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MEMORANDUM

Date: May 6, 2008

To: Presidents, University System of Georgia

To: Chief Business Officers, University System of Georgia

To: Chief Academic Officers, University System of Georgia

CC: Erroll B. Davis, Jr., Chancellor

CC: Chancellor's Cabinet

From: Ronald B. Stark, Chief Audit Officer & Associate Vice Chancellor *Michael J. Foster for Ron Stark*

Re: Reporting of Employee Malfeasance, Travel Advances – Interim Update

The recent P-Card audit and associated alleged fraud has resulted in a requirement for more formalized reporting of alleged employee malfeasance to both my office and to the Attorney General's Office. Additionally, the General Assembly passed House Bill (HB) 1113 on the last day of the Session. HB 1113 also addressed aspects of P-Card program management, penalties associated with P-Card misuse, and the penalties associated with misuse of travel advances and fraudulent requests to the state for reimbursement.

The purpose of this memo is (1) to outline a new requirement pertaining to reporting of employee malfeasance, and (2) to make each USG institution aware of the changes introduced by HB 1113. The requirements outlined below will be reflected in future revisions of the USG Business Procedures Manual (BPM).

Reporting of Employee Malfeasance – Effective immediately, all USG institutions are expected to report all suspected employee malfeasance to my office. Currently, the USG BPM Section 16.4.5 requires institutions to report malfeasance only when it has been "determined that a 'high likelihood' of impropriety greater than \$1000 has occurred." However, the Attorney General's (AG's) Office has since requested that they be provided an opportunity to review all cases of alleged employee malfeasance. The AG's Office has also requested that my office be responsible for coordinating the collection of this information. It is expected that the majority of cases will still be handled by local district attorneys.

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