

Upon discovery of information or circumstances suggesting fraud or misuse of University property or funds, the individual should contact the Internal Audit Department. Circumstances may also warrant contacting the Department of Human Resources, the Old Dominion University Department of Public Safety, Office of Finance and University Counsel by the individual. When fraud, or circumstances suggesting fraud, is reported to any of these offices, the other offices should be contacted in a timely manner to inform them of the situation.

The above departments should agree as to the respective roles each office should have in the investigation of the situation. Different circumstances may require different departments to lead the investigation (e.g., if the situation is criminal, financial or administrative in nature).

Upon notifications of possible fraud, the University Auditor should ensure that the proper authorities within the department and University management have been notified of the potential loss. The University Auditor should work to ensure that the University promptly notifies other state departments as required under Section 30-138 of the Code of Virginia.

The Internal Audit Department will perform sufficient tests to identify the weaknesses in financial and operating procedures, both automated and manual, that permitted the loss and evaluate the impact the weaknesses have with respect to other activities of the institution. In addition, the Internal Audit Department will recommend improvements to correct the weaknesses and incorporate appropriate tests in future audits to disclose the existence of similar weaknesses in other areas of the institution.

**G. RESPONSIBLE OFFICER**

University Auditor

**H. RELATED INFORMATION**

[University Policy 3002 – Authority of the Internal Audit Department](#)