

**MINNESOTA STATE  
POLICY DISCUSSION DOCUMENT  
1/11/2024**

**PROPOSED AMENDMENT TO  
POLICY 1C.2 FRAUDULENT OR OTHER DISHONEST ACTS**

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1 **1C.2 Fraudulent or Other Dishonest Acts**

2

3 **Part 1. Purpose**

4 Minnesota State is committed to creating an environment where fraudulent or other dishonest  
5 acts are not tolerated. This policy establishes responsibilities for investigating potential  
6 incidents of fraud or other dishonest acts, taking remedial actions, and reporting evidence to  
7 the Office of Internal Auditing and other appropriate authorities.

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9 **Part 2. Applicability**

10 This policy applies to all Minnesota State trustees and employees, including faculty (full-time,  
11 adjunct, and part-time faculty), administrative staff, student employees, and contractors. It also  
12 requires employees to report the actions of other parties that may constitute fraudulent or  
13 other dishonest acts or possible criminal conduct affecting Minnesota State resources or  
14 information. These other parties include (1) students; (2) contractors and vendors; (3)  
15 organizations affiliated with Minnesota State, including foundations governed by Board Policy  
16 8.3; and (4) any other person or organization that uses Minnesota State resources or  
17 information, with or without authorization.

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19 This policy does not apply to destruction or misappropriation of personal or private property.  
20 Those matters must be reported to appropriate college, university, or system office officials  
21 and/or to law enforcement officials when appropriate.

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23 This policy does not apply to allegations of academic misconduct. Those matters must be  
24 referred to appropriate college or university officials.

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26 This policy also does not apply to allegations of discrimination or harassment. Those matters  
27 are governed by Board Policy 1B.1.

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29 **Part 3. Definitions**

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31 **Fraudulent or other dishonest acts**

32 A deliberate act or failure to act with the intention of obtaining an unauthorized benefit or  
33 other fraudulent behavior. Fraudulent or other dishonest acts may include, and are not  
34 limited to:

- 35 • Theft or misappropriation of funds, long distance telephone services, supplies,  
36 property, computer software, intellectual property, or other resources;
- 37 • Forgery or alteration of documents;
- 38 • Bribery or attempted bribery;
- 39 • Unauthorized use of records or access to information systems, including  
40 unauthorized sharing of computer security clearances;
- 41 • Unauthorized alteration, manipulation, or destruction of computer files and data;
- 42 • Falsification of reports to management or external agencies;
- 43 • Conflicts of interest that pursue a personal benefit or advantage while compromising  
44 the public interest;
- 45 • Improper handling or reporting of financial transactions;
- 46 • Authorizing or receiving compensation for goods not received or services not  
47 performed;
- 48 • Authorizing or receiving compensation for hours not worked;
- 49 • Incurring obligations in excess of appropriation authority; and
- 50 • Willful violation of laws, regulations or policies, or contractual obligations when  
51 conducting Minnesota State business.

52

### 53 **Fraud inquiry**

54 The initial process for examining complaints, allegations, and other possible evidence of  
55 fraudulent or other dishonest acts to determine whether sufficient evidence exists to  
56 warrant a fraud investigation.

57

### 58 **Fraud Investigation**

59 The process of collecting and examining evidence to determine whether a fraudulent or  
60 other dishonest act has occurred.

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## 62 **Part 4. Ethical Conduct**

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64 All Minnesota State employees are responsible for complying with the State Code of Ethics  
65 (Minn. Stat. 43A.38) and other state statutes and board policies that govern their conduct and  
66 ensure that all resources entrusted to them are used ethically, prudently, and for their  
67 designated purpose. In addition, to ensure that Minnesota State resources are used  
68 appropriately, managers and supervisors are responsible for educating employees about proper  
69 conduct, creating an environment that deters dishonesty, maintaining internal controls that  
70 provide reasonable assurance of achieving management objectives, and detecting fraudulent or  
71 other dishonest acts. Managers and supervisors must be cognizant of the risks and exposures  
72 inherent in their area of responsibility and be aware of symptoms of fraudulent or other  
73 dishonest acts, should they appear.

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## 75 **Part 5. Responsibilities**

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### 77 **Subpart A. Compliance**

78 Fraudulent or other dishonest acts are prohibited pursuant to this policy and applicable law.  
79 Employees found to have committed a fraudulent or other dishonest act as defined by this  
80 policy may be subject to discipline, sanctions, restitution, and other remedies as deemed  
81 appropriate by Minnesota State officials.

