Bonds and Crimes Loss Prevention

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Executive Director's Approval:	 Kristin Bonner, MHA, BSN, RN, Executive Director		

Policy Statement:
South Central Louisiana Human Services Authority (SCLHSA) receives Bonds and Crimes Insurance through the State of Louisiana, Office of Risk Management (ORM) to protect against financial loss, including debt covenant, and/or property loss, misappropriation or theft resulting from any act and/or omission by any state public officials, appointees or employees in the performance of their respective duties.

This policy establishes guidelines to assist SCLHSA employees in the avoidance or reduction in exposure to the liability of potential risk but they are not a substitute for the accounting controls outlined in SCLHSA policies.

Loss Prevention and Reduction
When risk cannot be avoided, it often can be reduced and the severity of losses minimized. The following guidelines, which is not an all-inclusive list, shall be used by staff to assist in the prevention and reduction of loss.

SCLHSA Managers and Supervisors shall:

- ensure that all safety procedures are adhered to by staff under their direction.
- secure and maintain valuable equipment and material in a secure location.
- assign financial accountability duties to only those members of their staff who are qualified and have been properly trained to perform such duties and submit their names and official job titles to the Chief Financial Officer within thirty (30) days of assignment.
- notify the local Safety Coordinator which employees need to have keys issued and ensure the return of same to the Safety Officer prior to resignation, termination and/or transfer of an employee.
- provide continuous supervision to assure procedures are followed and exercise high standards of integrity that safeguard funds, property, and other assets against waste, loss, unauthorized use or misappropriation.
- provide a detail account of incident(s) of loss and ensure measures are taken to correct and prevent future occurrences keeping the Chief Financial Officer, Compliance Officer and the Executive Director informed upon discovery and throughout the corrective process.

SCLHSA Chief Financial Officer shall:

- ensure that all SCLHSA employees are bonded at the appropriate level for the duties entrusted to them and that all monies and securities are properly insured against crime loss. This shall be accomplished through the review, correction, update and timely submittal of the semiannual Bond and Crime Exposure and quarterly Risk Exposure Reports to the Compliance Officer.
- report semi-annually to the Executive Director the current valuation of any long-term obligations such as loans or certificates of deposits; this report is inclusive of total loan, borrowed rate, loan payments, and loan balance. Agency commitments to such indebtedness are made by the Executive Director.
  Suspected default on loans shall be reported to the Compliance Officer for further fact finding.
- ensure checks drawn on any SCLHSA accounts must be presented for dual signature along with supporting documentation for the disbursement. Authorized signers on the accounts held by SCLHSA are the Executive Director, Deputy Director, Chief Financial Officer, and Accountant Manager. Bank Signature cards shall be on file in the Fiscal Office.
- develop and ensure the implementation of procedures through periodic audits regarding cash receipts and distribution, bank deposits, reconciliation of bank statements, collection of fees, processing of payments and remittances, purchasing, petty cash, property control management, the handling of postage stamps, postage machines, licenses, permits, securities and other state assets. Procedures shall be such that no one individual controls all phases of an activity or transaction, thereby minimizing the possibility that errors or irregularities will go undetected.
- ensure duplicate copies of valuable records are made and stored separately (stocks, bonds, certificates of deposit, etc.) in the combination safe in the locked office.
- ensure all transactions affecting assets, revenues and expenditures of the SCLHSA shall be properly recorded, clearly documented and accounted for. Documentation of all such transactions shall be readily available. SCLHSA utilizes the State's Accounting System, LaGOV for all transactions affecting legislatively appropriated assets, revenues and expenditures. Transactions related to non-appropriated assets, revenues and expenditures are accounted for in Quickbooks.
- conduct and/or participate in investigations involving damage to or loss of SCLHSA assets and/or property and report finding(s) to Executive Director.
- review and make recommendations for prompt actions to be taken to correct and prevent the reoccurrence of any incident resulting in a financial loss.

SCLHSA Property Control Manager and Site Coordinators shall:

- Property Control Site Coordinators shall work in conjunction with SCLHSA Property Manager to perform their annual inventory of property. This includes an inspection of all property items at their responsible location(s) for damage and/or loss and shall report such immediately to their manager/director and the SCLHSA Property Control Manager for appropriation action. The Site Coordinator will document the damages/loss on an Incident Report in SCLHSA Internal Data Management System.
- SCLHSA Property Control Manager shall report incidents involving damage to or loss of SCLHSA assets and/or property to the Compliance Officer and Chief Financial Officer for a thorough investigation. The Property Control Manager shall review the Incident Report and make appropriate recommendations to the Executive Director and Chief Financial Officer. The Property Control Manager will ensure the Incident Report becomes a part of the annual property inventory along with the current year discrepancies.

