BONDS, CRIME, & PROPERTY PROGRAM

LOSS PREVENTION UNIT
OFFICE OF RISK MANAGEMENT
DIVISION OF ADMINISTRATION

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BONDS, CRIME, AND PROPERTY PROGRAM

Introduction

The Bonds, Crime, & Property Program is intended to protect the State from financial and/or property losses resulting from any act and/or omission by any state public officials, appointees and employees in the performance of their respective duties.

The ORM policy guidelines outlined in this document are not a substitute for the accounting control guidelines established by the Office of Statewide Reporting and Accounting Policy (OSRAP), found here: http://www.doa.louisiana.gov/OSRAP/PPM.html. Conformance by an Agency with all relevant OSRAP policies regarding fiscal controls and safeguards shall satisfy ORM's requirements. The Agency shall be responsible for complying with any other ORM requirement or exception not specifically addressed by OSRAP policy, as relates to this program.

The purpose of the Bonds, Crime, & Property Program is to:

A. Assign responsibility for developing and managing fiscal controls in state Agencies.

B. Establish each individual's accountability for the performance of his/her duties in compliance with the Agency's fiscal control program.

C. Reduce the State's exposure and losses and to safeguard state assets against theft, robbery, abuse, etc.

D. Maintain the public's confidence in the ability of state officials, appointees, and employees to conduct the State's business in an honest and professional manner.

Components of Louisiana Bonds, Crime, and Property Program

1. Agency Policy and Procedures:

A. Responsibilities

Each Agency is responsible for developing and implementing a written Bonds, Crime & Property Loss Control Program that shall include:

B. Procedures (for managing assets and the fiscal internal control system to minimize potential losses and damages)

These procedures shall address, at a minimum:

1. Handling/processing negotiable items such as: cash, checks, and postage stamps.

2. Controlling inventories, including disposal thereof.

3. Employee accountability for equipment assigned to them.

4. The securing of vaults and safes.

5. Purchasing procedures.

C. Implementation of training programs for employees. Training may include formal and on-the-job training. All training shall be documented.

D. Investigation/reporting procedures for incidents involving losses/damages to assets that include corrective action to prevent recurrence. There must be a method for reporting discrepancies or problems to supervisors and/or management, as well as timely submission of the claim to the Third-Party Administrator (TPA).

E. The responsibilities and accountability for managers, supervisors, and employees who have duties requiring Bonds, Crime, & Property coverage.

These policies/procedures shall be given to employees involved in the fiscal control program and form the basis of the Bonds, Crime, & Property Program. Only those individuals authorized and trained to manage or handle cash, property, stamps, fees, licenses, permits, securities and other State assets shall be assigned to those duties. "*Manage*" is defined as including "approval of transactions and/or directing the approval of transactions."

The TPA will, upon request, assist Agencies in organizing, directing, implementing, and controlling a Bonds, Crime, & Property internal control program that minimizes the potential for financial and/or property losses.

Department and Agency heads

These individuals are responsible for the implementation of an internal fiscal control program that includes operating guidelines and the specific duties of all employees involved in the program. Department heads or their designees are responsible for reviewing the fiscal control program regularly for efficiency and effectiveness. Recommendations contained in internal control audits should be implemented promptly.

Supervisors or program designee

Supervisors must ensure that employees are properly trained in the program's policies, procedures and guidelines so that all safeguards are followed at all times. Supervisors should review the program's internal controls to ensure protection of the State's assets and property from losses. No safeguard of the internal control plan is to be eliminated or bypassed.

Employees

Employees are expected to follow the program fiscal controls and to report any deviations. Deviations include but are not limited to:

- deliberate recording of a transaction with inadequate documentation, inadequate information, and/or approval
- deliberate omission of information in a financial/statistical report
- failure to safeguard an asset (e.g., equipment: left in an insecure environment [such as a laptop with no lock], left on a desk, or in an unlocked room)
- unauthorized use (e.g., personal use of a computer and/or use of unauthorized/unlicensed programs on a computer)

- failure to safeguard fiscal/personal information (e.g., computer left unattended with ‘desktop’ open)
- failure to secure files with confidential information (should use encryption and/or password protection)

The employees shall report the deviation in accordance with Agency policies/procedures. The specified individual should forward the deviation to the appropriate person at the Office of Risk Management (ORM).