82  
83 **Subpart B. Employee reporting of suspected fraudulent or other dishonest acts**

84 An employee with a reasonable basis for believing fraudulent or other dishonest acts have  
85 occurred has a responsibility to report the suspected act in a timely manner.

86  
87 Employees are encouraged to report matters through their designated college, university,  
88 or system office channels, but may report any matters directly to the Minnesota State  
89 Office of Internal Auditing instead. If reporting through college or university channels,  
90 reports should be made to the employee's immediate supervisor or manager, unless the  
91 employee suspects that the supervisor or manager has participated in or condoned the act.  
92 In that case, the employee should report the matter to the next highest level of supervision  
93 or management or directly to the college, university, or system office director of human  
94 resources. This policy does not prohibit prompt notification to appropriate authorities when  
95 an immediate threat to personal safety exists or other circumstances justify such notice.  
96 Upon discovering evidence of possible fraudulent or dishonest acts, employees should not  
97 confront individuals suspected of wrongdoing or initiate fraud investigations on their own  
98 because such actions may compromise any ensuing investigation. Employees must not  
99 make statements or disclosures knowing they are false or in reckless disregard of the truth.

100  
101 **Subpart C. Conducting a fraud inquiry**

102 Upon receipt of an allegation of a fraudulent or other dishonest act as defined in this policy,  
103 the appropriate campus or Minnesota State officials shall conduct a timely fraud inquiry to  
104 determine whether evidence of fraudulent or other dishonest acts is substantiated and  
105 merits a fraud investigation or some other action. The appropriate campus or Minnesota  
106 State officials shall seek the assistance of the Office of Internal Auditing prior to conducting  
107 fraud inquiries.

108  
109 If a fraud inquiry reveals evidence of possible criminal action or significant financial loss,  
110 then a fraud investigation must be conducted pursuant to Part 5, Subp. D of this policy. If a  
111 fraud inquiry does not reveal evidence of possible criminal actions or significant financial  
112 loss related to a fraudulent or other dishonest act, but substantiates another fraudulent or  
113 other dishonest act or a violation of state or federal law or Minnesota State or college or  
114 university policies, the matter must be referred to the appropriate campus or system office  
115 official for further action. Any incident that reveals possible employee misconduct may be  
116 subject to a personnel investigation by the college, university, or system office, as  
117 appropriate, and the individual(s) implicated may be subject to personnel action in  
118 accordance with the provisions of the applicable collective bargaining agreement or other  
119 personnel plan. The results of all fraud inquiries must be reported to the Office of Internal  
120 Auditing, regardless of the outcome. The Office of Internal Auditing will review all reports  
121 and determine if any other action should be taken.

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**Subpart D. Conducting a fraud investigation**

If a fraud inquiry merits a fraud investigation, the president or chancellor shall report the matter to the Office of Internal Auditing. The appropriate campus or Minnesota State official shall consult with the chief audit officer to determine responsibilities for conducting the fraud investigation. The Office of General Counsel, the legislative auditor, or other appropriate officials must also be consulted, as appropriate and when required by this policy.

**Part 6. Remedial Actions**

**Subpart A. Recovery of losses**

Appropriate action will be taken to recover significant assets lost as a result of a fraudulent or other dishonest act. Full recovery will constitute the value of benefits gained by an employee or beneficiary other than Minnesota State or the documented loss, whichever is larger, and, if appropriate, the cost of investigation, recovery, or other costs. For misuse of long-distance telephone services, recoveries must include the fair market value of the service, taxes, and interest. All reasonable means, consistent with state law, will be sought to recover losses, including voluntary repayments, insurance proceeds when applicable, and legal action when necessary. The Minnesota State Office of General Counsel can advise on whether the evidence available and the cost of recovery justify legal action to recover losses.

**Subpart B. Reporting and Referral**

Significant financial losses must be reported to the vice chancellor for finance and facilities. Significant loss or damage to electronic information or information systems must be reported to the Minnesota State vice chancellor for information technology. College, university, or system office administrators may consult with the Minnesota State General Counsel prior to disclosing private or confidential data on employees to law enforcement authorities pursuant to Minn. Stat. 13.43, subd. 15.

