

AGENDA
CITY OF VALPARAISO & VALPARAISO CABLE AUTHORITY JOINT MEETING
465 Valparaiso Parkway
Valparaiso, Florida
850-729-5402
July 14, 2014
6:00 pm

Invocation (Commissioner Hamilton)
Pledge of Allegiance (Mayor Arnold)

CITIZENS' CONCERNS (non-agenda items)

1. Resident
2. Non-resident

NEW ACTION ITEMS

1. Added Agenda Items
2. Florida League of Cities Presentation Home Rule Hero
3. Fraud Prevention and Detection Policy-----Attach 1
4. Resident Speaker's Form -----Attach 2
5. Etc.

OLD BUSINESS

1. City Hall Roof Update
2. Removal of City Assets from Inventory
3. Plat 1 Docks
4. Fleet Maintenance Program
5. Etc.

REPORTS / CORRESPONDENCE / ANNOUNCEMENTS

1. TPO/DOT
2. Stormwater
3. Legal Activities
4. Median Beautification Update
5. Planning Commission Report
6. Visioning Committee Update
7. CDBG Update
8. Budget Workshop July 21, 2014 6pm
9. Okaloosa County League of Cities Meeting July 24, 6PM
10. Etc.

ADMINISTRATIVE ITEMS

1. Minutes
2. Disbursements Made
3. Etc.

City of Valparaiso

Fraud Prevention and Detection Policy

INTRODUCTION:

The City of Valparaiso recognizes the importance of protecting the organization, its operations, its employees, and its assets against financial risks, operational breaches and unethical activities. It is the intent of the City to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

It is incumbent upon the City of Valparaiso's Mayor, Commissioners, City Administrator, City Clerk and Department Heads to institute and clearly communicate the fraud prevention policy to both internal and external customers, contractors, agencies, consultants, vendors and/or any other parties with a business relationship with the City.

The City recognizes a zero tolerance policy regarding fraud and corruption. All matters raised by any source will be taken seriously and properly investigated.

This policy covers all of the City's employees and officers. Additionally, this policy covers all of the City's vendors, customers, and partners to the extent that any of the City's resources are involved or impacted.

Fraud is defined as an intentional deception, misappropriation of resources, or the manipulation of data to the advantage or disadvantage of a person or entity. Some examples of fraud include, but are not limited to:

- ❖ Falsification of expenses and invoices
- ❖ Theft of cash or fixed assets
- ❖ Alteration or falsification of records
- ❖ Failure to account for monies collected
- ❖ Knowingly providing false information on job applications and requests for payment and/or funding.

Corruption is defined as the offering, giving, soliciting, or accepting of an inducement or reward that may improperly influence the action of a person or entity. Some examples of corruption include, but are not limited to:

- ❖ Bribery
- ❖ Conspiracy
- ❖ Extortion

Each Department Supervisor will be familiar with the types of improprieties that might occur within his or her area of responsibility and be alerted for any indication of irregularities.

REPORTING OF FRAUD OR CORRUPTION

Allegations and concerns about fraudulent or corrupt activity may come from various sources including, but not limited to:

- ❖ Employees
- ❖ Vendors
- ❖ Members of the public
- ❖ Results of internal or external audit reviews
- ❖ Any other interested party

The public, employees and officers have a duty to report concerns they may have or any information provided to them about possible fraudulent or corrupt activity of any officer, employee, vendor or any other party with any association with the City. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately. This information may be reported anonymously and all messages will be forwarded to the Chief of Police.

Concerns should be reported to any of the following:

- ❖ City Clerk
- ❖ City Administrator
- ❖ Department Head
- ❖ Chief of Police
- ❖ Employee's immediate supervisor
- ❖ Mayor

All reported concerns of possible fraudulent or corrupt actions will be forwarded to any of the above officers. These reports will be taken seriously and the Chief of Police will designate appropriate personnel to do the investigation. If deemed necessary, the Police chief will notify and fully cooperate with the appropriate law enforcement agency. All finds of fraudulent or corrupt activities that result in disciplinary action will be made part of the offending employee's personnel folder.

Retaliation and retribution will not be tolerated against any employee or officer who reports suspected fraudulent or corrupt activities. However, if an employee is determined to have acted maliciously or with deceit, the employee will be subject to disciplinary action and possible future legal action.

No attempt should be made by anyone other than those authorized to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act.

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 person suspected but subsequently found innocent of wrongful conduct and to protect the City from potential civil liability.

DETECTING FRAUD AND CORRUPTION:

The City of Valparaiso has established internal controls, policies and procedures in an effort to deter, prevent and detect fraud and corruption.

