



CITY OF CALLAWAY, FLORIDA
CITY HALL
6601 East Highway 22, Callaway, FL 32404
Phone 850-871-6000 • FAX 850-871-2444
www.cityofcallaway.com

Mayor
Thomas W. Abbott

Commissioners
Dennis A. DeLapp
Pamn Henderson
David Otano
Ralph L. Hollister

NOTICE OF MEETING
CALLAWAY AUDIT COMMITTEE
AUDIT COMMITTEE MEETING
Thursday, December 13, 2012 – 6:00 P.M.
CALLAWAY ARTS & CONFERENCE CENTER
500 CALLAWAY PARK WAY, CALLAWAY, FL 32404

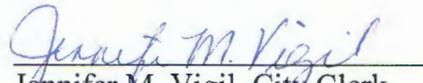
William Castor Pamn Henderson John L'Heureux Shelley McKinney Doug Smith

AGENDA

CALL TO ORDER
ROLL CALL
APPROVAL OF MINUTES – November 7, 2012

BUSINESS ITEMS:

ITEM #1 Review Fraud Reporting Policy - Chairperson McKinney


Jennifer M. Vigil, City Clerk

If a person decides to appeal any decision made by the City Commission with respect to any matter considered at the meeting, if an appeal is available, such person will need a record of the proceeding and such person may need to ensure that a verbatim record of the proceeding is made, which record includes the testimony and evidence upon which the appeal is to be based. Any person requiring a special accommodation at this meeting because of a disability or physical impairment should contact Jennifer M. Vigil, Callaway City Clerk, at 6601 E. Highway 22, Callaway, FL 32404; or by phone at (850) 871-6000 at least five calendar days prior to the meeting.

If you are hearing or speech impaired, and you possess TDD equipment, you may contact the City Clerk using the Florida Dual Party Relay System, which can be reached at 1-800-955-8770 (Voice) or 1-800-955-7661 (TDD).

Fire Department
P: 850-871-2753
F: 850-871-5564

Leisure Services
P: 850-874-0031
F: 850-874-9977

Planning / Code Enforcement
P: 850-871-4672
F: 850-871-2404

Public Works
P: 850-871-1033
F: 850-871-2416

Arts & Conference Center
P: 850-874-0035
F: 850-874-0706

**City of Callaway Audit Committee
Agenda Item Summary**

December 13, 2012

Review of Fraud Reporting Policy

1. PLACED ON AGENDA BY:

Chairperson McKinney

2. AGENDA:

PRESENTATION	<input type="checkbox"/>
PUBLIC HEARING	<input type="checkbox"/>
CONSENT	<input type="checkbox"/>
REGULAR	<input checked="" type="checkbox"/>

3. IS THIS ITEM BUDGETED (IF APPLICABLE)?: Yes No

N/A

4. BACKGROUND: (WHY, WHAT, WHO, WHERE, WHEN, HOW, & IDENTIFY ALL ATTACHMENTS)

Procedures for employees to report suspected fraud were discussed/developed at the November 7, 2012, Audit Committee meeting. After City Manager Collins and the Audit Committee developed the procedures, City Manager Collins will put the procedure into policy form. The Fraud Policy will be brought back to the Audit Committee for final review prior to submission to the City Commission.

5. REQUESTED MOTION/ACTION:

Motion to approve Fraud Policy for submission to the City Commission at the January 8, 2013 Commission meeting.



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Reporting Suspected Fraud Policy & Procedures

The City of Callaway Commission is committed to providing a workplace and citizen arena in which there is open discussion of operations and practices. Anyone who has a reason to believe fraud is being or has been committed against the City of Callaway is compelled to report the act of fraud.

Acknowledgement: In the spirit of maintaining a culture of honesty and ethical behavior, fraud is prohibited at the City of Callaway. A coordinated system of internal processes and controls is maintained at the City to reduce the potential for the occurrence of fraud and to minimize its impact in the event it occurs.

Purpose: The purpose of this policy is to formalize the procedures for reporting suspected fraud, and to provide a written policy for employees and the public regarding reporting.

Fraud Definition: Fraud is generally defined as an intentional misrepresentation of material existing fact made by one person to another with knowledge of its falsity and for the purpose of inducing the other person to act, and upon which the other person relies with resulting injury or damage. Fraud may also be made by an omission or purposeful failure to state material facts, which nondisclosure makes other statements misleading.

Nature or Information Disclosed: The information disclosed must include: Any violation or suspected violation of any federal, state, or local law, rule, or regulation committed by an employee or agent of an agency or independent contractor which creates and presents a substantial and specific danger to the public's health, safety, or welfare; or any act or suspected act of gross mismanagement, malfeasance, misfeasance, gross waste of public funds, or gross neglect of duty committed by an employee or agent of an agency or independent contractor.