**Subpart C. Internal control deficiencies**

The Office of Internal Auditing shall consider whether evidence of possible fraudulent or other dishonest acts reveals areas or practices in college, university, or system internal controls needing modification. The Office of Internal Auditing shall recommend corrective actions to the president or chancellor, as appropriate, and the vice chancellor for finance and facilities. Internal Auditing shall follow-up on its recommendations and report progress to the Board of Trustees consistent with procedures for audit follow-up.

**Subpart D. Employee disciplinary actions**

Employees found to have participated in fraudulent or other dishonest acts, or any employee who hinders a fraud inquiry or investigation by making a false or misleading statement, or any employee who has knowledge of a fraudulent or other dishonest act, but fails to report it according to this policy may be subject to disciplinary action. The

166 appropriate campus official or vice chancellor for human resources shall determine whether  
167 employee disciplinary action is warranted.

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169 **Part 7. Data Practices**

170 Fraud inquiry or investigation data must be handled in accordance with the Minnesota  
171 Government Data Practices Act and other applicable law.

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173 **Part 8. Whistleblower Protection**

174 Employees who report suspected fraudulent or other dishonest acts pursuant to Minn. Stat.  
175 181.932 must be protected from retaliation. The identity of information sources must be  
176 protected when required by Minn. Stat. 181.932 or 13.392.

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178 **Part 9. Other Policies**

179 This policy must not be construed to limit the ability to enforce any other applicable policy or  
180 law not incorporated under this policy or to limit the remedies available for violations that  
181 occur.

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183 **Part 10. Reporting to the Board of Trustees and the Legislative Auditor**

184 The chief audit officer shall notify the board of any significant violations of law or board  
185 policies, as required by Board Policy 1D.1, or any material departures from this policy.  
186 The chief audit officer is responsible for reporting evidence to the Office of the Legislative  
187 Auditor as required by Minn. Stat. 10.47, 43A.39, and 609.456, Subdivision 2 and, if federal  
188 funds are involved, to the responsible federal authority. Employees who have reported  
189 evidence according to the provisions of this policy will have fulfilled their statutory reporting  
190 obligations for reporting to the Office of the Legislative Auditor.

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192 **Part 11. Training**

193 All Minnesota State employees are required to complete employee code of conduct training  
194 annually.

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**Related Documents:**

- [Board Policy 1B.1](#) Nondiscrimination in Employment and Education Opportunity
- [Board Policy 1D.1](#) Office of Internal Auditing
- [Board Policy 8.3](#) College- or University-Related Foundations

To view any of the following related statutes, go to the [Revisor's Office website](#). You can conduct a search from this site by typing in the statute number.

- Minn. Stat. 10.47 Telephone Service; Oversight
- Minn. Stat. 13.392 Internal Auditing Data
- Minn. Stat. 13.43 Personnel Data, Subd. 15. Dissemination of data to law enforcement
- Minn. Stat. 43A.38 Code of Ethics for Employees in the Executive Branch
- Minn. Stat. 43A.39 Compliance with Law
- Minn. Stat. 181.932 Disclosure of Information by Employee

- Minn. Stat. 609.456 Reporting to State Auditor and Legislative Auditor Required, Subd. 2. Legislative Auditor
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**Policy History:**

**Date of Adoption:** 6/19/02

**Date of Implementation:** 6/19/02

**Date of Last Review:**

**Date & Subject of Amendments:**

Xx/xx/24 – Full review, The proposed amendment consists of (1) deleting and replacing outdated information such as replacing “Legislative Auditor” with the “Office of Internal Auditing”, (2) reorganizing the information in a more logical sequence, (3) clarifying the language regarding fraud inquiries and fraud investigations, (4) making the Part 6. Remedial Actions language more concise, (5) adding Part 4. Ethical Conduct and Part 11. Training, and (6) applying the Minnesota State formatting and writing styles to the entire policy.

01/25/23 – technical change replaced MnSCU with Minnesota State and the title executive director of internal auditing with chief audit officer.

11/16/11 - Effective 1/1/12, the Board of Trustees amends all board policies to change the term "Office of the Chancellor" to "system office," and to make necessary related grammatical changes.

6/19/02 - repeals Board Policy 7.2, Part 3.

No additional HISTORY.

