

<b>Procedure Title:</b>	Inappropriate Actions				
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07/10/2011

Approved By: (Authorized Signer Name)

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07/07/2011

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## Procedure

Strong accountable business processes are the activities conducted in the course of the agency's operations that are expected to add value to our clients, employees and stakeholders and to the services the agency provides. Effectively monitoring financial transactions helps to strengthen regulatory compliance and increases the chances of detecting error, fraud, waste, abuse or preventing an improper activity before the agency's ability to achieve its operational objectives are materially affected.

This procedure emphasizes accountability and responsibility to provide reasonable assurance that errors and omissions are detected in a timely manner and financial transactions are accurate, properly recorded and executed in accordance with applicable state and federal laws and regulations and agency policies.

## Applicability

This procedure is applicable to all employees, volunteers, trainees, and interns. Failure to adhere to this procedure may result in disciplinary action, up to and including dismissal.

Step	Responsible Party	Action
1. Work Assignment	Manager	<p>To reduce the risk of error, waste, or wrongful acts and the risk of those acts going undetected, managers are required to review and approve the assigned work of their employees. The review and approval of the employee's work includes the assessment of:</p> <ul style="list-style-type: none"> <li>• Segregating duties to ensure effective checks and balances exist in authorizing, approving, recording transactions and making payments.</li> <li>• Level and frequency of necessary management oversight of operations as compensating controls for staffing limitations in order to detect errors and prevent wrongful acts.</li> </ul>

		<ul style="list-style-type: none"> <li>• Adherence to applicable policies and procedures and laws and regulations.</li> <li>• Risk associated with the unauthorized use of agency assets.</li> <li>• Risk associated with agency assets subject to a high risk of loss, e.g., negotiable instruments, State issued credit cards, keys and key cards, laptop computers, and electronic communication devices.</li> </ul> <p>Managers shall take prompt, responsive action to correct identified deficiencies and weaknesses.</p>
<p>2. Inappropriate Expenditure</p>	<p>Managers, Employees</p>	<p>Inappropriate actions by responsible persons authorizing the expenditure of public funds may result in different penalties. Under this procedure, typical consequences relating to different levels of inappropriate expenditures are:</p> <ul style="list-style-type: none"> <li>• A simple error is defined as an unintentional action that was thought at the time to be proper but was later discovered to be inappropriate. There are no penalties for a simple error. A pattern of simple errors could cause the action to move to the negligence category.</li> <li>• Negligence is defined as the failure to act reasonably under the circumstances existing then and there. An employee may incur disciplinary action for expenditures that are negligent or contrary to state or agency policy.</li> <li>• Gross negligence is defined as a wanton or reckless disregard of one's duty of due care.</li> <li>• Fraud is defined as an intentional material misrepresentation, omission when there is a duty to disclose a loss or unlawful diversion of public funds. Theft is defined as an intentional diversion of public property for personal use. Penalties for fraud and theft may include personal liability; disciplinary action up to and including dismissal; and criminal sanctions.</li> <li>• Any suspected case of dishonesty will be handled in accordance with ORS 278. The State reserves the right to refer instances of abuse that violate other statutes to the appropriate law enforcement authority. These referrals may include, but are not limited to, criminal prosecutions for theft (ORS 164.015-164.125) or abuse of public office (ORS 162.415).</li> </ul> <p>Managers shall ensure employees are provided</p>

		<p>with the necessary guidance and training to prevent errors, waste, and wrongful acts. Employees shall not knowingly commit or omit acts that constitute a violation of any policy, rule, procedure, and or regulation of the agency.</p> <p>Managers will consult with their Human Resources representative to assess the seriousness of the employee's conduct, performance, or behavior and other considerations pertinent to the incidence(s) and or event(s), when appropriate.</p>
3. Obligation to Report	Managers, Employees	<p>The state prosecutes employees, officers, and agents for fraud, theft and embezzlement by the same standards under which it prosecutes anyone else.</p> <p>Discovery and reporting are the key stages of a dishonesty claim. A wrong action or misstatement when a manager or employee with delegated expenditure authority discovers a suspected loss could mean:</p> <ul style="list-style-type: none"> <li>• Being charged as an accessory to the crime if he/she covers up the theft or agree to forgive or forget it.</li> <li>• Being personally responsible for the loss if willful action is taken to prevent the state from finding the loss or recovering its fund. For example, offering to stop investigating if the employee resigns.</li> </ul> <p>Managers will ensure their employees receive training in the agency Core Values.</p> <p>In the case of loss of cash, the manager will notify the agency Controller and Internal Audit Manager immediately.</p>

**Policy that applies:**

[DHS-040-010: Delegation of Expenditure Authority](#)

**Procedure(s) that apply:**

[DHS-040-010-01: Exercising Expenditure Authority](#)

**Form(s) that apply:**

(DHS XXXX, Form Title, OHA XXXX, Form Title or MSC XXXX, Form Title )

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## Procedure History:

- **Version 2.0:**

07/01/2011 - Wording revised to incorporate both Oregon Department of Human Services and the Oregon Health Authority

07/01/2003 (Revised)

- **Version 1.0:**

07/01/2008 Initial Release

## Keywords:

(List keywords here that might be used by someone to search for this policy on the internet)