2. Bonds, Crime, & Property Coverage

Fidelity Bonds: The Employees Faithful Performance Blanket Bond covers loss sustained by insured because of dishonest or fraudulent acts of employees or by failure of employees to faithfully perform duties. The following mandatory areas are covered:

A. Property Manager Bond: This bond covers dishonest or fraudulent acts or failure to faithfully perform duties in connection with the handling and control of state property, resulting in loss to insured.

B. Notary Bond: This bond guarantees that a notary public will comply with applicable laws and regulations.

C. Postal Bond: This bond guarantees that a post office contract, branch, or station located at such places as a university or college shall faithfully discharge all duties required under rules and regulations of the U.S. Postal Service. It must account for, deliver, and pay over monies, mail matters, and other properties that come in its possession to the proper post office official.

D. Public Official Bond: This bond is required for state elected or appointed officials to fill positions of trust. It protects against dishonest and fraudulent acts as well as a person's failure to perform duties required.

E. Crime (Inside/Outside Premises): Money and Securities; Depositors Forgery (usually secured by Combination Crime Policy): This policy should cover all perils except those that are excluded by the policy on money and securities including outside premises while conveyed by messenger. Property other than money and securities is insured against robbery or burglary. Coverage is provided against loss through forgery or alteration of checks drawn by insured. The Crime Policy shall also provide coverage for property damage to a safe during an attempted or actual robbery.

3. Guidelines for Developing a Bonds, Crime, and Property Program

Each Agency shall establish a system of internal accounting and administrative controls in accordance with applicable Federal and Louisiana State Statutes and regulations utilizing the following guidelines:

A. Reasonable Assurance - Internal control systems relative to fiscal matters shall provide reasonable assurance that the objectives of the system will be accomplished. This standard recognizes that the cost of internal control should not exceed the benefits derived.

B. Competent Personnel - Employees exercising oversight and control shall achieve (unless already possessing) adequate education, experience, and/or training as soon as possible upon hire to accomplish their assigned duties.

C. Internal Control Guidelines - Specific internal control guidelines on fiscal matters shall be developed for each applicable Agency function. Each goal must be complete, logical, and applicable to the specific activity and are to be consistent with the accomplishment of the overall objectives of internal controls, including but not limited to:

1. Obligations and costs are in compliance with applicable law.

2. Funds, property, and other assets are safeguarded against waste, loss, fraud, unauthorized use, or misappropriation.

3. Revenues and expenditures applicable to Agency operations are to be properly recorded and accounted for. This will permit the preparation of reliable financial and statistical reports required to maintain accountability over the assets.

D. Documentation - Internal control systems, (i.e., control objectives, internal control techniques, accountability for resources) and all transactions and events shall be clearly documented. Documentation shall be readily available, including for all damages/losses. Transactions shall be classified properly upon recording and execution.

E. Separation of Duties - Key duties (e.g., authorizing, approving, and recording transactions; issuing or receiving assets; making payments; reviewing or auditing) shall be assigned to separate individuals to minimize the risk of loss to the State. Internal control depends largely on the elimination of opportunities to conceal errors or fraud. Internal fiscal control requires the assignment of work in such a manner that no one individual controls all phases of an activity or transaction, thereby minimizing the possibility that errors or irregularities will go undetected.

F. Supervision - Proper supervision shall be provided to assure that approved procedures are followed. Lines of personal responsibility and accountability shall be clearly defined.

G. Access to Resources - Access to resources shall be limited to authorized personnel. Access includes both direct physical access and indirect access through the preparation or processing of documents that authorize the use or disposition of resources. Periodic internal audits shall be made comparing the physical resources with the recorded accountability to determine whether the two agree (e.g., petty cash; physical inventories – supplies, food; check stock). The frequency of the audit shall be determined by the vulnerability of the asset.

H. Addressing Audit Findings - Managers should promptly evaluate findings and recommendations reported by auditors; determine proper action and, within established time frames, implement actions that correct the findings.