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PROPOSED AMENDMENT TO  
POLICY 1C.2 FRAUDULENT OR OTHER DISHONEST ACTS

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Single Strikethrough – proposed deletion of current language

Single Underlining – proposed new language

195 **1C.2 Fraudulent or Other Dishonest Acts**

196

197 **Part 1. Purpose-**

198 Minnesota State is committed to creating an environment where fraudulent and other  
199 dishonest acts are not tolerated. ~~All Minnesota State employees are responsible for complying~~  
200 ~~with the State Code of Ethics (Minnesota State Statutes 43A.38 – see related documents below),~~  
201 ~~other state statutes and board policies that govern their conduct, and ensuring that all~~  
202 ~~resources entrusted to them are used ethically, prudently, and for their designated purpose. In~~  
203 ~~addition, to ensure that Minnesota State resources are used appropriately, managers and~~  
204 ~~supervisors are responsible for educating employees about proper conduct, creating an~~  
205 ~~environment that deters dishonesty and maintaining internal controls that provide reasonable~~  
206 ~~assurance of achieving management objectives, and detecting dishonest acts. Furthermore,~~  
207 ~~managers and supervisors must be cognizant of the risks and exposures inherent in their area~~  
208 ~~of responsibility and be aware of symptoms of fraudulent or dishonest acts, should they occur.~~  
209 This policy establishes responsibilities for investigating potential incidents of fraud or other  
210 dishonest acts, taking remedial actions, and reporting evidence to the Office of Internal  
211 Auditing, Legislative Auditor and other appropriate authorities.

212

213 **Part 2. Applicability-**

214 This policy applies to all Minnesota State trustees and, employees, including faculty (full-time,  
215 adjunct, and part-time faculty), administrative staff, and student employees, and contractors. It  
216 also requires employees to report the actions of other parties that constitute fraudulent or  
217 other dishonest acts ~~may result in financial losses~~ or possible criminal conduct affecting  
218 Minnesota State resources or information. These other parties include (1) students; (2)  
219 contractors and vendors; (3) organizations affiliated with Minnesota State, including  
220 foundations governed by Board Policy 8.3; and (4) any other person or organization that uses  
221 Minnesota State resources or information, with or without authorization.

222

223 This policy does not apply to destruction or misappropriation of personal or private property.  
224 Those matters ~~must~~shall be reported to appropriate college, university, or system office  
225 officials and or to law enforcement officials when appropriate. ~~Also, substantiated violations~~

226 involving personal or private property are subject to personnel action or discipline under the  
227 student conduct code.

228  
229 This policy does not apply to allegations of academic misconduct. Those matters must be  
230 referred to appropriate college or university officials.

231  
232 This policy also does not apply to allegations of discrimination or harassment. Those matters  
233 are governed by Board Policy 1B.1.

### 234 235 **Part 3. Definitions.**

#### 236 237 **Subpart A. Fraudulent or other Dishonest acts.**

238 A dishonest act generally involves a deliberate act or failure to act with the intention of  
239 obtaining an unauthorized benefit, ~~destruction of property~~ or other wise fraudulent  
240 behavior. Fraudulent or other Dishonest acts may include, ~~and~~ are not limited to:

- 241 • Theft or misappropriation of funds, long distance telephone services, supplies,  
242 property, computer software, intellectual property, or other resources;
- 243 • Forgery or alteration of documents;
- 244 • Bribery or attempted bribery;
- 245 • Unauthorized use of records or access to information systems, including  
246 unauthorized sharing of computer security clearances;
- 247 • Unauthorized alteration, manipulation, or destruction of computer files and data;
- 248 • Falsification of reports to management or external agencies;
- 249 • Conflicts of interest that pursue a personal benefit or advantage while compromising  
250 the public interest;
- 251 • Improper handling or reporting of financial transactions;
- 252 • Authorizing or receiving compensation for goods not received or services not  
253 performed;
- 254 • Authorizing or receiving compensation for hours not worked;
- 255 • Incurring obligations in excess of appropriation authority; ~~and~~
- 256 • Willful violation of laws, regulations or policies, or contractual obligations when  
257 conducting Minnesota State business.

#### 258 259 **Subpart B. Fraud Inquiry.**

260 A fraud inquiry is ~~the~~ the initial process for examining complaints, allegations, and other  
261 possible evidence of fraudulent or other dishonest acts. ~~The objective of a fraud inquiry is~~ to  
262 determine whether sufficient evidence exists to warrant a fraud investigation.

