



Agenda Item 3
July 6, 2016

DATE: June 23, 2016
TO: Children and Families Commission of Orange County

FROM: Kimberly Goll, Executive Director *Kimberly Goll*

ACTION: Approve annual review and updates to Administrative Policies and Procedures

SUMMARY:

The annual review of the Children and Families Commission of Orange County’s Administrative Policies and Procedures is complete. This item requests approval for recommended updates to selected Policies and Procedures based on prior Commission actions or operational changes.

DISCUSSION:

The Commission’s Administrative Policies and Procedures were originally adopted in November 2001. The Policies and Procedures are reviewed annually to ensure they remain current, and are updated as needed. The annual review of the Administrative Policies and Procedures for 2016 is complete. A summary of changes are included as Attachment 1.

A new Fraud Prevention policy (Attachment 2) has been added to the Personnel Management Policies, Section 7. Although much of the new policy language is included in several of the existing policies, a separate policy addressing specific responsive actions when fraudulent or dishonest activities are suspected is recommended.

The complete Administrative Policies and Procedures manual is on file with the Clerk of the Commission and available for review upon request.

STRATEGIC PLAN & FISCAL SUMMARY:

There are no funding actions proposed for this item.

PRIOR COMMISSION ACTIONS

- July 2015 - Approve updated Administrative Policies and Procedures
- July 2014 - Approved updated Administrative Policies and Procedures
- March 2014 - Approved updated Administrative Policies and Procedures Section 7.0
- September 2013 - Approved updated Administrative Policies Section 6.0
- July 2013 – Approved updated Administrative Policies Section 3.0
- May 2013 - Approved updated Administrative Policies Sections 1.0, 2.0, 4.0, 5.0, 8.0

RECOMMENDED ACTION:

Approve the updated Administrative Policies and Procedures.

ATTACHMENTS:

1. Administrative Policies and Procedures Summary of Changes
2. Fraud Prevention Policy No. 7.9

Contact: Kelly Pijl

Updating Process 2016 for July 6th Meeting

1.0 Background and Rosters		Summary of Updates
1.1	Introduction and Purpose	No Changes
1.2	Administrative Policy Guidelines Maintenance and Revision Policy	No Changes
1.3	Commission Overview	No Changes
1.4	Commission / Roster	Updated Roster
1.5	Pediatric Health Services / Roster	Updated Roster
2.0 Governing Structure		
2.1	State Authorization Policy	No Changes
2.2	County Authorization Policy	No Changes
2.3	County Support Services Agreement Policy	No Changes
2.4	Commission By-Laws	Removed outdated and repetitive bylaws
2.5	Advisory Committee Establishment Policy	No Changes
2.6	Public Records Request	No Changes
3.0 General Operations		
3.1	Risk Management Insurance Coverage Policy	No Changes
3.2	Authorized Signature Policy	Updating Signature Certification Letter
3.3	Emergency Evacuation Policy	No Changes
3.4	Disaster Response	No Changes
4.0 Financial Management		
4.1	Revenue and Expenditure Policy	No Changes
4.2	Fund Balance Policy	No Changes
4.3	Operating Budget Development and Amendment Policy	No Changes
4.5	Fixed Asset Policy	No Changes
4.6	Financial Audit and Reporting Policy	No Changes
4.7	Multi-Year Financial Plan Policy	No Changes
4.8	Administrative Costs Policy	Updated "Matrix of Costs" Table
4.9	AB109 Policy	No Changes
4.10	Check Deposit Policy	No Changes
4.11	Claims Against the Commission Policy	No Changes
4.12	Financial Record Retention Policy	No Changes
4.13	Speaker Expenses Reimbursement Policy	No Changes
4.14	Membership	No Changes
5.0 Program Management		
5.1	Program Funding Policy	Updated number of school districts
5.2	Annual Strategic Plan Policy	No Changes

