

§205 Anti-Fraud and Code of Ethics

Required forms: [A205.100 \(at hire\)](#), [A205.200](#) (annually and/or with promotion)

Purpose

The purpose of this policy is to implement systems and procedures that aid in the prevention of fraud and support the Arkansas Agriculture Department's culture and environment of honesty and ethical behavior. This policy is consistent with R1-19-4-505 of the Arkansas Financial Management Guide.

Policy

In order to promote a culture of honesty and ethical behavior within the Arkansas Agriculture Department, the following procedures are mandated:

Code of Ethics

Within 30 days of the date of this policy, all Arkansas Agriculture Department Administrators are required to distribute a copy of the Arkansas Agriculture Department's Code of Ethics to each employee within their administration. Administrators are required to explicitly discuss the Arkansas Agriculture Department's requirement that employees report conduct or transactions that violate ethical provisions or are fraudulent and the options of how to communicate these matters. To verify that employees have received a copy of the Code of Ethics, employees must sign and date the last page. The original signed page from the Code of Ethics is required to be maintained in the employee personnel files maintained by the Arkansas Agriculture Department Human Resources. Employees shall be provided a copy for their records.

Arkansas Agriculture Department Human Resources shall create procedures to include an introduction to the Code of Ethics in new employee orientation sessions within 30 days of implementation of this policy. All employees receiving orientation shall sign and date the last page signifying that they have been provided a copy of the Code of Ethics. If the new employee does not attend orientation offered by the Arkansas Agriculture Department Human Resources, the employee's supervisor is required to provide a copy of the Code of Ethics to the employee. The employee's supervisor shall also be responsible for ensuring that the original signed page from the Code of Ethics is sent to the Arkansas Agriculture Department Human Resources for inclusion in the employee's personnel file.

During an employee's annual performance evaluation, or at the time of promotion, each employee must reaffirm that he or she has been made aware of the Code of Ethics by signing a Code of Ethics Annual Acknowledgement Statement. This statement shall be included with the employee's performance evaluation or hire packet that is sent to the Arkansas Agriculture Department Human Resources upon completion of the evaluation or promotion.

The Arkansas Agriculture Department Code of Ethics is included as part of this policy as Form A205.100 Attachment A.

The Arkansas Agriculture Department Code of Ethics Annual Acknowledgement Statement is included as part of this policy as A205.200 Attachment B.

Background Checks

Prior to extending job offers to applicants of positions that require the handling of cash or negotiable assets, a criminal history check shall be obtained from the Arkansas State Police. The Administrator of the Arkansas Agriculture Human Resources Department shall submit requests to the Arkansas State Police through the Information Network of Arkansas on behalf of the Arkansas Agriculture Department.

Investigations of Fraud

The Arkansas Agriculture Department is committed to a thorough investigation of occurrences of alleged ethical violations, fraud, waste and abuse. In accordance with the Arkansas Financial Management Guide, the Office of Accounting's Internal Audit Section will be responsible for coordinating all investigations. This responsibility is in accordance with Governor's Executive Order 04-04. The Internal Audit Section is authorized to request assistance from Arkansas Agriculture Department employees that have the experience required to assist or perform such investigations. Investigations will be conducted in a confidential manner. If investigations indicate that a loss of state funds has occurred, then the amount of loss shall be reported to the Division of Legislative Audit in accordance with R1-19-4-2004 of the Arkansas Financial Management Guide. In addition, any loss of state funds involving criminal activity shall be reported to the Arkansas State Police for a criminal investigation.

Arkansas Agriculture Department employees shall be protected against any form of retaliation, including discharge, for reporting in good faith occurrences of ethical violations, fraud, waste and abuse of government resources as stated in the Arkansas Whistleblower Act (ACA 21-1-601 – 609).

Allegations of ethical violations or fraud may be reported to the Arkansas State Employees' Fraud, Waste, and Abuse Report Center (1-800-952-8248) or to the Office of Accounting - Internal Audit Section by telephone (682-0370). An employee may also choose to report ethical violations, fraud, waste or abuse by completing a Complaint Form, included as Form A205.300 Attachment C to this policy. Complaint forms can be mailed directly to the Internal Audit Section at the following address:

Department of Finance and Administration
Office of Accounting/Internal Audit Section
1515 West 7th Street, Room 215
Little Rock, AR 72201

Evaluation of Anti-Fraud Processes and Controls

In accordance with R1-19-4-505, the Arkansas Agriculture Department will reduce fraud opportunities by (1) identifying fraud risks, (2) mitigating fraud risks and (3) implementing preventive and detective internal controls.

The identification of fraud risks will be conducted through an agency-wide fraud risk assessment every two years. The initial agency-wide risk assessment will be completed every two years. Arkansas Agriculture Department management will implement appropriate internal controls and change business processes when feasible to reduce fraud risks.

The Office of Accounting's Internal Audit Section shall review the internal controls and changes made to business processes to determine if the control activities identified in the risk assessment are properly designed to mitigate the risk of fraud, waste and abuse of resources. This shall specifically include the internal control activities that are designed to prevent or detect fraud.