#### 263 264 **Subpart C. Fraud Investigation.**

265 A fraud investigation is ~~the~~ the process of collecting and examining evidence to determine  
266 whether a fraudulent or other dishonest act ~~involving possible criminal action or significant~~  
267 ~~financial loss~~ has occurred.

### 268 269 **Part 4. Ethical Conduct**

270  
271 All Minnesota State employees are responsible for complying with the State Code of Ethics  
272 (Minn. Stat. 43A.38) and other state statutes and board policies that govern their conduct and  
273 ensure that all resources entrusted to them are used ethically, prudently, and for their  
274 designated purpose. In addition, to ensure that Minnesota State resources are used  
275 appropriately, managers and supervisors are responsible for educating employees about proper  
276 conduct, creating an environment that deters dishonesty, maintaining internal controls that  
277 provide reasonable assurance of achieving management objectives, and detecting fraudulent or  
278 other dishonest acts. Managers and supervisors must be cognizant of the risks and exposures  
279 inherent in their area of responsibility and be aware of symptoms of fraudulent or other  
280 dishonest acts, should they appear.

## 281 **Part 54. Responsibilities.**

### 282 **Subpart A. Compliance.**

283  
284 Fraudulent or other Dishonest acts are prohibited pursuant to this policy and applicable  
285 law. Employees found to have committed a fraudulent or other dishonest act as defined by  
286 this policy ~~may~~ be subject to discipline, sanctions, restitution, and other remedies as  
287 deemed appropriate by Minnesota State officials.

### 288 **Subpart B. Employee reporting of suspected fraudulent or other dishonest acts.**

289  
290 An employee with a reasonable basis for believing fraudulent or other dishonest acts have  
291 occurred has a responsibility to report the suspected act in a timely manner.

292  
293 Employees are encouraged to report matters through their designated college, university,  
294 or system office channels, but may report any matters directly to the Minnesota State  
295 Office of Internal Auditing instead. -If reporting through college or university channels,  
296 rReports should be made to the employee's immediate supervisor or manager, unless the  
297 employee suspects that the supervisor or manager has participated in or condoned the act.  
298 In that case, the employee should report the matter to the next highest level of supervision  
299 or management or directly to the college, university, or system office ~~D~~director of ~~H~~human  
300 ~~R~~resources. Employees are encouraged to report matters through their designated college,  
301 university or system office channels, but may report any matters directly to the Minnesota  
302 State Office of Internal Auditing. This policy ~~does~~ not prohibit prompt notification to  
303 appropriate authorities when an immediate threat to personal safety exists or other  
304 circumstances justify such notice. Upon discovering evidence of possible fraudulent or  
305 dishonest acts, employees should not confront individuals suspected of wrongdoing or  
306 initiate fraud investigations on their own because such actions may compromise any  
307 ensuing investigation. Employees ~~must~~ not make statements or disclosures knowing  
308 they are false or in reckless disregard of the truth.

### 309 **Subpart C. Conducting a fraud inquiry.**

310  
311 Upon receipt of an allegation of a fraudulent or other dishonest act as defined in Part 5,  
312 Subpart A of this policy, Presidents, the Chancellor, or the Chief Audit Officer the  
313

314 ~~appropriate campus or Minnesota State officials~~ shall ~~be responsible for~~ conducting a timely  
315 fraud inquiry~~ies~~ to determine whether evidence of fraudulent or other dishonest acts is  
316 substantiated and merits a fraud investigation or some other action~~other remedy~~. The  
317 ~~appropriate campus or Minnesota State officials~~ ~~Presidents or the Chancellor~~ shall~~may~~ seek  
318 the assistance of the Office of Internal Auditing ~~in-prior to~~ conducting fraud inquiries.