Updating Process 2016 for July 6th Meeting

5.3	Annual Report Policy	No Changes
5.4	Outcome Collection, Evaluation and Reporting System Policy	No Changes
5.5	Performance Outcome Measurement System Data Reporting and Evaluation Policy Guidelines	Updated Title
5.6	Confidentiality & Data Sharing	Corrected organization name
6.0 Purchasing and Contract Management		
6.1	Goods and Services Purchasing Policy	Removed outdated process language
6.2	Office Supplies Purchasing Policy	Updated supply order and payment process
6.3	Petty Cash Policy	No Changes
6.4	CAL Card Purchasing Policy	No Changes
6.5	Travel Request and Approval Policy	No Changes
6.6	Stipend and Expense Reimbursement Policy	Grammatic edits and language clarification
6.7	Document Retention Policy	No Changes
6.8	Contract Management	Added compliance monitoring process
6.9	Release of Funds owed to Commission Contractors	Removed outdated process language
6.10	Federal Purchasing Policy	No Changes
7.0 Personnel Management Policies		
7.1	Personnel and Salary Policy	No Changes
7.2	Discrimination, Harassment and Violence Prohibition Policy	No Changes
7.3	Electronic System	No Changes
7.4	Payroll and Timekeeping Policy	Clarified Reference to Exhibit
7.5	Conflict of Interest Policy	Updated Clerk of the Board notification process
7.6	Gift Ban Policy	No Changes
7.7	Controlled Substance Policy	No Changes
7.8	Dress Code	No Changes
7.9	Fraud Prevention Policy	New Policy
8.0 Strategic Communications		
8.1	Media Interaction Policy	No Changes
8.2	Use of Commission Name and Logo Policy	No Changes
8.3	Mass Mailing Policy	No Changes
8.4	Photograph Release Policy	No Changes

**POLICIES AND PROCEDURES****No: 7.9****FRAUD PREVENTION**

PURPOSE

The purpose of this policy is to establish guidelines for clarifying acts that are considered to be fraudulent or dishonest activity, describe the steps to be taken when fraud or other related dishonest activities are suspected, and provide procedures to follow in accounting for missing funds, restitution and recoveries.

POLICY STATEMENT

The Children and Families Commission is committed to protecting its funds, property, information, and other assets against the risk of loss or misuse. Accordingly, it is the policy of the Commission to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the Commission and, when appropriate, to pursue legal remedies available under the law.

GENERAL

This policy applies to any irregularity, or suspected irregularity, involving employees, consultants, vendors, contractors, outside agencies, and any other parties with a business relationship with the Commission.

Definitions. The following definitions are used herein:

1. Fraud – the intentional false representation or concealment of facts for the purpose of personal gain for oneself or others; or inducing another to act similarly. Fraud and other similar irregularities include, but are not limited to:
 - a. Claim for reimbursement of expenses that are not job-related or otherwise authorized by the Commission and/or Executive Director.
 - b. Forgery or unauthorized alteration of documents (checks, promissory notes, time sheets, independent contractor agreements, purchase orders, budgets, etc.).
 - c. Misappropriation, misapplication, destruction, removal or concealment of Commission assets (funds, securities, supplies, furniture, equipment, etc.).
 - d. Theft of any asset (money, tangible property, etc.).

Effective: July 6, 2016

- e. Improprieties in handling or reporting of monetary transactions.
 - f. Authorizing or receiving payment or compensation for goods not received or services not performed, excluding prepayments that were preapproved by the Executive Director.
 - g. Computer-related activity involving unauthorized alteration, destruction, forgery or manipulation of data or misappropriation of Commission software.
 - h. Knowing misrepresentation of information on documents.
 - i. Any apparent violation of Federal, State, or Local laws related to dishonest activities or fraud.
 - j. Seeking or accepting anything of material value for personal gain from those doing business with the Commission including vendors, consultants, contractors, lessees, applicants and grantees; provided, however, that this shall not be deemed to apply to campaign contributions otherwise permitted by law.
2. Employee – any individual or group of individuals who receive compensation from the Commission for work performed on either a full or part-time basis. The term also includes any volunteer who provides services to the Commission through an official arrangement with the Commission.
 3. Management – any manager, director, supervisor, or other individual who manages or supervises employees of the Commission.
 4. Investigator – any person or persons assigned by the Commission to investigate any fraud or similar activity.
 5. External Auditor – independent audit professionals who perform annual audits of the Commission’s financial statements.

It is the Commission’s intent to fully investigate any suspected acts of fraud, misappropriation or other similar irregularity. Any investigative activity required will be conducted in an objective manner, and an impartial investigation will be conducted regardless of the position, title, or length of service or relationship with the Commission.

Commission management and staff are responsible for instituting and maintaining a system of internal controls 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 Investigator and/or Commission Legal Counsel, has the primary responsibility for the investigation of all activity as defined in this policy. Throughout the investigation, the Investigator will inform Commission management and Commission Legal Counsel of pertinent investigative findings.

Employees will be granted whistle-blower protection when acting in accordance with this policy. When an employee provides information about a suspected impropriety committed by another employee, neither the Commission nor any person acting on behalf of the Commission shall, for retaliatory reasons, do any of the following:

1. Dismiss or threaten to dismiss the reporting employee,
2. Discipline, suspend or threaten to discipline or suspend the reporting employee,
3. Impose any penalty upon the reporting employee, or
4. Intimidate or coerce the reporting employee.

