

**Southeast Missouri Regional Planning  
and Economic Development Commission**

**Anti-Fraud & Corruption Policy**

**Purpose**

The purpose of this policy is to establish a method of reporting within the Southeast Missouri Regional Planning and Economic Development Commission (Commission) in order to minimize the risk of internal and external fraud, as well as theft, of Commission assets or fraudulent financial reporting. This policy addresses the responsibilities of employees and the Board of Directors for detecting and reporting fraud or suspected fraud, corruption, or dishonest activities and provides a way for individuals outside the organization to report Commission improprieties. The Commission is determined to protect itself and the public from fraud, corruption and dishonest activities and is committed to the maintenance of a strategy for the prevention and detection of fraud, corruption and dishonest activities.

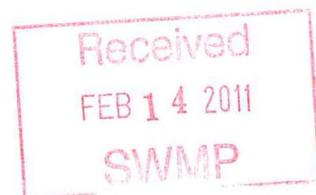
**Policy**

Management, which includes the Executive Director and department heads, is responsible for the detection and prevention of fraud, misappropriations and other inappropriate conduct. Management also recognizes that a key preventive measure in the fight against fraud and corruption is to employ staff who possess high standards in terms of propriety and integrity. Further, all employees and officials of the Commission have a duty to the Commission to ensure that the Commission's resources are prudently used in accordance with the law. Management further is committed to continuously improving the systems for which it is responsible, both through its own assessments and by positive and prompt responses to audit recommendations. It is, therefore, the intent of the Board of Directors of the Commission to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations to aid in the detection and prevention of fraud against the Southeast Missouri Regional Planning and Economic Development Commission.

**Fraud and Corruption**

Fraud is defined as an intentional false representation or concealment of a material fact that leads to a financial advantage to the perpetrator or other upon whose behalf he or she acts. Corruption is the offering, giving, soliciting or acceptance of any inducement or reward that may influence the actions taken by an employee. Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts. Fraud or other wrongful acts may include, but are not necessarily limited to:

- \* Forgery or alteration of a check, bank draft, or other financial document or account belonging to the Commission
- \* Falsifying time sheets, expense reports or other report documents
- \* Misappropriation of funds, securities, supplies or other assets
- \* Impropriety in handling or reporting of money or financial transactions



- \* Disclosing confidential or proprietary information to outside parties
- \* Accepting or seeking any non-promotional items of material value from contractors, vendors or persons providing services/materials to the Commission
- \* Unauthorized destruction, removal or inappropriate use of records, furniture, fixtures, equipment and/or any similar or related irregularity

### **Reporting Suspicious Activities**

Employees and members of the Commission have an obligation to report fraud and corruption, in addition to suspected criminal conduct or other suspicious or wrongful activity without fear of retaliation or reprisal. When suspected fraud, corruption or dishonest incidents or practices are observed by, or made know to, any employee or official of the Commission, the incident or practice should be reported in writing to the employee's supervisor. However, when the employee believes the supervisor may be involved in the inappropriate activity, the employee should make the report directly to the next higher level of supervision. Supervisors are responsible for reporting their findings and all supplementary information regarding the complaint to the Executive Director within a reasonable time frame. Individuals other than employees of the Commission who have knowledge of suspicious activities should report the inappropriate activity directly to the Executive Director or to the Chairman of the Board of Directors if the suspected activity involves the Executive Director.

### **Uniform Complaint Reports (Exhibit B)**

Uniform complaint reports should be completed with the following information: the date of the report, the date on which the incident or activity occurred (if known), a description of the incident or activity, and the name(s) of anyone involved in the incident or activity. Those individuals who want to communicate with the Compliance Officer (either the Executive Director or the Chairman of the Board of Directors, depending on the position in the chain of command to which the report relates) regarding the resolution of the issue must provide appropriate contact information on the Uniform Complaint Report. If the Compliance Officer finds information provided by the Uniform Complaint Report and his subsequent findings to be significant in nature, these items will be directly reported to the Commission's external auditor for further review. Those items found by the Compliance Officer to be irrelevant or immaterial will be reported to the Commission's external auditor during the audit review period for documentation purposes.

