

Navarro County, TX  
Personnel Policies Manual

## **NAVARRO COUNTY FRAUD POLICY**

### **Purpose**

The Navarro County Fraud Policy and Response Program ("Policy") has been created to support Navarro County's commitment to protecting county revenue, property, reputation and other assets; to emphasize clearly the need for accurate financial reporting; and to define guidelines for the investigation and handling of fraud, should it occur.

### **Applicability**

The Navarro County Fraud Policy applies to all elected officials, appointed officials and employees of Navarro County and includes all full-time, part-time, seasonal, volunteer, and other temporary employees.

### **Definition of Fraud**

In law, "fraud" generally involves an act of deception, bribery, forgery, extortion, theft, misappropriation, false representation, conspiracy, corruption, collusion, embezzlement, or concealment of material facts. Fraud may be committed by an individual, a group of individuals, or by one or more organizations. Fraud is a violation of trust that, in general, refers to an intentional act committed to secure personal or business advantage. While fraud can cover many activities, this Policy is directed primarily at financial matters that could be legally defined as fraud. Examples of "financial fraud" generally fall into two broad categories and may include, but are not limited to:

### **Misappropriation of Assets**

- Forgery, alteration or misappropriation of checks, drafts, or securities
- Unauthorized, non-business acquisition, use, or disposition of funds
- Inventory, furniture, fixtures, equipment, records, or other assets
- Prohibited to cash personal checks or receive cash advances from available cash drawer in county offices (Section 130.902 (c) of the Texas Local Government Code)
- Embezzlement
- Theft
- Falsifying time sheets or payroll records, including but not limited to
- Reporting hours not worked or a supervisor not allowing the reporting of all hours worked by hourly employees.
- Falsifying travel and expenses and/or utilizing company funds to pay for personal expenses.
- Misappropriation of County-owned computer hardware, software, data, or other records including county intangibles (e.g. proprietary information, trade secrets, patents, etc.)

### **Expenditures and Liabilities for Improper Purposes**

- Bribery
- Kickbacks

### **General Policy and Responsibilities**

- It is the County's intent to investigate any suspected acts of fraud, misappropriation or other similar irregularity. An objective and impartial investigation, as deemed necessary will be conducted regardless of the position, title, office, and length of service or relationship with the County of any party who might be or becomes involved in or becomes/is the subject of such investigation.

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General Policy and Responsibilities (cont'd)**

- Each Elected Official/Department Head/Supervisor is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.
- The County Auditor, with consultation and support from the appropriate supervisor, has the primary responsibility for overseeing the investigation of all activity as defined in this policy. The Auditor will immediately notify the Commissioners Court of any significant fraud investigation. Also, the Auditor, will involve Legal Counsel and/or management, as deemed appropriate. Upon conclusion of the investigation, the results will be reported to the appropriate management representatives.

***Where there are reasonable grounds to indicate that a fraud may have occurred, the County may report the incident to the appropriate authorities in order to pursue all legal remedies.*** Also, the County will pursue every reasonable effort, including court ordered restitution, to obtain recovery of the losses from the offender.

**Procedures for Reporting**

**All Employees** - Any employee who has knowledge of an occurrence of fraudulent conduct, or has reason to suspect that a fraud has occurred, shall immediately notify their supervisor. If the employee has reason to believe that the employee's supervisor may be involved, the employee shall immediately notify the County Auditor or an appropriate Elected Official.

**Elected or Appointed Officials & Department Heads - Upon notification from an employee of suspected fraud, or if the Department Head has reason to suspect that a fraud has occurred, the Department Head shall immediately notify the County Auditor or an appropriate Elected Official**

**Investigation**

Upon notification or discovery of a suspected fraud, the Auditor will promptly investigate the fraud. The Auditor will make every effort to keep the investigation confidential; however, from time to time other members of the management team will need to be consulted in conjunction with the investigation. After an initial review and a determination that the suspected fraud warrants additional investigation, the Auditor will notify the Commissioners Court and the appropriate Elected Official, Department Head or management as required to deal with the findings. ***When deemed necessary, the Auditor shall coordinate the investigation with the appropriate law enforcement officials. Internal or external counsel will be involved in the process, as deemed appropriate.***

It should be noted that there may be certain instances of fraud that will be handled in the normal course of business that will not result in a separate "investigation" by the Auditor's Office. An example of this would be an employee taking home office supplies or other minor items purchased with county funds. The County Auditor's Office already has clear procedures for how this would be handled and these procedures would be followed, as appropriate.

