

CASWELL COUNTY POLICIES AND PROCEDURES				
Policy Number:	1	Title:	FRAUD, WASTE AND ABUSE POLICY CASWELL COUNTY BOARD OF COMMISSIONERS	
Date of Adoption:	1/17/12	Date of Last Revision:	12/4/17	Page 1

OVERVIEW

The County of Caswell is committed to the safeguarding of public assets and preventing fraud, waste and abuse. All County employees, as public stewards must share in the commitment. County employees, especially supervisors and department heads/elected officials, must be aware of the circumstances, or “red flags”, which may potentially lead to fraud. For the purpose of this administrative policy, fraud, waste and abuse are referred to as “fraud”.

PURPOSE

Caswell County is committed to the highest standards of moral and ethical behavior by its employees, administrators, and elected officials. The purpose of this policy is to prohibit dishonest acts and/or fraudulent activity and to advise employees, administrators, and elected officials of their responsibility to report suspected fraudulent activity to the appropriate County office.

SCOPE

This policy applies to any fraud, or suspected fraud, involving employees, department heads, officials, consultants, vendors, contractors, and any other parties with a business relationship with Caswell County. This policy also applies to employees of local boards, agencies and commissions over which the Board has authority to require general policies to be followed.

GOAL

It is the intent of this policy to establish and maintain a fair, ethical, and honest working environment for all County employees, customers, suppliers and anyone else with whom the County has a relationship.

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DEFINITIONS

Fraud – Fraud encompasses an array of intentional irregularities and illegal acts characterized by internal or external deception. It can be perpetrated for the benefit of, or to the detriment of, the County; and by persons outside as well as inside the County. Examples of fraud include, but are not limited to the following:

- Stealing, misappropriation of funds, supplies, etc.
- Forgery or unauthorized alteration of any document
- Intentional misrepresentation by County personnel regarding payroll records or the payroll records of others
- Knowingly making a false entry in, or false alteration of a government record
- Making, presenting, or using any record, document, or thing with the knowledge that it is false
- Intentional destruction, concealment, removal or other impairment to the verity, legibility, or availability of a government record
- Processing, selling, or offering to sell a governmental record or a blank governmental record form with the intent that it be used unlawfully, or with the knowledge that it was obtained unlawfully
- Using or claiming to hold an educational degree that is fraudulent, fictitious, or has been revoked, with the intent to obtain employment, promotion, or other benefit
- Credit card abuse or falsification of transaction
- Making a false statement to obtain property, credit, or services
- Fraudulent transfer of a motor vehicle
- Securing execution of a document by deception
- Fraudulent destruction, removal, or concealment of a writing
- Simulating legal process
- Fraudulent use or possession of identifying information without that person’s consent
- Stealing an unsigned check or receiving an unsigned check with the intent to use it or sell it

Waste – Waste is defined as harmful or destructive use of property under one’s control. Waste may also be referred as the unnecessary incurring of costs as a result of inefficient practices, systems or controls. Examples of waste include, but are not limited to the following:

- Damaging, destroying, or ruining materials or equipment
- Improper maintenance or intentional mistreatment of equipment

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- Purchase of unneeded supplies or equipment
- Purchase of goods at inflated prices
- Failure to reuse or recycle major resources or reduce waste generation

Abuse – Abuse refers to violations and circumventions of departmental or County regulations which impair the effective and efficient execution of operations. Some examples of abuse are as follows:

- Using County equipment or supplies to conduct non-County business
- Improper handling or reporting of money or financial transaction
- Profiting by self or others as a result of inside knowledge
- Destruction or intentional disappearance of records, furniture, fixtures or equipment
- Accepting or seeking anything of material value from vendors or persons providing services or material to the County for personal benefit
- Unauthorized use of County resources (computers, software, databases, other information) for non-County purposes
- Abuse of purchase order authority, such as false travel or expense reports
- Use of information gained as County employee for personal gain, such as an employee using non-confidential taxpayer information to get new customers for his/her outside business

DETERRENCE

Deterrence consists of those actions taken to discourage the perpetration of fraud and limit the exposure if fraud does occur. Elected Officials/Department Heads are responsible for the implementation and maintenance of effective internal controls. The Finance Office is responsible for assisting in the deterrence of fraud by examining and evaluating the adequacy and effectiveness of internal controls.

