



Internal Audit Procedures Manual
for
Monitoring the Fraud Hotline

Purpose of the Fraud Hotline and Online Reporting System

The Fraud Hotline serves as a confidential reporting mechanism for identifying and investigating instances of fraud, waste, or non-compliance related to services and assets managed or procured by Rancho Santiago Community College District (RSCCD). This system enhances transparency, accountability, and ethical conduct within the district.

Eligibility for Reporting

Employees, students, vendors, and other stakeholders may report suspected fraud, waste, or non-compliance using the designated reporting methods outlined below.

According to Administrative Regulation, AR 7700, *“Individuals are encouraged to report suspected incidents of unlawful activities by district employees in the performance of their duties. Reports will be investigated promptly and appropriate remedies applied. Employees who, in good faith, reported such activities and/or assist the district in the investigation will be protected from retaliation.”*

Language Accessibility

Reports can be submitted in multiple languages through the third-party service provider, including:

- English
- Spanish
- Mandarin
- Vietnamese
- Korean

Fraud Reporting Methods

1) Fraud Hotline

Individuals may call the third-party fraud hotline to report concerns confidentially or anonymously.

- **Fraud Hotline Number:** 877-235-3224
- A trained operator will document the report and assign a unique case number to facilitate follow-up inquiries or additional submissions.

2) Online Reporting

Reports may also be submitted via an online form with the option to remain anonymous.

- **Fraud Reporting Form:** Available on the RSCCD Audit and Advisory Services webpage: [Fraud Reporting Link](#)
- **Company Code for Submission:** RSCCD

3) Additional Reporting Channels

Fraud concerns may also be identified through:

- Direct reports from campuses, vendors, or students to Internal Audit.
- Observations made by district personnel during routine business activities.
- Periodic data analysis identifying potential fraud risks.
- Findings from external auditors during annual reviews.

Anonymity and Confidentiality

While the district aims to maintain confidentiality, anonymity cannot be fully guaranteed. The reporter's identity may become known during the course of an investigation. Additionally, the district is unable to disclose details of administrative determinations involving confidential matters.

Non-Retaliation Policy

RSCCD adheres to Board Policy and Administrative Regulation 7700, which protect whistleblowers from retaliation. The district encourages individuals to report suspected fraud without fear of adverse consequences. Employees who report fraud in good faith or assist in investigations are protected from retaliation. However, knowingly submitting false or misleading reports may result in disciplinary action.

Reporting and Investigation Process

1) Initial Intake

- The third-party vendor forwards reported concerns to designated district officials.

2) Notification and Case Assignment

- The following RSCCD officials receive notification of reported concerns:
 - Vice Chancellor, Business Services
 - Assistant Vice Chancellor, Fiscal Services
 - Director of Accounting, Audit, and Advisory Services
 - Audit Specialist
 - Vice Chancellor, Human Resources
 - Assistant Vice Chancellor, Human Resources
- If a reported concern involves any of the above officials, RSCCD management has instructed Ethico (the third-party vendor) to withhold the report from that individual.

3) Case Review and Risk Assessment

- Internal Audit assesses the report and assigns an initial risk level:
 - **High Risk (1)**
 - **Medium Risk (2)**
 - **Low Risk (3)**
- Risk levels may be adjusted as necessary throughout the investigation.
- The Audit Specialist consults with the Director of Audit and Advisory Services or other appropriate management personnel to determine the course of action.
- The case management system is updated regularly to reflect the latest developments.

4) Case Follow-up and Resolution

- Follow-up actions are determined based on factual evidence and information received.
- The Audit Specialist documents all significant updates in the case file.

5) Case Closure

- **Resolved Cases:** Internal Audit updates the Fraud Hotline portal, keeping cases open for an additional ten business days to confirm no further activity. Cases are then marked as “Closed.”
- **Unresolved Cases:** If no response is received after requesting additional information, the case remains open for 30 days. If no further activity occurs, it is marked as “Closed.”

Additional Considerations

1. The district should proactively promote awareness of the Fraud Hotline among stakeholders.
2. The Audit and Advisory Services team should regularly review and update fraud reporting policies to align with changes in district policies, internal procedures, and applicable laws.