Violations of the whistle-blower protection will result in discipline up to and including dismissal. Whistle-blower protections shall not, however, be deemed to prevent the Commission from taking non-retaliatory disciplinary action in accordance with the Administrative Policies and Procedures.

The Executive Director, following review of investigation results, will take appropriate action regarding employee misconduct. Disciplinary actions can include termination and referral of the case to an appropriate Law Enforcement Agency and District Attorney's Office for possible arrest and prosecution.

PROCEDURES

Management Responsibilities:

Management is responsible for being alert to and reporting fraudulent or related dishonest activities in their areas of responsibility.

Each manager should be familiar with the types of improprieties that might occur in his or her area and be alert for any indication that improper activity, misappropriation, or dishonest activity is or was in existence in his or her area.

When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.

If subordinate management or any employee determines a suspected activity may involve fraud or related dishonest activity, then the Executive Director shall be contacted. If the Executive Director is alleged to have involvement in the alleged misconduct, then Commission Legal Counsel shall be contacted directly.

Management should contact Commission Legal Counsel or the Investigator before attempting to conduct individual investigations, interviews, or interrogations. However, management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.

Management should support the Commission's responsibilities and cooperate fully with the Investigator, other involved agencies, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.

In dealing with suspected dishonest or fraudulent activities, great care must be taken and confidentiality must be maintained at all times. Therefore, management should avoid the following:

- a. Incorrect accusations.
- b. Alerting suspected individuals that an investigation is underway.
- c. Treating employees unfairly.
- d. Making statements that could lead to claims of false accusations or other offenses.
- e. Discussing the matter with unauthorized personnel.

Employee Responsibilities:

A suspected fraudulent incident or practice observed, or made known to, an employee must be reported to the employee's supervisor for reporting to the proper management official.

When the employee believes the supervisor may be involved in the inappropriate activity, the employee shall report directly to the next higher level of management and/or the Executive Director. If the employee believes the Executive Director is involved in the inappropriate activity, then the employee shall report directly to Commission Legal Counsel.

Employees must cooperate with the Investigator. Refusal or intentional misrepresentations may subject an employee to disciplinary action up to and including dismissal.

In handling dishonest or fraudulent activities, all employees, including management, have the responsibility to:

- a. Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be a reference to "what you did," "the crime," "the fraud," "the misappropriation," etc.
- b. Avoid discussing the case, facts, suspicions, or allegations with anyone outside the Commission, unless specifically directed to do so by the Executive Director or Commission Legal Counsel. (Employees do have the right to consult with an attorney).
- c. Avoid discussing the case, facts, suspicions, or allegations with anyone other than employees who have a need to know.
- d. Direct all inquiries from the suspected individual, or his or her representative, to the Investigator. All inquiries from the media should also be directed to Commission Legal Counsel.

Investigator's Responsibilities:

Upon assignment, the Investigator will conduct a prompt and thorough investigation. The Commission, through Commission Legal Counsel or the Executive Director, shall be responsible for determining the appropriate scope of the investigation and for monitoring the Investigator's progress.

If evidence is uncovered showing possible dishonest or fraudulent activities, then the Investigator Executive Director will proceed as follows:

1. Discuss the findings with Commission Legal Counsel (unless any such individual is the subject of the investigation).

2. Meet with Commission Legal Counsel to:
 - a. Determine if disciplinary actions should be taken.
 - b. Report to the External Auditor such activities in order to assess the effect of the illegal activity on the Commission's financial statements.
 - c. Coordinate the notification to insurers and the filing of insurance claims.
3. Take immediate action, in consultation with Commission Legal Counsel, to prevent the theft, alteration, or destruction of evidentiary records. Such action shall include, but is not limited to:
 - a. Removing the record or other evidence and placing them in a secure location, or limiting access to the records or other evidence.
 - b. Preventing the individual suspected of committing the fraud from having access to the records.
4. At the conclusion of the investigation, the Investigator will document the results in a confidential memorandum report to the Executive Director and/or Commission Legal Counsel.

Corrective Actions and Discipline:

Appropriate and timely action will be taken against those proven to have committed a fraudulent or dishonest act. The remedial actions may include, but are not limited to:

1. Disciplinary action (up to and including immediate termination of employment).
2. Restitution for all losses, including investigation and legal expenses, to the fullest extent of the law.
3. Forwarding information to the appropriate authorities for criminal prosecution.
4. Institution of civil action to recover losses.

The Commission may take corrective or disciplinary action without awaiting the resolution of criminal or civil proceedings arising from the fraudulent or dishonest conduct.

EXCEPTIONS

There will be no exceptions to this policy, unless approved in writing by the Executive Director and Commission Legal Counsel. No exception will be valid if the person authorizing the exception is himself/herself the subject of the related allegation.