All new employees, plus temporary and contract employees, are subject to background investigations including a criminal background check. The City, or its designee, will also verify all applicants' employment history, education and personal references prior to making an offer of employment.

All contractual agreements with the City will contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption. Bid packages will put possible vendors on notice of the required non-collusion form requirement.

New employees will receive a copy of the fraud policy as part of the orientation package.

CORRECTIVE ACTION:

Offenders at all levels of the Organization will be treated equally regardless of their position, years of service or relationship with the City. Determinations will be made based on a finding of fact in each case, actual or potential damage to the City, cooperation by the offender and legal requirements.

Depending upon the seriousness of the offense and the facts of each individual case, action against an employee can range from a written reprimand, up to and including termination, and/or legal action – either civil or criminal. In all case involving monetary loss to the City, the City will pursue recover of losses.

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the employee's department supervisor, the city attorney and by outside legal counsel, if necessary, before any such action is taken. Final determination regarding action against an employee, vendor, recipient or other person found to have committed fraud or corruption will be reviewed by the City Commission/Mayor.

The City Commission is responsible for the administration, revision, interpretation, and application of this policy.

INTERNAL CONTROL POLICY AND PROCEDURE OUTLINE

❖ Accounts Payable/Purchasing Processes:

- a) The city has a policy that requires the signature of both the City Clerk and a member of the City Commission on all checks issued, excluding payroll checks.
- b) Monthly statements have to be reconciled to canceled checks.
- c) Finance payment receipt and check processing must go through two or more employees ensure proper posting and prevent fraudulent activities.
- d) Purchase orders must have supporting data attached to them prior to processing for payment of verify that order quantities and costs match the received goods and invoices.
- e) No one person is able to complete a requisition/payment transaction or personnel/payroll transaction from beginning to end without appropriate monitoring or oversight.

❖ Payroll Processing/Human Resource Processes:

- a) Payroll submission and preparation activities are conducted by the Administrative department and then disbursements are processed by the City or Deputy Clerk to ensure accuracy.

❖ Accounts Receivable, Collections & Cash Management Processes:

- a) The City has separated responsibilities so that any person having custody of the asset, such as cash, is not solely responsible for accounting for it.

❖ General Processes:

- a) The City Commission has adopted a policy to have 3 months worth of operating reserves to cover the operation of the General Fund activities. A review of reserve balances is performed on an annual basis.
- b) The City will strive to identify and segregate functional responsibilities to create a system of checks and balances
- c) Incompatible duties will be segregated for a check and balance.
- d) Management continually and routinely monitors controls in the process of running the organizational operations.
- e) Work closely with auditors to identify and correct procedures to remove the change of fraudulent activities.

**SPEAKER'S FORM
CITY OF VALPARAISO COMMISSION**

In an effort to better serve the community, the City Commission requests that items or requests to be presented before Commission be provided to the City Clerk by 9:00am on Wednesday of the week prior to the meeting. Any related materials that you wish to distribute to Commission in support of your item must be submitted at that time as well (see note at bottom). This will give Commission time to review your request and make any necessary inquiries. In addition, staff may need to contact you in response to your topic of concern or in response to action directed by the Commission.

As you complete the form below, please note that certain fields, marked by *, are required. Late or incomplete forms, particularly where required information is omitted, will be deferred by Commission to a future meeting pending receipt of all information.

The City appreciates your cooperation and adherence to these guidelines.

*******Please Print*******

DATE OF REQUEST July 14 *COMMISSION MEETING DATE: _____

* NAME GENE DYLBOWSKI *PHONE #: _____

* ADDRESS: 198 HIGHLAND EMAIL: _____

* TOPIC/ISSUE ① STATUS OF EFFORT TO RECOGNIZE PARK @
CORNER OF BAY SHORE & JOHN SIMS ② REQUEST FOR
ROAD IMPROVEMENT @ END OF HIGHLAND (199 HIGHLAND)

*HAVE YOU SPOKEN WITH CITY STAFF ABOUT THIS ISSUE: If so, who and when?

*DESIRED ACTION BY COMMISSION _____

*PRESENTATION MATERIALS ARE ATTACHED: YES _____ NO X Type _____

Note: only one set of material is required for submission unless color copies are desired. The City will make and distribute the correct number of black / white copies to the Mayor, Commission and appropriate staff. However, those persons desiring color copies to be distributed must provide 10 sets at the time of submission.

③ STATUS OF REVENUE FROM DOC'S OYSTER BAR