4. Security

The goal of a successful security plan is to ensure the safety and security of each state employee and visitor/client while also securing state property and its contents (regardless of current value). Each Agency is responsible for implementing a documented site-specific security plan, which includes property control procedures. The security plan must provide a means of controlling access to state agency buildings for state employees as well as clients/visitors, and vendors. Means for access control may include but are not limited to:

- Door locks
- Alarm systems (regardless of contents or their value)
- Lighting
- Surveillance cameras
- Security guards
- Entrance phones
- ID cards
- Electronic swipe cards
- Keypads
- Locked desks, cabinets, and doors

The security plan should include assignment of responsibilities as well as employee accountability and lockdown procedures. Other points to consider while developing a security plan are:

- Parking lot security
- Campus/Grounds security
- Cyber/Data security
- Alternative entrances (i.e. loading docks)
- Past incidents in the building or the vicinity of the building
- Hours of operation
- Nature of the business the Agency conducts

The security plan should be re-evaluated at least annually and as the situation necessitates.

5. Key Control

All state Agencies shall have site-specific policies and procedures in place for key control. Key control shall include responsibility for keys, security badges, access cards, security systems, etc. These procedures are for security of the Agency's physical plant, property, and most importantly, employees. The policy and procedures shall cover, at a minimum:

1. Issuance and return of keys/cards,
2. Reporting lost or stolen key(s),
3. Changing locks/codes (when applicable), and
4. Employee responsibility for handling keys.

Agencies should maintain an inventory log that indicates employees issued keys, the date the key(s) were issued (and returned), what areas the key(s) access.

See attachment for sample policy/procedure and forms.

Sample Security Planning Template

FINAL VERSION ☐No ☐Yes (If Yes, insert date below)

Date: _____

Location Information:

Health Unit Name _____

Address _____

City _____ Zip _____

Primary Contact Phone Number: _____

Services Provided at this Unit (Check all that apply):

☐Vital Records
☐Children's Special Health Services
☐Family Planning
☐Food and Drinking Water Protection
☐Hearing and Vision Screening
☐HIV/AIDS Service
☐Immunizations
☐Lead Screening
☐Maternity Services
☐WIC/Nutrition Services
☐Prenatal Care

☐STD/HIV
☐TB
☐OTHER_____
☐OTHER_____
☐OTHER_____
☐OTHER_____
☐OTHER_____
☐OTHER_____
☐OTHER_____

Lease/Ownership: Describe the ownership/lease status of the property. Be sure to include the contact name and number.

_____

Security System: ☐No ☐Yes (If Yes, complete information below)

Security Company Name _____

24 Hour Monitoring? ☐No ☐Yes

Where is the system monitored?

☐Online ☐Offsite ☐Not Monitored

Address _____

City _____ Zip _____

Primary Contact Name _____

Contact Number _____

Secondary Contact Name _____

Secondary Contact Number _____

What surveillance resources are present? (Check all that apply)

☐Security Cameras ☐Security Guards ☐Lighting ☐Mirrors ☐Sensors
☐Perimeter Alarms ☐Intercoms ☐Access Cards & Readers

Fire Alarm

Is there a fire system and/or fire suppression system? ☐ No ☐ Yes

If yes, check all that apply: ☐ Smoke/heat detectors ☐ Sprinklers

Where is the system monitored? ☐ Online ☐ Offsite ☐ Not Monitored

Provide phone number of monitoring office: _____

If offsite monitoring, provide vendor name: _____

Are there fire extinguishers on each floor? ☐ No ☐ Yes

If yes, how many on each floor? _____

Building Access:

Is 24 hour access to the building allowed? ☐ No ☐ Yes (If Yes, complete information below)

List everyone who has 24 hour access to facility:

NAME	TITLE

How many doors are at the facility? _____

How many doors are kept unlock during business hours? _____

How many doors are emergency exits? _____

Is the unit handicapped accessible? ☐ No ☐ Yes

Opening/Closing of Unit:

List everyone who has opening/closing responsibilities:

NAME	TITLE

Is there a Standard Operating Procedure for Opening/Closing of the unit?