**Security of Evidence**

Once a suspected fraud is reported, immediate action to prevent the theft, alteration, or destruction of relevant records needs to occur. Such actions include, but are not necessarily limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and preventing the individual suspected of committing the fraud from having access to the records. The records must be adequately secured until the Auditor obtains the records to begin the audit investigation.

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**Navarro County Fraud Policy (cont'd)**

**Confidentiality**

All participants in a fraud investigation shall keep the details and results of the investigation confidential. However, as noted above, from time to time other members of the department will need to be consulted in conjunction with the investigation.

**Personnel Actions**

If a suspicion of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal, shall be taken by the appropriate level of management, in consultation with the Commissioners' Court and legal counsel.

**Whistle-Blower Protection**

No employee of the Navarro County or person acting on behalf of the County in attempting to comply with this policy shall:

- Be dismissed or threatened to be dismissed;
- Be disciplined or suspended or threatened to be disciplined or suspended;
- Be penalized or any other retribution imposed, or
- Be intimidated or coerced, based to any extent upon the fact that the employee has reported an incident or participated in an investigation in accordance with the requirements of this Policy. Violation of this section of the Policy will result in disciplinary action, up to and including dismissal. If an allegation is made in good faith, but it is not confirmed by the investigation no action will be taken against the originator. If, however, individuals make malicious allegations, action may be considered against the individual making the allegation.

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**ANTI-HARASSMENT**

**Policy** – It shall be the policy of Navarro County to provide a work place free from sexual harassment or other types of harassment for all employees and to take active steps to eliminate any form harassment of which the County becomes aware. Harassment on the basis of race, color, religion, sex, national origin, age or disability is discrimination and, as such, is a violation of federal law. Harassment of any individual in the workplace is a violation of Navarro County Policy, which will not be tolerated. Violations of this policy shall result in disciplinary action including, where appropriate, termination of employment.

Employees engaging in sexual harassment or harassment shall be subject to discipline, up to and including termination of employment.

**Definition** – Sexual harassment shall include, but not be limited to, sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature where:

- Submission to such conduct is either an expressed or implied condition of employment;
- Submission to or rejection of such conduct is used as a basis for an employment decision affecting the harassed person; or
- The conduct has the purpose or effect of substantially interfering with an affected person's work performance or creating an intimidating, hostile, or offensive work environment.

**Claims** – All claims of sexual harassment or harassment shall be taken seriously and investigated. While all claims of sexual harassment or harassment shall be handled with discretion, there can be no complete assurance of full confidentiality.

No retaliation or other adverse action shall be taken against an employee who, in good faith, files a claim of sexual harassment or harassment.

**Reporting** – Employees who feel they have been sexually harassed or harassed should immediately report the situation to the immediate supervisor or the elected or appointed official who is responsible for the department in which they work. Sheriff's department employees may also choose to report their complaint with the Internal Affairs Division of the Sheriff's Department. All employees should report such complaints as soon as possible after the incident precipitating the complaint.

If, for any reason, the employee feels that reporting the harassment to their immediate supervisor or their department head or official may not be the best course of action, the report should be made to the County Judge, another member of the Commissioners' Court, the District Attorney or to the Sheriff's Office.

The official or department head to which a claim has been reported shall be responsible for seeing that prompt action is taken to investigate the claim.

Once the investigation is complete, the employee making the claim shall be notified of the result of the investigation and any actions which are to be taken.

**Other Rights** – Reporting or failing to report claims in accordance with the procedure given in this policy shall not limit other legal recourse an employee may have in regard to sexual harassment charges.