

ANTI-FRAUD POLICY

Purpose

The purpose of this policy is to implement systems and procedures to prevent fraud and to support the Department of Health's culture of honesty and ethical behavior. This policy is consistent with R1-19-4-505 of the Arkansas Financial Management Guide.

I. Policy:

In order to promote a culture of honesty and ethical behavior within the Department of Health, the following procedures are mandated.

Code of Ethics

Managers are explicitly required to discuss the Department of Health's requirements with any employee who requires additional clarification. To verify that employees have received a copy of the Code of Ethics, employees must print, sign and date the Code of Ethics Annual Acknowledgement Statement (AS-1105). The original signed AS-1105 is maintained in the employee's personnel files in the Department of Health's Human Resources. Employees will be provided a copy for their records.

All employees attending orientation will sign and date the Code of Ethics Annual Acknowledgement Statement (AS-1105) signifying that they have been provided a copy of the Code of Ethics. If the new employee does not attend orientation offered by Department of Health's Human Resources, the employee's manager is required to provide a copy of the Code of Ethics to the employee. The employee's manager will also ensure that the original AS-1105 is sent to the Department of Health's Human Resources for inclusion in the employee's personnel file.

During the annual performance review, each employee must reaffirm that he or she has been made aware of the Code of Ethics by signing a Code of Ethics Annual Acknowledgement Statement (AS-1105). This Statement will be retained with the employee's performance evaluation in Human Resources. Any Department of Health employees who do not receive annual performance evaluations will reaffirm they have been made aware of the Code of Ethics on or about January 3rd each year by signing the Code of Ethics Annual Acknowledgement Statement and forwarding the original to Human Resources.

Background Checks

Prior to extending job offers to applicants of positions involved in direct patient care, Information technology or any that require the handling of cash or negotiable assets, a criminal history check will be required. Human Resources will submit requests to the Arkansas State Police through the Information Network of Arkansas on behalf of the Department of Health.



Investigations of Fraud

The Department of Health is committed to a thorough investigation of occurrences of alleged ethical violations, fraud, waste and abuse. In accordance with the Arkansas Financial Management Guide, the Office of Accounting's Internal Audit Section coordinates all investigations according to Governor's Executive Order 04-04. The Internal Audit Section is authorized to request assistance from Department of Health employees who have the experience required to assist in or to perform such investigations. Investigations will be conducted in a confidential manner. If investigations indicate that a loss of state or federal funds has occurred, then the amount of loss will be reported to the Division of Legislative Audit in accordance with R1-19-4-2004 of the Arkansas Financial Management Guide. In addition, any loss of state or federal funds involving criminal activity will be reported to the Arkansas State Police for a criminal investigation.

Department of Health employees are protected against any form of retaliation, including discharge, for reporting in good faith occurrences of ethical violations, fraud, waste and abuse of government resources as stated in the Arkansas Whistleblower Act (ACA 21-1-601 – 609).

Allegations of ethical violations or fraud may be reported to the Arkansas State Employees' Fraud, Waste, and Abuse Report Center (1-800-952-8248) or to the Office of Accounting, Internal Audit Section, by telephone (682-0370). An employee may also choose to report ethical violations, fraud, waste or abuse by completing a Complaint Form. Complaint Forms can be mailed directly to the Internal Audit Section. (See forms instructions in this Volume for the Complaint Form.) An Arkansas State Employees' Fraud, Waste & Abuse Report Center flyer must be posted in each Local Health Unit and all work units where employee information is posted as mandated by the Arkansas Department of Finance and Administration.

Employees may also report allegations of ethical violations or fraud to the employee's immediate supervisor, Regional Director, Center Director, Associate Director for Management and Operations, or ADH Internal Audit Section. Reports made to the ADH Internal Audit Section may be made by calling 501-280-4477.

Evaluation of Anti-Fraud Processes and Controls

In accordance with R1-19-4-505, the Department of Health will reduce fraud opportunities by (1) identifying fraud risks, (2) mitigating fraud risks, and (3) implementing preventive and detective internal controls.

The identification of fraud risks will be conducted through an Agency-wide fraud risk assessment every two years. The initial Agency-wide risk assessment was completed by March 31, 2008 and every two years thereafter. Department of Health management will implement appropriate internal controls and change business processes when feasible to reduce fraud risks.

The Office of Accounting's Internal Audit Section will review the internal controls and changes made to business processes to determine if the control activities identified in the risk assessment are properly designed to mitigate the risk of fraud, waste and abuse of resources. This will specifically include the internal control activities that are designed to prevent or detect fraud.



II. Procedures:

Responsibility

Action

Involved Employee or
Employee Observing
Occurrence

Immediately notifies immediate supervisor and completes applicable sections of the Occurrence Report (AS-8) within 24 hours of occurrence and submits original AS-8 to immediate supervisor. Note: See procedures in the Occurrence and Subsequent Loss Reporting policy in this Volume for occurrences involving WIC Food Instruments, investigation by outside entity, or occurrences involving patient care professional practice.

Employee's Supervisor

Refers AS-8 to work unit/Center management.

Center Management (Center Director or Regional Director/ Designee OR Local Health Unit Administrator/Immediate Supervisor/ Health District Manager/Work Unit Supervisor/QI Manager/ADMO

Completes or reviews AS-8. Ensures that appropriate other ADH work unit, i.e., financial loss to Internal Audit Section and OFM, robbery/vandalism in Central Office to Physical Plant, is notified.



Ensures police reports (if applicable) are attached.

Forwards electronic AS-8 to appropriate next level manager/supervisor.

Internal Audit Section/OFM
investigation.

Determines the need for an

Proceeds accordingly. Notifies
Deputy Directors of
findings/recommendations.

Deputy Directors

Recommend appropriate
actions to Agency Director.

