

BOARD POLICY
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

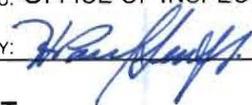
TITLE: **COMPREHENSIVE FRAUD**

SECTION/BUREAU: **OFFICE OF INSPECTOR GENERAL**

NUMBER: **140-2**

PAGE: **1 of 4**

APPROVED BY:



H. PAUL SENFT, JR., CHAIR

EFFECTIVE

DATE: **4/30/2013**

SUPERSEDES: **2/26/2002**

STATEMENT

The Governing Board of the Southwest Florida Water Management District (District) is committed to the highest standards of moral and ethical behavior. Breaches of these standards, especially through acts involving fraudulent, unethical and other dishonest behavior, are not only costly, but erode the public's trust and confidence in the integrity of the institution. By issuing this formal policy statement, the Governing Board hereby reaffirms a longstanding directive to aggressively combat such behavior.

PURPOSE

This policy is intended to:

- Communicate the prohibition of fraudulent, unethical and other dishonest activities;
- Institute preventive measures designed to deter these activities or make them easier to detect and stop;
- Ensure an annual fraud risk assessment;
- Provide for the reporting and investigation of such, including providing protection to persons who report the inappropriate activities; and
- Apply to any situation of fraud or suspected fraud involving District employees, vendors, contractors, consultants, outside agencies, and/or any other parties with a business relationship with District or its personnel.

DEFINITION

Fraud generally involves a willful or deliberate act or omission with the intention of obtaining an unauthorized benefit, service, property or something of value by deception, misrepresentation or other unethical or unlawful means. Fraud can be committed through many methods, including but not limited to mail, telecommunications, computer and the Internet.

Actions Constituting Fraud

Fraudulent, unethical and other dishonest acts may include, but are not limited to:

- Forgery or unauthorized alteration of documents or computer records;
- Falsification or misrepresentation of reports to management and external agencies, including records and data submitted to, produced or maintained by the District.
- Authorizing or receiving payment for time not worked;
- Submission of fraudulent claims;
- Misappropriation of funds, securities, equipment, supplies or other assets;
- Impropriety in handling or reporting of money or financial transactions;
- Engaging in activities that result in a conflict of interest;
- Disclosing confidential or proprietary information to unauthorized individuals;
- Removal of District property, records or other assets from the premises without formal written/documented supervisory approval;
- Unauthorized use or destruction of District property, records or other District assets;
- Taking, using or providing to others the accounts, access numbers, passwords or any other identifying information of another person without authorization for the purpose of assuming that person's name or identity or to make transactions or purchases (identity theft); and
- The unauthorized use of District property and resources for personal activities.

BOARD POLICY
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

TITLE: **COMPREHENSIVE FRAUD**

SECTION/BUREAU: OFFICE OF INSPECTOR GENERAL

NUMBER: 140-2

PAGE: 2 of 4

APPROVED BY:



H. PAUL SENFT, JR., CHAIR

EFFECTIVE DATE: 4/30/2013

SUPERSEDES: 2/26/2002

Responsibility for Detection, Prevention and Monitoring

District senior management is responsible for establishing and maintaining proper internal controls that provide security and accountability of District resources. District managers and supervisors are responsible for ensuring compliance with policies, administrative directives, laws, and regulations. Employees at all levels are expected to take personal responsibility for compliance with laws, rules and regulations and for taking steps to avoid noncompliance. Employees are also responsible for the security and accountability of the resources entrusted to them and for abiding by the policies and procedures set in place by the District.

Controls include, but are not limited to, ensuring that:

- Incompatible duties are properly separated;
- Financial transactions are properly authorized and approved;
- Reports of financial activity are periodically reviewed for completeness and accuracy;
- Official personnel actions (ex: appointments, terminations, promotions) and employee time and leave is properly authorized and approved;
- Real and tangible assets are properly inventoried and physically secured;
- Computer and account passwords are protected and not shared;
- Intangible assets and data, including confidential and sensitive information, are protected from unauthorized access; and
- Employees are effectively supervised.

Employees at all levels shall be aware of the risks and exposures inherent in their area of responsibility, take appropriate steps to help mitigate those risks and be aware of the related symptoms of fraudulent, unethical and other dishonest actions. The inspector general shall include a fraud risk assessment as part of the periodic enterprise risk assessments performed by the office and will include fraud control monitoring as a component of the office's annual audit work plan to provide assurance that fraud control monitoring is ongoing.

Responsibility for Reporting

All employees shall be alert to possibilities of fraud and for any indication that unethical or dishonest activity is taking place. Any employee who has a reasonable basis for believing that a fraudulent act has occurred or is occurring has a duty to immediately report this information.

