



HAYS COUNTY

ANTIFRAUD POLICY

PURPOSE: The purpose of this policy is to provide guidelines for the prevention, deterrence, and detection of fraud. Administration and Staff will be responsible for creating a positive workplace environment ensuring a culture of honesty and ethical behavior to enhance Hays County's ability to protect its assets, operations, and reputation.

SCOPE: This policy applies to any fraud, or suspected fraud, involving employees, consultants, vendors, contractors, and/or any other party with a business relationship with the County. All employees are responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Each Department Head/Elected Official shall be familiar with the types of improprieties that might occur within their area of responsibility, and be alert for any indication of fraud.

Any fraud that is detected or suspected must be reported immediately to the County Auditor, who shall coordinate all investigations. All employees will be held accountable to act within the organization's code of conduct.

ACTIONS CONSTITUTING FRAUD: 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. Examples of fraud refer to, but are not limited to:

- Any dishonest or fraudulent act
- Impropriety in the handling or reporting of money or financial transactions
- Forgery or alteration of any document or account belonging to the County (checks, timesheets, invoices, contractor agreements, bid documents, purchase orders, electronic files, and other financial documents)
- Financial report misrepresentations
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, inventory, or any other asset including furniture, computers, fixtures or equipment)
- Authorizing or receiving payments for hours not worked
- Disclosing confidential and proprietary information to outside parties
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the County that may be construed to be an attempt to influence the performance of an employee's official duty in the scope of employment for the County
- Destruction, removal, or inappropriate use of records, furniture, fixtures and equipment
- Any similar or related irregularity

Questions as to whether an action constitutes fraud should be referred to the County Auditor for clarification.

REPORTING: Hays County expects employees and others with serious concerns about any aspect of Hays County's ongoing operations to come forward and voice those concerns. Concerns should be reported in writing using the fraud disclosure form that is available to all employees. This form encourages individuals to put their names to allegations, but is not a requirement. If an allegation is made in good faith, but is not corroborated by the investigation, no action will be taken against the originator of the allegation. If individuals make malicious allegations, disciplinary action may be considered against that individual.

Individuals can also call the County Auditor directly.

Hays County realizes that the originator of the complaint needs to be assured that the matter has been properly addressed. To help with this, whenever appropriate, and subject to legal constraints, the originator of the complaint will receive information about the outcome of the investigation.

INVESTIGATION RESPONSIBILITIES: The County Auditor shall have the primary responsibility for the investigation of all suspected fraudulent acts as defined in this policy. Any employee who suspects dishonest or fraudulent activity must notify the County Auditor immediately. An employee shall not attempt to personally conduct investigations and shall not contact the suspected individual in an effort to determine facts or demand restitution.

Upon completion of its investigation, the County Auditor shall submit a report detailing its findings to the County Judge & Commissioners and other department heads, as appropriate. The County Auditor's report may contain a recommendation to refer the matter to the appropriate law enforcement and/or regulatory agencies for independent investigation. The decision to make any such referral shall be made by the County Judge & Commissioners in conjunction with legal counsel.

CONFIDENTIALITY: The County Auditor shall treat as confidential, all reports of suspected fraud or irregularities and all information obtained through an investigation. Hays County will attempt to protect an individual's identity if they report a concern and do not want their name disclosed. The investigation process, however, may reveal the source of the information, and/or a statement by the individual may be required as part of the evidence. Hays County will not tolerate any form of retaliation, and will take action to protect those who raise a concern in good faith.

Investigation results shall not be disclosed or discussed with anyone other than those who have a legitimate need to know. All inquiries concerning the activity under investigation from the suspected individual, his attorney or representative, or any other inquirer should be directed to the County Auditor.

AUTHORIZATION: In the course of an investigation of suspected fraud, with proper notification of the appropriate level of management and in the presence of the appropriate administrator, the County Auditor shall have:

- Free and unrestricted access to all County records, premises, and facilities, whether owned or rented by the County
- The authority to interview employees
- The authority to examine, copy, and/or remove all documents, electronic data, files, tapes, disks, computers, and other equipment and storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is the scope of the investigation

CONSEQUENCES: In the event an employee is found to be engaging in or to have been engaged in fraudulent acts, or purposefully failed to report fraudulent acts, he/she will be subject to disciplinary action, which could include termination. Based on the seriousness of the offense, the results may be referred to the appropriate law enforcement and/or regulatory agencies.