

## 10.02 Fraud Prevention

Revised [November 18, 2021](#) (MO -2021)  
Next Scheduled Review: November 18, 2026  
Click to view [Revision History](#).



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### Policy Summary

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Fraud of any kind by employees or members of The Texas A&M University System (system) is prohibited. This policy establishes responsibilities for the identification and management of fraud risk, the reporting of suspected fraud, and the review of allegations of fraud.

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### Definitions

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Click to view [Definitions](#).

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### Policy

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#### 1. RESPONSIBILITIES OF SYSTEM MEMBERS

Management at all levels within the system is responsible for establishing the appropriate tone of intolerance for fraud by establishing a culture founded on integrity and high ethical standards and principles as set forth in the system ethics policy. Management must display the proper attitudes toward complying with laws, policies, regulations and rules. Management must also be cognizant of the risks and exposures inherent in its area of responsibility and establish and maintain proper internal controls which provide for the security and accountability of the resources entrusted to it.

#### 2. RESPONSIBILITIES OF ALL EMPLOYEES

All employees are responsible for acting with propriety in the use of any resources of the system and to abide by laws, policies, regulations and rules of the system and its members. When suspected fraud is observed by or made known to an employee, the employee is responsible for reporting that information.

#### 3. RESPONSIBILITIES OF THE CHIEF AUDITOR

The chief auditor of the system has the primary responsibility for the review, documentation and reporting of all allegations of suspected fraud. The reviews, documentation and reports must be considered confidential to the extent permitted by law.

#### 4. REVIEW PROCESS

The chancellor must ensure that the system uses all available resources to review allegations of suspected fraud. Comprehensive and coordinated reviews will be conducted through the participation of appropriate parties, including the chancellor, the applicable member chief executive officer, the System Internal Audit Department, the System Office of General Counsel, the System Ethics and Compliance Office, and law enforcement officials. Retaliatory action of any kind against an employee for reporting suspected fraud or otherwise participating in the procedures established by this policy is prohibited.

#### 5. ACTIONS

The system pursues disciplinary and recovery actions against employees found to have participated in fraud as defined by this policy.

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### **Related Statutes, Policies, or Requirements**

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[System Policy 07.01, Ethics](#)

[System Policy 10.01, Internal Auditing](#)

[System Policy 32.01, Employee Complaint and Appeal Procedures](#)

[System Policy 32.02, Discipline and Dismissal of Employees](#)

The January 2013 version of this policy supersedes:  
System Policy 21.04, *Control of Fraud, Waste and Abuse*.

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### **Member Rule Requirements**

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A rule is not required to supplement this policy.

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### **Contact Office**

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Internal Audit  
(979) 458-7100