

POLICY STATEMENT:

This County policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against the Bedford County Commissioners and Bedford County Government. It is the intent of the Bedford County Commissioners to promote consistent organizational behavior by providing guidelines and assigning responsibility of controls and conduct investigations.

SCOPE OF POLICY:

This policy applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the Bedford County Commissioners.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the County.

POLICY DESCRIPTION:

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. Any irregularity that is detected or suspected must be reported immediately to the Chief Clerk, who coordinates all investigations with the Legal Department and other affected areas, both internal and external.

ACTIONS CONSTITUTING FRAUD:

The term defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling of reporting of money or financial transactions

- Profiteering as a result of insider knowledge of company activities
- Disclosing to other persons securities activities engaged in or contemplated by the County of Bedford
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the County.
Exception: Gifts less than \$25 in value
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity

OTHER IRREGULARITIES:

- If there is any question as to whether an action constitutes fraud, contact the Finance Office for guidance.

INVESTIGATION RESPONSIBILITIES:

The Administrator for Finance and Support Services has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the Administrator for Finance and Support Services will issue reports to appropriate designated personnel and, if appropriate, to the Board of Commissioners. The Board of Commissioners may at times designate others to conduct such investigations in certain situations (i.e. when a member of the finance office is under investigation).

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on the disposition of the case.