319  
320 If a fraud inquiry reveals evidence of possible criminal action or significant financial loss,  
321 then a fraud investigation ~~must~~shall be conducted pursuant to Part 54, Subp~~art~~ D of this  
322 policy. If a fraud inquiry does not reveal evidence of possible criminal actions or significant  
323 financial loss related to a fraudulent or other dishonest act, but substantiates another  
324 fraudulent or other dishonest act or a violation of state or federal law ~~or~~; Minnesota State  
325 or college or university policies, ~~or other applicable requirements~~, the matter ~~must~~shall be  
326 referred to the appropriate campus or system office official for further action. Any incident  
327 that reveals possible employee misconduct may be subject to a personnel investigation by  
328 the college, university, or system office, as appropriate, and the individual(s) implicated may  
329 be subject to personnel action in accordance with the provisions of the applicable collective  
330 bargaining agreement or other personnel plan. The results of all fraud inquiries must be  
331 reported to the Office of Internal Auditing, regardless of the outcome. The Office of Internal  
332 Auditing will review all reports and determine if any other action should be taken.

#### 333 334 **Subpart D. Conducting a fraud investigation-**

335 If ~~it is determined under Part 54, Subpart C that~~ a fraud inquiry merits a fraud investigation,  
336 the president or ~~C~~hancellor shall report the matter to the Office of Internal Auditing. The  
337 ~~appropriate campus or Minnesota State official~~ ~~president or C~~hancellor shall consult with  
338 the ~~C~~hief ~~A~~udit ~~O~~fficer to determine responsibilities for conducting the fraud  
339 investigation. The ~~Minnesota State Office of~~ General Counsel, the ~~L~~egislative ~~A~~uditor, or  
340 other appropriate administrative officials must also ~~shall~~ be consulted, as appropriate and  
341 when required by this policy.

#### 342 343 **Part 65. Remedial Actions-**

344 ~~If a fraud investigation substantiates that a violation has occurred, the following remedial~~  
345 ~~actions against or by Minnesota State employees shall be taken as appropriate:~~

#### 346 347 **Subpart A. Recovery of Losses-**

348 Appropriate action will be taken to recover significant assets lost as a result of a fraudulent  
349 or other n-dishonest act. ~~of dishonesty~~. Full recovery will constitute the value of benefits  
350 gained by an employee or beneficiary other than Minnesota State or the documented loss,  
351 whichever is larger, and, if appropriate, the cost of investigation, recovery, or other costs.  
352 For misuse of long-distance telephone services, recoveries must include the fair market  
353 value of the service, taxes, and interest. All reasonable means, consistent with state law,  
354 will be sought to recover losses, including voluntary repayments, withholding from salary  
355 and wages, insurance proceeds when applicable, and legal action when necessary. The  
356 Minnesota State Office of General Counsel can advise on whether the evidence available  
357 and the cost of recovery justify legal action to recover losses.

358  
359 Significant financial losses ~~must~~ shall be reported to the ~~V~~ice ~~C~~hancellor ~~for finance and~~  
360 ~~facilities~~ Chief Financial Officer. Dishonest acts that result in significant loss or damage to  
361 electronic information or information systems ~~must~~ shall be reported to the Minnesota  
362 State Chief Information Officer. The Minnesota State Office of General Counsel shall  
363 determine ~~can advise on~~ whether the evidence available and the cost of recovery justify  
364 legal action to recover losses.

365 **Subpart B. Reporting and Referral to Law Enforcement.**

366 Significant financial losses must be reported to the vice chancellor for finance and facilities.  
367 Significant loss or damage to electronic information or information systems must be  
368 reported to the Minnesota State vice chancellor for information technology. A College,  
369 university, or system office administrators may shall consult with the Minnesota State  
370 General Counsel prior to disclosing private or confidential data on employees to law  
371 enforcement authorities pursuant to ~~Minnesota State Statutes~~ 13.43, subd. 15.

372  
373  
374 **Subpart C. Internal Control Deficiencies.**

375 The Office of Internal Auditing shall consider whether evidence of possible fraudulent or  
376 other dishonest acts reveals areas or practices in college, university, or system internal  
377 controls needing modification. The Office of Internal Auditing shall recommend corrective  
378 actions to the president or chancellor, as appropriate, and the ~~V~~ice ~~C~~hancellor for finance  
379 and facilities. ~~Chief Financial Officer.~~ Internal Auditing shall follow-up on its  
380 recommendations and report progress to the ~~Board of Trustees~~ consistent with  
381 procedures for audit follow-up.

