



State of South Carolina)
County of Horry)
Town of Surfside Beach)

Resolution #16-165

To Establish an Anti-Fraud Policy

WHEREAS, this matter came before the Council of the Town of Surfside Beach at meetings held the 26th day of January 2016 and the 9th day of February 2016; and

WHEREAS, Greene, Finney and Horton, the Town's Certified Public Accountants, recommended to staff that the Town of Surfside Beach adopt an anti-fraud policy; and

WHEREAS, Town Council hereby finds that it is necessary and proper to establish an Anti-Fraud Policy; and

WHEREAS, Surfside Beach Town Council has the requisite authority to amend personnel rules and regulations, and now desires to so act with respect to the referenced matter.

NOW, THEREFORE, BE IT RESOLVED that the Town of Surfside Beach Town Council does hereby resolve that the Anti-Fraud Policy stated hereinbelow shall be effective immediately upon adoption of this resolution, and shall remain in full force and effect until repealed by the Surfside Beach Town Council:

ANTI-FRAUD POLICY

A. PURPOSE

1. This policy is intended to state the position of the Town of Surfside Beach in relation to "fraud," as defined herein. The purpose of this policy is to reinforce existing systems, policies, procedures, rules, and regulations of the Town of Surfside Beach meant to deter, prevent, detect, react to, and reduce the impact of fraud.

2. The purpose and spirit of this policy is to confirm that the Town of Surfside Beach supports and fosters a culture of Zero-Tolerance to fraud in all of its forms. The Town of Surfside Beach recognizes the fact that acts of fraud by its employees seriously deplete the scarce resources available to meet the mandates of the government's delivery systems. The Town of Surfside Beach is aware that the effects of fraud extend beyond the loss of cash and other assets, which have severe negative repercussions on the ability of the Town of Surfside Beach to achieve the objective of the provision of services to its citizens.

3. Although difficult to quantify, fraudulent activity, if left unchecked, can seriously impact the following areas of government services:

- The quality and effectiveness of service delivery to the public;
- The strength of business relationships with customers, suppliers, employees, and the citizens we serve; and
- The reputation and image of the Town of Surfside Beach.

B. SCOPE OF THE POLICY

1. This policy applies to all employees of the Town of Surfside Beach and relates to all attempts and incidents of fraud impacting or having the potential to impact the Town of Surfside Beach.

2. Actions constituting fraud refer, but are not limited, to:

- Any dishonest, or corrupt act;
- Theft or unauthorized use of funds, supplies, or other assets;
- Financial misconduct in handling or reporting of money; financial transactions, or other assets;
- Making a profit from insider knowledge;
- Disclosing confidential or proprietary information to unauthorized or outside parties for financial gain or other advantage;
- Requesting or accepting anything of financial value (free of charge) from contractors, suppliers, or other persons providing goods or services to the Town of Surfside Beach;
- Irregular or unauthorized destruction, removal, or abuse of records and/or equipment;
- Omitting or refusing to report or act upon reports of any such irregular or dishonest conduct;

- Bribery, blackmail, secret commissions, and/or extortion involving a Town of Surfside Beach employee in the performance of his or her duties;
- Abuse of Town of Surfside Beach facilities, supplies and/or equipment;
- Any similar or related irregularity.

C. REPORTING PROCEDURES AND RESOLUTION OF REPORTED INCIDENTS.

1. It is the responsibility of all employees to immediately report all allegations or incidents of fraud or appearance of fraud to their immediate superior, or, if the employee has reason to believe that his or her immediate supervisor is involved, to the next level of management or directly to the town administrator. In the event the town administrator is unavailable or is the subject of the report, the report shall be made to the mayor who shall engage the town labor attorney. All department managers must report all incidents and allegations of fraud to the town administrator. The town administrator, and/or Town Council’s designee, will initiate an investigation into the matter. Pending completion of an investigation, the subject employee shall be suspended, with or without pay in the Town’s discretion, and shall be subject to additional discipline set forth hereinbelow.

2. Any allegation of fraud committed by employees of the Town of Surfside Beach will be thoroughly investigated. In the event the Town determines this policy has been violated, it may take any or all of the following actions:

- Disciplinary action, up to and including termination;
- Instituting recovery of financial losses, including civil action;
- Instituting criminal prosecution of an employee by reporting the matter to appropriate law enforcement agency(s);
- Instituting civil and/or criminal prosecution of any volunteer acting on behalf of the Town of Surfside Beach;
- Instituting civil and/or criminal prosecution of any solicitor acting pursuant to Section 4-25 of the Town Code of Ordinances; and
- Any other appropriate and/or legal remedy available.

3. All information relating to fraud that is received and investigated will be treated confidentially, to the extent permitted by a thorough investigation. No person is authorized to supply information with regard to allegations or incidents of fraud to the media without the express permission of the Town Administrator or the Town Labor Attorney.

4. No person will suffer any penalty or retribution for reporting in good faith any suspected or actual incident of fraud.

D. PREVENTION CONTROL AND DETECTION METHODS

1. When incidents of fraud are reported, department managers are required to immediately review, and where possible, improve the effectiveness of the controls, which are have breached in order to prevent similar irregularities from taking place in the future.

2. It is the responsibility of the Town of Surfside Beach department managers to ensure that all employees are made aware of and receive appropriate training and education regarding this policy.

BE IT SO RESOLVED, this 23rd day of February 2016.

Douglas F. Samples, Mayor

David L. Pellegrino, Mayor Pro Tempore

Robert F. Childs, Town Council

Mark L. Johnson, Town Council

Mary M. Mabry, Town Council

Randle M. Stevens, Town Council

Vacant Seat

Attest:

Debra E. Herrmann, CMC, Town Clerk