



Albemarle County

Legislation Text

File #: 23-129, **Version:** 1

AGENDA DATE: 1/18/2023

TITLE:

Ordinance to Establish a Fraud, Waste, and Abuse Reporting System

SUBJECT/PROPOSAL/REQUEST: Adopt an ordinance to establish an office of Fraud, Waste & Abuse Auditor and adopt a resolution to appoint the Chief of Shared Services, Enterprise Risk Management & Analytics as the Fraud, Waste and Abuse Auditor

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Richardson, Rosenberg, Bessette, Coltrane, Birch, Jackson, Andrade, Dau

PRESENTER (S): Nelsie Birch

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: According to the Government Finance Officers Association (GFOA), every "government [should] establish policies and procedures to encourage and facilitate the reporting of fraud, waste or abuse." Virginia Code §15.2-2511.2, Duties of Local Government Auditors, permits the County to adopt an ordinance establishing an office of Fraud, Waste and Abuse Auditor.

STRATEGIC PLAN: Mission - To enhance the well-being and quality of life for all community members through the provision of the highest level of public service consistent with the prudent use of public funds.

DISCUSSION: Under the authority of Virginia Code §15.2-2511.2 and presented within the proposed ordinance to establish an Office of Fraud, Waste, and Abuse Auditor (Attachment A), the Auditor will administer a telephone hotline and a website through which employees and residents of the County may report anonymously any incidence of fraud, waste, or abuse committed by any officer, or within any department or program, of the County. The Auditor will determine the materiality and authenticity of allegations received to the hotline or website and ensure that investigation and resolution activities are undertaken in response to material and authentic allegations in the most cost-effective and confidential manner available, within the Auditor's discretion. The Auditor shall assign responsibility for investigation and resolution to other investigative and law-enforcement personnel where such responsibility is prescribed by general law and appropriate, to avoid duplicating existing investigation and resolution functions.

To protect the anonymity of the reports, staff will contract with a third-party to provide an anonymized web-based reporting platform. The reports will then be routed to the Auditor for further investigation. The attached resolution (Attachment B) appoints the Chief, Shared Services, Enterprise Risk Management & Analytics within the Department of Finance and Budget as the Auditor until such time as the County establishes the position of Internal Auditor. The Internal Auditor will be substituted for the Chief, Shared Services, Enterprise Risk Management & Analytics once established. The Auditor will be under the supervision of the Director of Finance.

The effective date for the establishment of the Fraud, Waste, and Abuse Auditor and appointment of such Auditor is February 1, 2023.

BUDGET IMPACT: There will be minimal budget impact as the cost for the web-based reporting platform was incorporated into the Fiscal Year 2023 budget and appropriation.

RECOMMENDATION:

Following the public hearing, staff recommends that the Board approve an ordinance to establish an office of fraud, waste and abuse auditor (Attachment A), and a resolution appointing the Chief of Shared Services, Enterprise Risk Management & Analytics as the Fraud, Waste and Abuse Auditor (Attachment B).

ATTACHMENTS:

- A - Proposed Ordinance to Establish Office of Fraud, Waste, and Abuse Auditor
- B - Resolution Appointing the Fraud, Waste, and Abuse Auditor