

Helpful Contact Information

Rochester Institute of Technology Institute Audit, Compliance & Advisement

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Public Safety

finweb/publicsafety
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RIT's Ethics Hotline

finweb.rit.edu/svp/ethics
www.ethicspoint.com
866-294-9358 (Voice) toll free
866-294-9572 (TTY) toll free

RIT's Center for Professional Development

finweb.rit.edu/cpd



FRAUD IN THE WORKPLACE PREVENTION GUIDE

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What is Occupational Fraud?

The term “occupational fraud” is defined as “the use of one’s occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization’s resources or assets.” This is a very broad definition that covers a wide range of misconduct. Occupational fraud can be as simple as stealing office supplies or as complex as falsifying reimbursement documentation and forging signatures.

Occupational fraud and abuse is a significant problem faced by entities of all sizes, in every industry. Unfortunately, it is not a problem that can easily be solved. This pamphlet is designed to help educate the RIT community about the serious threat that occupational fraud poses and how the University defends against it.

When occupational fraud is discovered, Institute Audit, Compliance & Advisement (IACA) is responsible for leading the investigation from start to finish. Any resulting employee disciplinary actions are determined by RIT management.

A few examples of the fraudulent activity that we may investigate include:

- ◆ Falsification of travel and expense reports
- ◆ Personal purchases charged to University procurement cards
- ◆ Forgeries of signatures on petty cash forms, invoice payment forms, and travel expense reports

The underlying reasons why such activities go undetected include:

- ◆ Lack of management oversight
- ◆ Lack of a segregation of duties
- ◆ Lack of appropriate ledger review
- ◆ Lack of a detailed review of supporting documentation

Appropriate management oversight includes a detailed review of the ledger activity. This includes a budget to actual review by the person who is fiscally responsible for the ledger accounts (i.e. the department director or chair, or principal investigator).

Adequate segregation of duties occurs when one person alone is not responsible for two or more aspects of the financial activity in an account (i.e. custody of assets procured, recording the purchase, approving the purchase, and reconciling the account).

Appropriate ledger review includes reconciling each charge or deposit on the ledger reports to supporting documentation.

An appropriate, detailed review of transactional supporting documentation includes reviewing each line item on an invoice or receipt for appropriate RIT business purpose.

You Are The First Line Of Defense! Best Practices For Preventing Fraud:

- ◆ Be diligent. If something you are witnessing does not seem right, question it, report it to management, report it using the anonymous RIT Ethics Hotline, or contact IACA or Public Safety
- ◆ Review your ledger activity for unusual items
- ◆ Appropriately safeguard University procurement cards
- ◆ Secure departmental petty cash funds
- ◆ Collect keys, identification cards, and procurement cards from terminated employees
- ◆ Assure there are appropriate internal controls in place for adequately safeguarding cash receipts throughout the revenue cycle
- ◆ Assure segregation of duties exists
- ◆ Follow the RIT Information Security Policy and Standards

If an investigation occurs in your area, please provide the investigation team (IACA, Public Safety, or law enforcement agency) your full cooperation.

Remember, as an employee of RIT you have a stewardship responsibility for safeguarding University assets under your purview. RIT’s management takes fraud seriously. Please refer to the Human Resource’s Performance Improvement and Discipline Administration Policy for a list of misconduct types.

The vast majority of RIT employees are ethical, well-intentioned, and desire to conduct University business activities with complete propriety. If you are concerned about an activity that is occurring in your department, IACA is available to undertake a wide variety of audit and advisory services including investigations of questionable activity and internal control reviews.

To learn more about how you can help prevent fraud at RIT, register for the IACA training session, “Fraud in the Workplace,” which is offered quarterly through RIT’s Center for Professional Development.