☐ No (Request template and complete SOP)

☐ Yes (Submit with this report)

Visitors:
Do visitors have to sign in? ☐No ☐Yes
Describe your Visitor procedure:
_____

Petty Cash/WIC Vouchers
Where are petty cash and WIC vouchers kept?
_____
Who has access to petty cash and WIC vouchers?

NAME	TITLE

Janitorial Staff: ☐No ☐Yes (If Yes, complete information below)
Janitorial Company Name _____
Frequency ☐Daily ☐Weekly ☐Monthly ☐Other_____
Address _____
City _____ Zip _____
Primary Contact Name _____
Contact Number _____
Secondary Contact Name _____
Secondary Contact Number _____

Power Source:
Identify the primary power source: _____
Identify the back-up power source: _____
Is the system designed to automatically switch over to back-up power source upon primary power failure? ☐No ☐Yes
Will this back power source operate lights, refrigeration and communication system?
☐No ☐Yes

Water Sources:
Identify water source: ☐City ☐Well ☐Other, please specify: _____
If Well, please specify size of pump and capacity: _____
Please specify power source to pump: ☐Electric ☐Gas
Does the facility have a hot water heater? ☐No ☐Yes
If yes, please indicate: ☐Gas ☐Electric
Please specify location of hot water heater:
Type of sewerage: ☐City Sewer ☐Septic Tank ☐Other, please specify: _____

Communications:
Identify the communication services available at the unit? (check **all** that apply)
☐ Land line ☐ Fax ☐ Intercom ☐ Radio, 700/800 MHZ radio ☐ Internet capacity
Telephone Service Carrier: _____
Internet Service Carrier: _____

Medical Facilities (*Please enter data for the closest medical facilities):*
Medical Facility Name: _____
POC Name: _____
Facility Phone: _____ Helipad? ☐ No ☐ Yes
Fax Phone: _____ Type of facility? ☐ Hospital ☐ Clinic
Alternate Phone: Distance to facility (miles): _____

Medical Facility Name: _____
POC Name: _____
Facility Phone: _____ Helipad? ☐ No ☐ Yes
Fax Phone: _____ Type of facility? ☐ Hospital ☐ Clinic
Alternate Phone: Distance to facility (miles): _____

Local Law Enforcement
What jurisdiction is the facility located in?
☐ City Police Dept ☐ Parish Sheriff's Office ☐ State Police
Law Enforcement Agency Name: _____
POC Name: _____
Title: _____
Work Phone: _____ Fax Phone: _____ Alternate Phone: _____

OTHER
Does the Unit have an area for storing medical or other hazardous waste?
☐ No ☐ Yes
If Yes, where is the location? _____
Who is in charge of ensuring proper disposal? _____
Does the unit have elevators? ☐ No ☐ Yes Are they handicap accessible? ☐ No ☐ Yes
Number of public restrooms in the unit: Male _____ Female_____
Number of handicapped accessible restrooms in the unit: Male _____ Female_____
Is there a break room for staff in the unit? ☐ No ☐ Yes
Does the break room have an oven? ☐ No ☐ Yes ☐ N/A
Does this unit have AED's (Automatic External Defibrillators ☐ No ☐ Yes
Does this unit have a first aid kit? ☐ No ☐ Yes

SAMPLE AUTHORIZATION FORM

Authorization for Building Access Card and/or Building Office Key

Specify Option: Building/Office Key_____Building Access Card_____

Employee Name: _____

Agency Name: _____

Classification: _____

Justification: _____

I recommend that a building access card/office key be issued to the above named employee for the period of _____ (specify dates or separation).

_____ _____
Supervisor Date

Approved by: _____ Date _____

I acknowledge receipt of Building Access Card number: _____

I acknowledge receipt of Building/Office Key to room number: _____

I accept responsibility for the card/key and will not allow another person use of the card/key without the consent of the director and/or building manager. If the card/key is lost or stolen, I will report it to the director and the building manager immediately. I understand that upon separation from employment, the card must be returned no later than the date of separation.

_____ _____
Employee Signature Date

I acknowledge that the above named employee returned the assigned building access card/key.

_____ _____
Supervisor/Manager Date