- All incidents can be reported, orally or in writing, to the District's inspector general or through an anonymous fraud hotline.
- Single incidents of theft or robbery or other related property loss or damage of property shall be reported, orally or in writing, to the District's risk manager, or inspector general, or an anonymous fraud hotline. The risk manager shall send a monthly status report relating to these single incident activities to the inspector general.
- Incidents involving office of the inspector general staff shall be reported to the District's general counsel.

The employee shall not confront the accused individual(s) or discuss the matter with anyone other than the person or office to whom the activity was reported.

BOARD POLICY
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

TITLE: **COMPREHENSIVE FRAUD**

SECTION/BUREAU: OFFICE OF INSPECTOR GENERAL

NUMBER: 140-2

PAGE: 3 of 4

APPROVED BY:



H. PAUL SENFT, JR., CHAIR

EFFECTIVE

DATE: 4/30/2013

SUPERSEDES: 2/26/2002

Employees who make allegations they know to be false may be subject to disciplinary action up to and including dismissal. However, allegations that are investigated and deemed unsubstantiated are not necessarily indicative of false allegations.

On occasion, individual Board members will receive anonymous information regarding the District. All anonymous information received by any Board member is to be forwarded to the inspector general. If the information involves office of inspector general personnel, then the information shall be forwarded to the District's general counsel.

Retaliation Prohibited

An employee who, in good faith, reports wrongful activity meeting the provisions of this Policy and/or Section 112.3187, Florida Statutes (Whistle-blower's Act), is protected against retaliation for making such a report. If the reporting employee provides the information directly to the inspector general in a signed document, the law also provides for the individual's identity to remain confidential until completion of the investigation and any results thereof. Regardless as to whether or not the provisions of the Whistle-blower's Act are met, it is a violation of this policy for anyone to retaliate against another for reporting, in good faith, allegations of wrongdoing or participating in the investigation of such.

With the exception of making allegations known to be false, as described in Section VI, disclosing information under this policy will not be the basis for adverse or retaliatory actions, including:

- Dismissal or threat of dismissal;
- Discipline, suspension, or threat of discipline or suspension;
- Demotion;
- Reduction in salary or benefits, withholding of bonuses; or
- Intimidation or coercion.

Responsibility for Investigation

With the exceptions identified in Section VI above, the District's inspector general is responsible for receiving and investigating disclosures of suspected fraud and whistle-blower information.

Investigation

Upon reviewing allegations of fraudulent, unethical or dishonest acts, if the inspector general (or when applicable the general counsel) determines an investigation is warranted, the investigation shall be completed expeditiously and in accordance with established procedures (SWFWMD Procedure 14-2). The results of the investigation shall be communicated to the appropriate levels of management within the organization or to external authorities as deemed necessary.

During the investigation, the investigator(s) will adhere to appropriate procedures and safeguard the administrative rights of accused district employees.. If allegations are corroborated and before a report is communicated, the accused will be afforded the opportunity to respond to the allegations or matters being investigated.

BOARD POLICY
SOUTHWEST FLORIDA WATER MANAGEMENT DISTRICT

TITLE: **COMPREHENSIVE FRAUD**

SECTION/BUREAU: OFFICE OF INSPECTOR GENERAL

NUMBER: 140-2

PAGE: 4 of 4

APPROVED BY:



H. PAUL SENFT, JR., CHAIR

EFFECTIVE

DATE: 4/30/2013

SUPERSEDES: 2/26/2002

All employees are to cooperate fully with those performing an investigation pursuant to this policy. An employee who does not fully cooperate with an authorized investigation may be disciplined, up to and including termination of employment. An employee may be required to answer any question that is within the scope of the employee's employment.

Consequences for Fraudulent Behavior

Employee(s) determined to have participated in fraudulent, unethical or dishonest acts will be subject to disciplinary action in accordance with any District personnel procedures and guidelines. Such determination will be made in accordance with procedures and guidelines established by the executive director.

Criminal, civil and/or other administrative actions may also be taken against employees who are found to have participated in unlawful acts. Criminal action falls within the sole purview of local, state or federal law enforcement, prosecuting and judicial authorities.

Regardless of their classification, any employee who fails to report fraudulent activity as required by this policy is subject to disciplinary action.

Policy Dissemination and Employee Training

The executive director is responsible for ensuring all District employees are informed and trained on this policy including the posting of contact information. Associated costs related to an anonymous fraud hotline shall be budgeted within the Office of Inspector General.

REFERENCES

Functional Authority:

- State Statue: 20.055 (Agency Inspector General); Section 2; Paragraph F
- SWFWMD Board Policy 140-1, Inspector General Charter

Investigative Authority and Investigation Process and Procedures:

- State Statue: 112.3187 – 31895 (Whistle Blower's Act)
- SWFWMD Procedure 14-2, Whistle Blower's Act
- State Statue: 20.055 (Agency Inspector General); Section 2; Paragraph F
- SWFWMD Board Policy 140-1, Inspector General Charter