SCLHSA Safety Officers shall:

- review the daily report completed by the contracted security personnel assigned to each SCLHSA location whose responsibility is to ensure the safety of staff, clients and visitors. And

to report any concerns found, or concerns with the assigned security personnel, to the Manager and the Procurement Manager for further review.

- secure building keys and swipe cards for building access when not in use and maintain a record of keys issued to and retrieved from employees. A risk assessment to determine re-keying or lock replacement when keys are not returned is completed in consultation with the Executive Director and landlord, when a building is leased.
- ensure that all staff are properly trained in activation and deactivation of electronic alarm systems where installed.
- present to all new employees a copy of the Risk Management General Safety Plan during their orientation. Annually conduct a review of the Risk Management General Safety Plan in a safety meeting to assure that all personnel are abreast of changes and understand their responsibility in the security of all resources.

The Compliance Officer shall:

- report timely to ORM the semi-annual Bonds and Crime Exposure and quarterly Risk Exposure Reports to ensure that insurance is maintained to protect the SCLHSA against all possible loss.
- investigate suspected default on loans and report to the Executive Director and/or Board of Directors findings for their determination of corrective and/or further action. The default and findings shall also be reported to ORM.
- report to ORM and appropriate law enforcement agency(ies), and secure a police report, at the time the property damage and/or loss resulting from dishonest and/or illegal acts of state employee(s) and/or private citizen(s) such as vandalism, burglary, robbery, or embezzlement of cash, checks, valuable papers, securities, office equipment, supplies, etc. is discovered.
- report to ORM and the Executive Director all incidents involving liability to others resulting from injuries to persons and/or damage to their property because of harmful actions of SCLHSA employees and/or officials through automobile accidents, false arrest, libel, discrimination, dangerous conditions of state property, professional malpractice, bond agreements, purchase orders, easements, leases, construction contracts and service contracts.

Responsibilities of All Employees

- Any employee with knowledge of deviation from established procedures and guidelines, problems or discrepancies in a fiscal control process shall report such to their supervisor immediately.
- All employees are assigned the task of inspecting assets and/or property on an on-going basis in an attempt to minimize and ensure prompt and immediate detection of damage and/or loss and report the detection of damage and/or loss immediately to the clinic manager/director and the Property Control Site Coordinator.

The Executive Director or his/her Designee shall:

- In all cases where damage or loss occurs as a result of dishonest/illegal acts and responsibility can be assigned, the Executive Director will instruct the Compliance Officer to notify appropriate law enforcement agency(ies) and may request official charges be filed against those employees and/or private citizens known to have caused said damage/loss and restitution shall be sought. In cases where damage/loss is caused as a result of negligence on the part of an employee, appropriate disciplinary action shall be taken and may include at a minimum the monetary reimbursement to the SCLHSA for the damage/loss.
- In cases involving liability to others due to harmful actions of SCLHSA employees and/or officials, the Executive Director will review Compliance Officer's investigative finding(s) in order to take appropriate action with involved staff including reporting to appropriate outside agency(ies).

- In cases with actual knowledge of or reasonable suspicion to believe there has been a misappropriation of public funds or assets of the agency or a dishonest/illegal or liable act
- In cases with actual knowledge of or reasonable suspicion to believe there has been a misappropriation of the public funds or assets of the agency, the Executive Director will immediately notify the Louisiana Legislative Auditor in writing as well as the appropriate District Attorney's Office

Reviews and Audits

- The ORM shall conduct periodic inspections of insured state facilities and produce written reports of their recommendations and/or findings.
- The Louisiana Legislative Auditor conducts biannual audits of fiscal and asset operation and management of SCLHSA and produce written report of their recommendations and/or findings.

Agency representatives receiving these reports should review them carefully and do whatever steps may be necessary to alleviate any conditions cited.

Compliance Requirement:

La R.S. 24:523
La Office of Risk Management Loss Prevention

Attachments:

There are no attachments for this policy.

Linkages:

- 131 Corporate Compliance
- 304 Property Control
- 305 Purchasing / Procurement
- 316 Petty Cash
- 317 Monetary Securities
- 318 Revenue Reconciliation
- 003 Risk Management General Safety Plan