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To: South Texas College Faculty and Staff

From: Dr. Shirley A. Reed, President

Subject: **FRAUD SURVEY**

Date: August 29, 2016

The Board of Trustees and Administration of South Texas College are committed to mitigating fraud risks and ensuring an environment free of fraud.

According to Statements on Auditing Standards (SAS) 99, Consideration of Fraud in a Financial Statement Audit, management is responsible for designing and implementing systems and procedures for the prevention and detection of fraud and, along with the Board of Trustees, for ensuring a culture and environment that promotes honesty and ethical behavior. The three key components of a fraud prevention and detection program consist of a culture of honesty and ethics, fraud risk assessment and properly designed mitigating controls, and an appropriate oversight process.

One of the best practices in the area of mitigating fraud risks is to establish a process for employees to report fraud and other dishonest acts. As a result, the College, in conjunction with its Internal and External Auditors, has developed the attached Fraud Survey which serves as a fraud risk assessment tool. We ask that you please complete the survey according to the instructions provided.

Please return the survey in the pre-addressed and pre-metered envelope directly to the Internal Auditor via the College's outgoing mail, or regular mail no later than Friday, September 9, 2016. All responses will be maintained by South Texas College's Internal Auditor in a professional and confidential manner.

We appreciate your cooperation.