The reporting individual should refrain from further investigation of the incident, confrontation of the alleged violator, or further discussion of the incident with anyone unless requested to do so by management.

### **No Reprisal for Reporting Suspicious Activities**

It is the policy of the Commission that no employee shall be subject to recrimination or any other form of punishment on the basis that they reported what was reasonably believed to be an act of wrongdoing or a violation of the policies of the Commission's Code of Ethics. However, an employee will be subject to disciplinary action if the Commission reasonably concludes that the report of wrongdoing was knowingly fabricated by the employee or was knowingly distorted, exaggerated or minimized to either injure someone else or to protect the reporting party or



others. An employee whose report of misconduct contains admissions of personal wrongdoing will not, however, be guaranteed protection from the disciplinary action. The weight to be given to the self-confession will depend on all the facts known to the Commission at the time it makes its disciplinary decisions. In determining what, if any, disciplinary action may be taken against an employee, the Commission will take into account an employee's own admission of wrongdoing; provided; however, that the reporting employee's conduct was not previously known to the Commission or its discovery was not imminent and that the admission was complete and truthful.

### **Investigation**

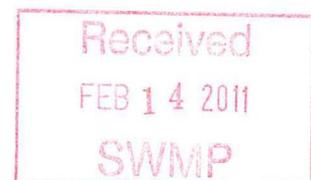
The external auditing firm for the Commission will investigate situations involving possible fraud, corruption or other dishonest activity. The investigation requires the full cooperation of all Commission personnel. If this investigation uncovers evidence showing fraud, corruption or dishonest activities, the Executive Director (if not directly involved in the allegations) will determine what disciplinary or legal actions should be taken. If the Executive Director is directly involved in the allegations, the Board of Directors will determine what disciplinary or legal actions should be taken.

### **Preventive Measures**

Management of the Commission recognizes that the implementation of preventive and deterrent measures guard against corruption and fraudulent activities occurring within the confines of the Commission. In an effort to curtail opportunities that act as a catalyst in the carrying out of dishonest activities, the management has re-evaluated internal control policies.

### **Conclusion**

The Commission is consistently working to improve the current systems and procedures in place to deter, detect and investigate fraud, corruption and dishonest activities. The Commission will ensure that these arrangements are fair and are widely publicized and available to all employees. The arrangements will be monitored and updated to keep pace with future development in prevention, deterrence and detection techniques regarding fraud, corruption and dishonest activity.



**SOUTHEAST MISSOURI REGIONAL PLANNING  
AND ECONOMIC DEVELOPMENT COMMISSION**

**EXHIBIT B  
UNIFORM COMPLAINT REPORT**

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Contact Information: \_\_\_\_\_

Date(s) of Suspicious Activity: \_\_\_\_\_

Description of Activity: \_\_\_\_\_

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\_\_\_\_\_ Date: \_\_\_\_\_

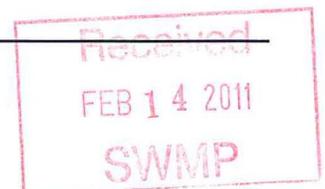
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Signature (not mandatory)

\_\_\_\_\_ Date: \_\_\_\_\_  
Commission Official Acknowledgement of Receipt

Status/Decision: \_\_\_\_\_

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\_\_\_\_\_



**SOUTHEAST MISSOURI REGIONAL PLANNING  
AND ECONOMIC DEVELOPMENT COMMISSION**

**Anti-Fraud & Corruption Policy**

I have received a copy of the Southeast Missouri Regional Planning and Economic Development Commission's Anti-Fraud and Corruption Policy and have read it and understand it.

\_\_\_\_\_ Date: \_\_\_\_\_  
Employee Signature

Received  
FEB 14 2011  
SWMP