

ADMINISTRATIVE POLICY AND PROCEDURE

MODIFICATION SUMMARY

Subject: FRAUD POLICY

Directive Number: PY07-04 Mod 1

Modified and Reissued: March 3, 2010

Date of Issuance: June 19, 2008

Effective Date: Immediate

CHANGES:

1. To modify and record new contact information: Vice President of Finance
2. Full policy is attached.



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Directive Number: PY07-04

Date of Issuance: June 19, 2008

Effective Date: Immediate

Approved By:


President & CEO

PURPOSE: To establish standards and procedures (internal controls) to prevent and detect criminal conduct.

POLICY: Polk Works recognizes the importance of protecting the organization, its operations, its employees and its assets against financial risks, operational breaches and unethical activities. Therefore, it is incumbent upon Polk Works' Board of Directors and management to institute and clearly communicate the fraud prevention policy to both internal and external customers, vendors and partners.

Polk Works 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 Polk Works' employees and officers. Additionally, this policy covers all Polk Works vendors, customers and partners to the extent that any Polk Works 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:

- 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 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:

- Bribery
- Conspiracy
- Extortion

Reporting of Fraud or Corruption

Allegations and concerns about fraudulent or corrupt activity may come from various sources including:

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

All employees and officers have a duty to report concerns they have or information provided to them about the possible fraudulent or corrupt activity of any officer, employee, vendor or any other party with any association with Polk Works. Any person who has a reasonable basis for believing fraudulent or corrupt acts have occurred has a responsibility to report the suspected act immediately. Concerns should be reported to any of the following:

- The employee's immediate supervisor
- President & CEO
- Chairman of the Board of Directors

If either the President & CEO or Chairman of the Board of Directors or both should be involved in the illegal activity, the alleged impropriety should be reported to the County Manager or the Agency for Workforce Innovation (AWI). Retaliation and retribution will not be tolerated against any employee or officer who reports suspected fraudulent or corrupt activities (SOX, Section 1107, Section 1513 of Title 18, USC). However, if an employee is determined to have acted maliciously or with deceit, the employee will be subject to disciplinary action.

All reports will be taken seriously and will be investigated by the County and/or the Agency for Workforce Innovation (AWI). If deemed necessary, Polk Works will notify and fully cooperate with the appropriate law enforcement agency. Any investigation resulting in the finding of fraud or corruption will be referred to the Polk Works Disciplinary Committee for action. The Disciplinary Committee is composed of Polk Works' legal counsel, Vice President of Human Resources and the Chief Executive Officer. Fraudulent or corrupt activities that result in disciplinary action will be reported to the Board of Directors.

Deterring Fraud and Corruption

Polk Works 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. Polk Works will also

verify all applicants' employment history, education and personal references prior to making an offer of employment.

All vendors, contractors and suppliers must be active, in good standing and authorized to transact business in the state of Florida. Vendors, contractors and suppliers are subject to screening, including verification of the individual's or company's status as a debarred party.

All contractual agreements with Polk Works will contain a provision prohibiting fraudulent or corruptive acts and will include information about reporting fraud and corruption.

Polk Works' employees will receive fraud and corruption awareness training. New employees will receive training as part of orientation at the commencement of employment. All employees will receive fraud and corruption awareness training every two years.

Corrective Action

Final determination regarding action against an employee, vendor, recipient or other person found to have committed fraud or corruption will be made by the Disciplinary Committee.

Offenders at all levels of the Corporation will be treated equally regardless of their position or years of service with Polk Works. Determinations will be made based on a finding of facts in each case, actual or potential damage to the Corporation, 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 written reprimand and a probationary period, to suspension and/or termination, and/or legal action – either civil or criminal. In all cases involving monetary losses to Polk Works, Polk Works will pursue recovery of losses.

Retention of Records

No record (document) shall be altered, falsified, destroyed or "covered-up" if it may be relevant to an official investigation. Such acts are crimes as established by the Sarbanes-Oxley Act of 2002 (SOX, Section 1102, Section 1512 of Title 18, USC).

CONTACT:

President & CEO, Vice President of Finance

EXPIRATION

DATE:

Indefinite