Fraud, waste and abuse occurs for the following reasons:

1. Poor internal controls, especially disregard for set policies and procedures
2. Management override of internal controls
3. Collusion between employees and/or third parties
4. Poor or non-existing ethical standards
5. Lack of control over staff by their supervisors

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“RED FLAGS”

The most frequently cited “red flags” of fraud, waste and abuse are:

1. Changes in an employee’s lifestyle, spending habits or behavior
2. Poorly written or poorly enforced internal controls, procedures, policies or security
3. Irregular / unexplained variances in financial information
4. Inventory shortages
5. Failure to take action on results of internal/external audits or reviews
6. Unusually high expenses or purchases
7. Frequent complaints from customers
8. Missing files
9. Ignored employee comments concerning possible fraud
10. Refusal to leave custody of records during the day by the employee
11. Working excessive overtime and refusing to take vacation time off

FRAUD PREVENTION

The following internal controls should minimize the risks and help prevent fraud, waste, and abuse:

1. Detailed written policies and procedures and adherence to all policies and procedures, especially those concerning documentation and authorization of transactions.
2. Physical security and controlled access over assets such as locking doors and restricting access to certain areas.
3. Proper training of employees
4. Independent review and monitoring of tasks by the department supervisor, such as approval processing of select items.
5. Separation of duties so that no one employee is responsible for a transaction from start to finish
6. Clear lines of authority
7. Conflict of interest statements which are enforced
8. Rotation of duties in positions more susceptible to fraud
9. Ensuring that employees take regular vacations
10. Regular independent audits of areas susceptible to fraud

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REPORTING FRAUD

If an employee suspects that fraud is being committed within the County, then the employee should report it to any of the following:

- The immediate supervisor
- Department Head/Elected Official
- County Manager by phone at 336-694-4193 Ext. 202 or via email at bmiller@caswellcountync.gov or by mail to PO Box 98, Yanceyville, NC 27379.
- The Fraud Hot Line at 336-694-4193 Ext. 2.

The supervisor, department head/elected official, county manager should immediately report it to the necessary authority.

Any employee that communicates with any of these individuals to report fraud will have the option to remain anonymous. Every attempt will be made to protect the identity of the reporting individual. The County is committed to protecting the employee's identity and confidentiality.

Due to the important yet sensitive nature of the suspected violations, effective professional follow-up is critical. Managers, while appropriately concerned about 'getting to the bottom' of such issues, should not in any circumstances perform any investigative or other follow-up steps on their own. All relevant matters, including suspected but unproven matters, should be referred immediately to the Department Head and/or the County Manager.

If members of the public suspect that fraud is being committed within the County, they may report it to the County's Fraud Hot Line at 336-694-4193 Ext. 2.

RETALIATION

An employee who believes that he or she has experienced retaliation for making a report or assisting in an investigation shall report this as soon as possible to the County Manager at 336-694-4193 Ext. 202.

REPORTING UNETHICAL BEHAVIOR

Employees are encouraged to seek advice from the County Manager when faced with uncertain ethical decisions. The County Manager is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as necessary.

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DUTY TO REPORT

Local public officials, County officials, County employees, and all others who are subject to this policy have a duty to report violations of this policy and to cooperate in investigations, inquiries, and hearings conducted by the County. However, a person making false reports shall be subject to disciplinary action if he or she reports information which he or she knows to be false or which he or she discloses with reckless disregard for its truth or falsity.

NO COERCION

No County official or employee shall directly or indirectly use or threaten to use any official authority or any influence in any manner whatsoever, which tends to discourage, restrain, deter, prevent, interfere with, coerce, or discriminate against any person who in good faith reports, discloses, divulges, or provides any facts or information relative to an actual or suspected violation of this policy or other state, federal, or local laws.

CONSEQUENCES

County Department Heads found to have violated this policy will be subject to discipline by the County Manager or appropriate appointing authority, including a written warning or reprimand, suspension, or termination in accordance with the procedures under which a department head may otherwise be disciplined.

County employees found to have violated this policy will be subject to discipline by their department head or elected official regarding violations of this policy, including a written warning or reprimand, suspension, or termination in accordance with the procedures under which the employee may otherwise be disciplined.

Parties doing business with the County, including vendors, consultants, contractors or their principals and employees, found to have violated this policy will be subject to termination of any business relationship with the County and exclusion from further business opportunities with the County. The Finance Office will maintain a list of affected businesses.

As to any person to this policy or otherwise, the County may make referral of its findings to the appropriate law enforcement authority.

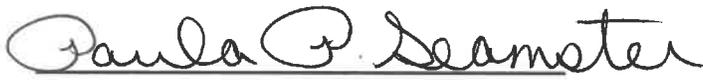
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Adopted this 4th day of December, 2017.


Nathaniel Hall, Chairman
Caswell County Board of Commissioners

ATTEST:


Paula P. Seamster
Clerk to the Board



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SUBJECT: FRAUD, WASTE AND ABUSE POLICY

EMPLOYEE ACKNOWLEDGEMENT FORM

I, _____, hereby acknowledge that the Fraud, Waste and Abuse Policy of Caswell County has been reviewed and explained to me.

Employee Name _____
(Please print)

Date _____

Employee Signature

Human Resources