The Trusted Advisors, Vol. I

You can view HCC’s Compliance & Ethics information at this link –
https://www.hccs.edu/about-hcc/compliance–ethics/

Fraud & Abuse Awareness

According to the IIA, AICPA, & ACFE fraud can be defined as "Any intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain."

Source: The Institute of Internal Auditors (IIA), American Institute of Certified Public Accountants (AICPA), & The Association of Certified Fraud Examiners (ACFE), Managing the Business Risk of Fraud: A Practical Guide
Similar to the way a fire can result from a chemical chain reaction with heat, fuel and oxygen; a fraud can result from the mixture of opportunity, pressure and rationalization. The existence of these three elements at the same time should trigger a red flag alert for a possible fraud.

**Easy Ways to Reduce Fraud Risk**

1. Review the following key management controls for adequacy and make improvements as needed to strengthen the control environment:
   - Segregation of duties
   - Physical and IT access
   - Management oversight - required reviews, approvals, and reconciliations
   - Update policies and procedures
   - Change management

2. Perform periodic fraud risk assessments on processes following these tips:
   - Ask how would I commit the fraud?
   - Document the controls in place to prevent this fraud from happening
   - Determine whether the control environment is adequate to prevent the fraud
   - Add practical procedures to bring the control environment to an acceptable level if needed

*Need help performing a risk assessment? Contact Internal Audit @ 713-718-7278.*

$14 Million Improperly Disbursed Grants and Federal Loans

Want to learn more about HCC’s Internal Audit function? Click on this link: [https://www.hccs.edu/departments/internal-auditing/](https://www.hccs.edu/departments/internal-auditing/)

"In The NEWS"
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