382  
383 **Subpart D. Employee Disciplinary Actions.**

384 Employees found to have participated in fraudulent or other dishonest acts, or any  
385 employee who hinders a fraud inquiry or investigation by making a false or misleading  
386 statement, or any employee who has knowledge of a fraudulent or other dishonest act, but  
387 fails to report it according to this policy may shall be subject to disciplinary action. The  
388 appropriate campus official or ~~V~~ice ~~C~~hancellor for ~~H~~uman ~~R~~esources shall determine  
389 whether employee disciplinary action is warranted. ~~The provisions of collective bargaining~~  
390 ~~agreements must~~ shall be observed for any employee disciplinary proceedings.

391  
392 **Part 76. Data Practices.**

393 Fraud inquiry or investigation data must be handled in accordance with the Minnesota  
394 Government Data Practices Act and other applicable law.

395  
396 **Part 87. Whistleblower Protection.**

397 Employees who report suspected fraudulent or other dishonest acts pursuant to ~~Minnesota~~  
398 ~~State Statutes~~ Minn. Stat. 181.932 must shall be protected from retaliation. The identity of  
399 information sources must shall be protected when required by ~~Minnesota State Statutes~~ Minn.  
400 Stat. 181.932 or ~~Minnesota State Statutes~~ 13.392.

401

402 **Part 98. Other Policies:**

403 This policy ~~must~~ shall not be construed to limit the ability to enforce any other applicable policy  
404 or law not incorporated under this policy or to limit the remedies available for violations that  
405 occur.

406

407 **Part 109. Reporting to the Board of Trustees and the Legislative Auditor:**

408 The ~~Chief Audit Officer~~ shall notify the ~~Board of Trustees~~ of any significant violations of law  
409 or board policies, as required by Board Policy 1D.1, or any material departures from this policy.

410 The ~~Chief Audit Officer~~ is responsible for reporting evidence to the Office of the Legislative  
411 Auditor as required by ~~Minnesota State Statutes~~ Minn. Stat. 10.47, 43A.39, and 609.456,  
412 Subdivision 2 and, if federal funds are involved, to the responsible federal authority. Employees  
413 who have reported evidence according to the provisions of this policy will have fulfilled their  
414 statutory reporting obligations for reporting to the Office of the Legislative Auditor.

415

416 **Part 11. Training**

417 All Minnesota State employees are required to complete employee code of conduct training  
418 annually.

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**Related Documents:**

- [Board Policy 1B.1](#) Nondiscrimination in Employment and Education Opportunity
- [Board Policy 1D.1](#) Office of Internal Auditing
- [Board Policy 8.3](#) College- or University-Related Foundations

To view any of the following related statutes, go to the [Revisor's Office website](#). You can conduct a search from this site by typing in the statute number.

- ~~Minn.esota State Stat.ute~~ 10.47 [Telephone Service; Oversight](#)
- ~~Minn.esota State Stat.ute~~ 13.392 [Internal Auditing Data](#)
- ~~Minn.esota State Stat.ute~~ 13.43 [Personnel Data, Subd. 15. Dissemination of data to law enforcement](#)
- ~~Minn.esota State Stat.ute~~ 43A.38 [Code of Ethics for Employees in the Executive Branch](#)
- ~~Minn.esota State Stat.ute~~ 43A.39 [Compliance with Law](#)
- ~~Minn.esota State Stat.ute~~ 181.932 [Disclosure of Information by Employee](#)
- ~~Minn.esota State Stat.ute~~ 609.456 [Reporting to State Auditor and Legislative Auditor Required, Subd. 2. Legislative Auditor](#)

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**Policy History:**

**Date of Adoption:** 6/19/02

**Date of Implementation:** 6/19/02

**Date of Last Review:**

**Date & Subject of Amendments:**

Xx/xx/24 – Full review, The proposed amendment consists of (1) deleting and replacing outdated information such as replacing “Legislative Auditor” with the “Office of Internal Auditing”, (2) reorganizing the information in a more logical sequence, (3) clarifying the language regarding fraud inquiries and fraud investigations, (4) making the Part 6. Remedial Actions language more concise, (5) adding Part 4. Ethical Conduct and Part 11. Training, and (6) applying the Minnesota State formatting and writing styles to the entire policy.

01/25/23 – technical change replaced MnSCU with Minnesota State and the title executive director of internal auditing with chief audit officer.

11/16/11 - Effective 1/1/12, the Board of Trustees amends all board policies to change the term "Office of the Chancellor" to "system office," and to make necessary related grammatical changes.

6/19/02 - repeals Board Policy 7.2, Part 3.

No additional HISTORY.