Employee Responsibility: It is the responsibility of every employee to immediately report any instance of suspected fraud.

Reporting Fraud: Suspected fraud shall be reported immediately by submitting a written statement describing all known elements of fraud. The who, what, when, where and how of suspected fraud are considered essential information. The written statement shall be delivered in a Drop Box provided in an accessible location to all employees. Reports of suspected fraud can be made anonymously.

Investigation and Resolution Responsibility: The City Manager has primary responsibility within the organization for resolving incidents of fraud. Reports of fraud will be read by both the City Manager and a citizen member of the Audit Committee and in the presence of the Assistant to the City Manager. Depending on the type of allegation, the report will be investigated by the City Manager and Audit Committee member and resolved if possible or the allegation will be reported to the appropriate investigative authorities for resolution. If evidence of fraud is discovered, the City Attorney will be notified immediately.

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Arts & Conference Center
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Fraud Reporting Form

Confidentiality. Allegations of fraud will be kept confidential. Employees should not attempt to conduct investigations, interviews, or interrogations. The investigation progress or results will not be discussed with anyone other than those individuals determined to have a legitimate need to know.

Whistleblower Protection. The State of Florida has adopted Florida Statutes 112.3187 -112.31895 which are commonly referred to as the "Whistleblower's Act" and pertains specifically to public employees. Employees reporting suspected fraud are protected by this act. Information regarding the Whistleblower Act is available upon request.

Attachment – The form used to report suspected fraud is attached to this document.

Fraud Reporting Form

Do you suspect an act of fraud being committed against the Citizens and City of Callaway? As an employee of the City of Callaway you are responsible for reporting fraud and you are protected by the Whistleblower Act, F.S. 112.3187 – 112.3195.

Report your suspicions by providing the following information:

Who do you suspect of committing fraud?

What type of fraud was committed?

When did the fraud occur?

Where was the fraud committed?

How was the fraud committed?

Person Reporting Fraud

Date

CALLAWAY AUDIT COMMITTEE MEETING

November 7, 2012

TIME: 5:30 P.M.

Called to order by Chairperson McKinney at 5:30 P.M.

ROLL-CALL – PRESENT: Shelley McKinney, Bill Castor, Pamn Henderson,
John L’Heureux, Doug Smith

ALSO PRESENT: Marcus Collins, City Manager and Sandra Hirth

APPROVAL OF MINUTES:

Doug Smith moved to approve the Audit Committee meeting minutes of October 25, 2012, with corrections on page three, fourth paragraph. He stated his question was referring to Laird Point not Sandy Creek. Bill Castor seconded the motion with corrections.

All ayes

BUSINESS ITEMS:

ITEM #1 DISCUSSION/DEVELOPMENT OF FRAUD REPORTING PROCEDURE WITH CITY MANAGER

Chairperson McKinney welcomed City Manager, Marcus Collins, to the meeting. She stated the Committee would like to have his input on the procedure for employees to report fraud situations.

City Manager Collins stated we are currently developing employee training in all areas of discrimination, harassment, etc. and the reporting of fraud procedure will be included as soon as it is approved by the Commission.

A discussion ensued with regard to specifics on how an employee reports suspected fraud. The following procedure was developed:

- 1) A drop box will be placed on the wall in the City Hall break room by the doorway. This will give easy access to anyone who would like to drop off information and then immediately walk out the door.
- 2) The drop box will be checked monthly by the Assistant to the City Manager.
- 3) If there is anything in the box, a citizen member of the Audit Committee will be asked to stop by the City Manager’s office and the complaint will be opened. It was decided that only citizen members of the Audit Committee should be used due to the other two members being employed (a Commissioner and an employee) with the City.
- 4) The City Manager will investigate the allegation.
- 5) If he feels it is a legitimate complaint (cannot be explained in a logical way), the file will be locked and FDLE will be contacted as well as the Commission members.
- 6) The City Manager will keep the Audit Committee and Commission up to date on any issues that develop.

- 7) The citizen Audit Committee members will be alternated among the three members.

Chairperson McKinney stated we need this policy so that all employees will know the steps to follow and that this policy needs to be advertised in every department. She said she will be reporting on this evening's meeting at the November 13, 2012 Commission meeting. She will also do some research for current policies in other cities.

Commissioner Henderson mentioned that the Audit Committee member who is the designee for the month can report to the Audit Committee at the meeting following their month of service, in generalities only.

Bill Castor said we are definitely on the right track now and told Mr. Collins he appreciated him taking the time to meet with the Audit Committee.

Commissioner Henderson moved to go forward with the process outlined in the meeting. Motion was seconded by Bill Castor.

All ayes

There being no further business, the meeting was adjourned by Chairperson McKinney at 6:10 P.M.

Sandra B. Hirth, Assistant to the City Manager