

Fraud Awareness

USG POLICY

The University System of Georgia has a very robust ethics policy, and fraud prevention and detection program. The policy may be found in the Board of Regents Policy Manual Section 8.2.20. A link to the Policy is highlighted below.

Ethics & Compliance Program

The USG Board of Regents has established a system level Ethics & Compliance Program (Program). The Program is intended to assist the Board, the Chancellor and its staff in their management in the discharge of their compliance oversight responsibilities.

The Program is part of the Office of Internal Audit and Compliance (OIAC) which reports to the Chancellor and to the Board of Regents Committee on Internal Audit, Risk, and Compliance. OIAC's authority to manage the Ethics & Compliance Program is specified

Ethics Policy, BOR 8.2.20

8.2.20 University System of Georgia Ethics Policy

8.2.20.1 Introduction

The USG is committed to the highest ethical and professional

Ethics Policy, BOR 8.2.20, Cont'd

Integrity – We will be honest, fair, impartial and unbiased in our dealings both with and on behalf of the USG.

Excellence – We will perform our duties to foster a culture of excellence and high quality in everything we do.

Accountability – We firmly believe that education in the form of scholarship, research, teaching, service and developing others is a public trust. We will live up to this trust through safeguarding our resources and being good stewards of the human, intellectual, physical and fiscal resources given to our care.

Respect – We recognize the inherent dignity and rights of every person, and we will do our utmost to fulfill our resulting responsibility to treat each person with fairness, compassion and decency.

8.2.20.4 Purpose of the Code of Conduct

The USG recognizes that each member of the USG community attempts to live by his or her own values, beliefs and ethical decisionmaking processes. The purpose of the Code of Conduct is to guide members of the USG community in applying the underlying USG Statement of Core Values to the decisions and choices that are made

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Ethics Policy, 8.2.20, Cont'd

X. Report wrongdoing to the proper authorities; Yes;

Cont'd

Ins Ÿu Ÿnal E+ec Ÿness
 “Lean Six Sigma for Higher EducaŸon—Black Belt”
 Jeanne Royal Severns, LSSHEMBA, CPA, CIA
 Valdosta State University

Continuous Improvement

Is it acceptable for a doctor to drop a newborn baby at birth? Of course not. Is it acceptable if one's paycheck is short by \$100 while another's is overpaid by \$100?

The sum of these two checks is the same either way; so, does it matter? Of course it does.

Quality matters. The best way to ensure quality, whether a manufactured product or a professional service is through continuous improvement. How does one achieve continuous improvement? It is achieved through the use of real data to understand a process, then by the elimination of waste while actively promoting consistency. A proven way to achieve the highest level of quality is to adopt the Six Sigma methodology.

In somewhat technical terms, Six Sigma (or 6 σ) means

99.999997% of any process is between the Lower Control Limit and the Upper Control Limit. Translated into English, one gets “it” right 99.999997% of the time, or just one mistake in 3.4 million attempts. The idea of Six Sigma can be

frightening unless you happen to have a good working knowledge of statistics. Here's what it looks like – your mistakes are the outliers on the tail end of the curve. Everything else is acceptable.

Many believe that 99.999997% accuracy is ridiculous. Students are expected to get a 70% or 75% to pass. Many are happy with an 80% and ecstatic with a 90%. But in actuality, even 99.9% accuracy in many processes is not good enough. Unless of course one is willing to accept:

- x 50 new born babies dropped at birth by doctors every day
- x 1 hour of unsafe drinking water every month
- x 12 newborns given to the wrong parents daily
- x 880,000 credit cards in circulation with incorrect cardholder information on their magnetic strips.

Here's the good news – one can learn and begin to incorporate Six Sigma processes into his/her work, whatever it is, without knowing statistics. Six Sigma techniques can be used to:

- x Assist in preparing ins Ÿu Ÿnal E+ec Ÿness reports and setting realistic planning goals
- x Provide a template for problem solving
- x Help establish measures
- x Make processes visible
- x Obtain information on the voice of the internal and external customer and
- x Identify and reduce hidden costs.

Six Sigma is merely the name given to a customer focused, well defined process.

Fraud Prevention

Melissa B. Hall

Georgia Institute of Technology

In today's Higher Education environment, pressures are growing. Our purpose is tied to managing enrollment, retaining and graduating more students, all while controlling spending and enhancing educational quality and maintaining a affordability. The "do more with less" pressure can push some employees to make unethical decisions. The study of fraud tells us that when the external pressures mount, the occurrence of fraud increases. There are some simple things that each and everyone of us can do to make a significant impact in the deterrence of fraud, waste, and abuse on our campus.

1) Educate your employees about the way to report instances of fraud. Use every meeting as an opportunity to educate. I never leave an audit interview without taking full advantage of that opportunity. I always ask.... "Have you been asked to do something you felt was wrong" or "have you observed someone doing something you felt was wrong?" I'm always surprised by their answers. If I find that they are reluctant to share, but can sense they have concerns, I use this as an opportunity to discuss our hotline and

THE THREE LINES OF DEFENSE IN EFFECTIVE
RISK MANAGEMENT AND CONTROL

IIA Position Paper, January 2013

THE THREE LINES OF DEFENSE IN EFFECTIVE RISK MANAGEMENT AND CONTROL

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I. THE FIRST LINE OF DEFENSE OPERATIONAL MANAGEMENT

The Three Lines of Defense model distinguishes among three groups (or lines) involved in effective risk management:

- i. Functions that own and manage risks.
- i. Functions that oversee risks.
- i. Functions that provide independent assurance.

As the first line of defense, operational managers own and manage risks. They also are responsible for

USG FRAUD AWARENESS PROGRAM Suggested Activities for Fraud Awareness Week

Events on and off campus to promote awareness and training

- x Ongoing education/training
- x Brown Bag lunch with experts discussing fraud prevention in the workplace, as well as overall fraud awareness issues
- x Open forums within larger divisions (Plant Operations, etc.) to explain types of fraud abuse, how to spot fraud, waste, and abuse, and then how to properly report (Hotline)
- x Symposium for community – how to prevent credit card fraud, identity theft, scams, etc.
- x Information Technology host symposium on campus and/or in the community.
- x Information booths with games, including “backpack” games where items related to work are placed in a backpack and discuss whether certain items in the bag are stolen or not – discussion about cost of small to large items taken from the office or workplace or integrity/ethics quiz and [quiz](http://www.usg.edu/audit/qa)



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? Ask the Auditor ?

If you have a governance, risk management, compliance or control question that has been challenging you, let us help you find the answer. Your question can help us to become better auditors.

Want to Contribute to the Straight and Narrow?

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