

SUMMARY OF PROPOSED NEW UNIVERSITY REGULATION

FSU 2.027 Fraud Prevention, Detection, Reporting, and Investigation

In BOG Regulation 3.003, the Florida Board of Governors requires each university board of trustees to adopt a regulation establishing criteria establishing institutional controls and risk management frameworks that provide reasonable assurance that fraudulent activities within the university's areas of responsibility are prevented, detected, reported, and investigated. The BOG Regulation further requires that we address certain specific issues, as follows, and this proposed regulation addresses each of these.

- (a) A zero-tolerance statement concerning fraudulent activity;
- (b) A definition of fraud and a description of what constitutes fraudulent activities;
- (c) A statement regarding the applicability of the regulation to all members of the university community, including board of trustees members, university employees, entities contracting with or doing business with the university, vendors, volunteers, and students;
- (d) The identification of a member or unit within management responsible for designing and overseeing the university's antifraud framework/strategies;
- (e) A delineation of responsibilities for the prevention, detection, reporting, investigation, and remediation of fraud;
- (f) A mechanism for reporting suspected fraud and a description of the protections afforded to those who make a report in good faith;
- (g) Actions to be taken when fraud is identified or substantiated, which may include:
 1. Appropriate disciplinary action in accordance with any collective bargaining agreements and/or in consultation with appropriate institutional offices;
 2. Recovery of assets/losses;
 3. Referral to and/or coordination with law enforcement; and
 4. Review and remediation of internal control deficiencies.
- (h) A process for alerting, as appropriate, senior management, the board of trustees, and the Board of Governors about instances of fraud or investigative outcomes concerning fraud; and
- (i) Periodic evaluation and reporting to the board of trustees, at least annually, of the status of the antifraud framework used and any necessary revisions to improve the framework.

AUTHORITY FOR THE PROPOSED UNIVERSITY REGULATION

The authority for the proposed regulation is as follows: Art. IX, Section 7, Fla. Const., BOG Regulation 3.003, 1.001(6), BOG Regulation Procedure July 21, 2005.

UNIVERSITY OFFICIAL INITIATING THE REGULATION

This proposed amendment has been initiated by Sam M. McCall, Chief Audit Officer.

**PROCEDURE FOR PROVIDING COMMENTS ON THE PROPOSED
UNIVERSITY REGULATION**

Any person may submit written comments concerning the proposed regulation within 14 days of the date of this notice to:

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