

GRAND FORKS COUNTY POLICY MANUAL

POLICY NO. 105-22

**Eff. 4/20/10
Rev. 4/16/19**

FRAUD PREVENTION AND INVESTIGATION POLICY

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This Grand Forks County fraud policy is established to facilitate the development of controls which will aid in the detection and prevention of fraud against Grand Forks County.

This policy applies to any fraud, or suspected fraud, involving employees, elected and appointed officials, as well as consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Grand Forks County. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to Grand Forks County. All employees and elected officials of Grand Forks County are responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. 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 fraud that is detected or suspected must be reported immediately to the Fraud Risk Assessment Team, who coordinates all investigations with the legal counsel and other affected areas, both internal and external.

FRAUD RISK ASSESSMENT

The Fraud Risk Assessment Team members will be the Finance and Tax Director, the Human Resource Director, the Director of Administration, the Information Systems Director and a County Commissioner. A fraud risk assessment will be done each year by each department. The assessment form will be returned to the Fraud Risk Assessment Team.

The Fraud Risk Assessment Team will meet annually to review the submitted department fraud risk assessments, brainstorm to identify potential fraud risk and will meet as necessary to respond to potential fraud risks reported to Grand Forks County.

Grand Forks County will use the AICPA's "Managing the Business Risk of Fraud: A Practical Guide", as a reference. This guide can be found at:

http://www.aicpa.org/forthepublic/auditcommitteeeffectiveness/auditcommitteebrief/downloadabledocuments/managing_the_business_risk_of_fraud.pdf

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ACTIONS CONSTITUTING FRAUD

The terms “defalcation”, “misappropriation”, and “other fiscal wrongdoings” refer to, but are not limited to:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to Grand Forks County
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Disclosing confidential and proprietary information to outside parties
- Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to Grand Forks County
 - Exception: Gifts less than \$50 in value.
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment
- Any similar or related inappropriate conduct

OTHER INAPPROPRIATE CONDUCT

Any other suspected improprieties concerning an employee’s or official’s moral, ethical, or behavioral conduct, should be brought to the attention of the Human Resource Director. If there is any question as to whether an action constitutes fraud, contact Human Resource Director for guidance.

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REPORTING PROCEDURES

Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. An employee who discovers or suspects fraudulent activity will contact the Fraud Risk Assessment Team, using one of the following avenues listed below. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Fraud Risk Assessment Team or State's Attorney. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

Grand Forks County provides avenues for employees and the general public to report suspicion of fraud, waste or misuse of public funds, property or manpower, violations of a law, rule or regulation applicable to the government or abuse of authority. Complaints can be submitted to:

Email:
reportfraud@gfcounty.org

OR

Phone:
(701)780-8293

OR

Fax:
(701)335-7458

WHISTLEBLOWER PROTECTION

North Dakota Century Code Section 34-01-20 provides protection to any employee who in good faith reports a violation or suspected violation of a federal, state, or local law,

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ordinance, regulation, or rule to an employer, a governmental body, or a law enforcement official.

CONFIDENTIALITY

The Fraud Risk Assessment Team treats all information received *confidentially* to the extent possible within the constraints of the law. Any employee who suspects dishonest or fraudulent activity will notify the Fraud Risk Assessment Team immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see **REPORTING PROCEDURE** section above). Investigation results *will not be disclosed or discussed* with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect Grand Forks County from potential civil liability.

INVESTIGATION RESPONSIBILITIES

The Fraud Risk Assessment Team, with the assistance of the State's Attorney as appropriate, 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 Fraud Risk Assessment Team will issue reports to appropriate designated personnel and, if appropriate, to the County Commission. 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 disposition of the case.