



Audit Hot Spots

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New Beginnings!

Another calendar year has come to a close and the excitement of a new year is in the air. With new year resolutions, a new University President, and new challenges to face in the upcoming year our future continues to look bright! The Office of Internal Audit would like to extend a warm welcome to the University's 6th President, Dr. Philip C. Williams and his Assistant Ms. Sarah Hogan.

As the University community once again comes together to tackle the budget challenges it's important to remember that open communication and evaluation of the effects of changes made is a necessity. With the increasing economic hardships many may also see an increase in fraudulent activity. When making changes in your area consider the effects of the internal controls that are currently in place. Fraudulent activity occurs when three factors are present (also known as the fraud triangle): 1) Motivation, 2) Opportunity, 3) Rationalization. Motivation occurs when someone is "backed into a corner" such as facing challenges in meeting monthly bills, etc. Opportunity occurs when the lack of internal controls are present in a particular situation. When presented with these first two factors a person then begins to rationalize the actions...example: "If I take the money today I can pay it back by the end of the week and no one will ever know." Fraud is not "above" anyone. Some of the most moral and ethical persons may commit fraud when faced with the right motivations, opportunities, and rationalizations. Internal controls are an integral part of mitigating or preventing these activities from occurring. Should you suspect fraud or are concerned about the controls in your area, please contact my office. It's what I'm here for....To Help You and in turn protect the University!

Victoria M. Roach, CPA, CICA
Internal Auditor

Ethics education – R.S. 42:1170

Pursuant to Revised Statute 42:1170 (C), beginning January 1, 2012 all University employees will be required to complete a minimum of one hour of education and training annually on the Code of Government Ethics. Dr. Williams has designated the Director of Internal Audit as the official ethics contact. I will be working with the Louisiana Board of Ethics to begin implementation of this regulation.

Complimentary Travel

The Louisiana Code of Governmental Ethics (R.S. 42:1111A) prohibits public servants from receiving any thing of economic value, other than the compensation and benefits to which he/she is entitled to from his governmental employer, for the performance of the duties and responsibilities of his/her office or position. Also, R.S. 42:1115 prohibits public servants from soliciting or accepting, directly or indirectly, any thing of economic value as a gift or gratuity from any person who has or is seeking a contractual, business, or financial relationship with the public servant's agency.

However, an exception to these regulations, as stated in R.S. 42:1123(41) of the Code, allows a public servant to accept complimentary admission, lodging and transportation to and from an **educational or professional development seminar or conference**. There are certain criteria that must be met in order for this exception to apply:

- A) The public servant must be requested or invited to attend by the sponsoring civic, nonprofit, educational, or political group or organization;
- B) The sponsor is not a person from whom the public servant is prohibited from receiving or accepting a gift pursuant to RS 42:1115(A)(2). RS 42:1115(A)(2) prohibits the acceptance of any thing of economic value from a person or organization who is seeking, for compensation, to influence the passage or defeat of legislation by the public servant's agency;
- C) The seminar or conference is related to the public servant's job duties and is designed to enhance his/her knowledge or skills as it relates to the performance of his/her job duties;
- D) The public servant's agency head approves the acceptance; **and**
- E) The seminar or conference is held within the U.S. or Canada.

NOTE: Any public servant who accepts complimentary (paid in whole or in part) admission, lodging, or transportation to and from an educational or professional development seminar or conference shall file an affidavit with the Board of Ethics within sixty days after such acceptance. The affidavit must disclose the following:

- A) The name of the person or organization who gave, provided, or paid in whole or in part for the admission, lodging, or transportation;
- B) The person or organization that hosted the seminar or conference; and
- C) The amount expended on his behalf by the person or organization on admission, lodging, and transportation.

Release of Liability

Louisiana State Travel PPM49 Section 1504 (C) Motor Vehicle states “Any persons who are not official state employees must sign a Hold Harmless Agreement Form, located at Office of State Travel’s website, <http://www.doa.louisiana.gov/osp/travel/forms.htm> prior to riding in or driving a state-owned vehicle or rental vehicle on behalf of the State. Each agency is responsible for ensuring that this along with any other necessary documents are completed and made part of the travel file prior to travel dates.”

Ask the Auditor

Q: What is nepotism and who is considered an “Immediate family member”?

A: The Louisiana Board of Ethics commonly defines Nepotism as “Any preference given to a family member.”

Revised Statute 42:1119 states “No member of the immediate family of an agency head may be employed in his agency.”

An “Agency” means a department, office, division, agency, commission, board, committee, or other organizational unit of a governmental entity.

An “Agency Head” means the chief executive or administrative officer of an agency or any member of a

board or commission who exercises supervision over the agency. (i.e. President, Vice President, dean, department head, director, supervisor, etc.)

Immediate family members are: children, spouses of children (daughters-in-law & sons-in-law), brothers and sisters, spouses of brothers and sisters, parents, spouse, parents of spouse (mothers-in-law and fathers-in-law).

The Louisiana Ethics website may be found at www.ethics.state.la.us.



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Did you know...

.....that the following policies are new or have been revised:

- Cash Handling and Deposit Policy – May 2010
- Cash Collection After Hours Policy – May 2010
- Diversity Awareness Policy – November 2010

All of the above policies can be found on the MSU website at www.mcneese.edu/policy

- Revisions to State Travel PPM49 – July 2010

The above policy can be found on the State Travel website at www.doa.louisiana.gov/osp/travel/travelpolicy

- Tenured Faculty Strategic Reduction Incentive – August 2010
- Prohibiting Workplace Harassment and Discrimination – December 2010

The above policies can be found on the ULS website at www.ulsystem.net

