



MINNESOTA STATE
Board of Trustees

AGENDA ITEM SUMMARY

NAME: Joint Meeting: Audit and Workforce and Organizational Effectiveness Committees

DATE: January 23, 2024

TITLE: Proposed Amendment to Policy 1C.2 Fraudulent or Other Dishonest Acts (First Reading) and Update on System Procedure 1C.0.1 Employee Code of Conduct

Action

Review and Discussion

This item is required by policy

PRESENTERS

Amy Jorgenson, Chief Audit Officer
Eric Davis, Vice Chancellor for Human Resources
Scott Goings, General Counsel

PURPOSE

Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6. Board Policies and System Procedures requires board review and approval of proposed amendments to a board policy and that board policies are reviewed at least once every five years.

BACKGROUND INFORMATION

The policy was reviewed in response to the 2023 internal audit advisory project and as part of the normal 5-year review cycle. The review team consisted of representatives from General Counsel's Office, Internal Auditing, and Human Resources. Throughout the policy, outdated language was deleted or replaced with current and more accurate terminology. The Minnesota State formatting and writing styles were applied to the entire policy.

Primary changes within the policy:

In Part 1 - Purpose

The purpose statement was made more concise by relocating the employee conduct responsibilities to Part 4. The purpose statement answers the question as to why the policy exists.

In Part 2 - Applicability

The applicability of the policy was expanded to include contractors.

In Part 4 - Ethical Conduct

This new section was added to align with state statutes and board policies that govern

employee conduct and ensure the responsible management of state resources.

In Part 5 - Responsibilities

The language was updated and the Office of Internal Auditing was added as a recipient for reports of suspected fraud or dishonest acts. The proposed amendment clarifies the language on fraud inquiries and fraud investigations.

In Part 6 - Remedial Actions

The language was updated to reflect the current practices within our system regarding General Counsel's advice and the reporting of financial losses.

In Part 11 - Training

This new section on employee code of conduct training was added to align with other board policies that require certain types of training to implement the specific policy.

NOTE: System Procedure 1C.0.1 Employee Code of Conduct was reviewed and updated at the same time as Policy 1C.2.

RECOMMENDED ACTION (FIRST READING DRAFT)

The Audit Committee and the Workforce and Organizational Effectiveness Committee jointly recommend that the Board of Trustees approve the proposed amendment to Policy 1C.2 Fraudulent and Other Dishonest Acts.

Date Presented to the Joint Committees: 01/23/24

Date Presented to the Board of Trustees: First reading – no action taken.

Date of Implementation: TBD