



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 6/8/2021

To: Board of Supervisors of Sonoma County
Department or Agency Name(s): Auditor-Controller-Treasurer-Tax Collector
Staff Name and Phone Number: Kanchan Charan, 565-8300
Vote Requirement: Majority
Supervisory District(s): Countywide

Title:

Sonoma County Fraud, Waste and Abuse Whistleblower Hotline Program - Implementation

Recommended Action:

Approve the Sonoma County Fraud, Waste and Abuse Whistleblower Hotline Program Guidelines, administered by the Auditor-Controller-Treasurer-Tax Collector. ☐

Executive Summary:

The County's external independent auditor recommended that the County develop and appropriately staff a formalized fraud prevention program which includes a fraud hotline. California Government Code Section 53087.6 authorizes an elected auditor or controller to maintain a hotline to collect allegations of fraud, waste, or abuse. The County of Sonoma is committed to accountability, transparency, fairness, and the prudent use of public funds. To further this goal, the Office of the Auditor-Controller-Treasurer-Tax Collector (ACTTC) is implementing a Fraud, Waste and Abuse Program, as outlined below, which includes a Whistleblower Hotline. ☐

Discussion:

The County's Independent Auditor noted that the County does not maintain a formalized fraud prevention program during the FY 2016-17 Comprehensive Annual Financial Report audit and recommended that the County develop and appropriately staff a fraud hotline. The ACTTC Audit Division was tasked with implementing and staffing the fraud hotline. In early 2018, several members of Audit Division were reassigned to oversee the federal and state disaster grant claiming process for the 2017 wildfires and subsequent declared disasters, which delayed implementation of the hotline.

The Fraud, Waste and Abuse Whistleblower Hotline Program (Program) was developed with the primary objective of encouraging County employees and residents to report suspected cases of financial fraud, waste and abuse of County resources.

This Program will serve as an external independent collection portal and complement [County Administrative Policy 8-1](https://sonomacounty.ca.gov/CAO/Administrative-Policies/8-1-Investigations-of-Alleged-Inappropriate-Activities/) <<https://sonomacounty.ca.gov/CAO/Administrative-Policies/8-1-Investigations-of-Alleged-Inappropriate-Activities/>>, which is the county's the current process for investigating alleged improper activities by employees.

A Program implementation committee including several representatives from County departments helped to inform implementation of the Program. The committee reviewed Program documents and procedures in

accordance with best practices.

The Program shall operate under the direction of the ACTTC and provide a mechanism for the anonymous reporting of fraud, waste and abuse. Whistleblower Security Inc. was selected through a Request for Proposal to provide as an external party whistleblower hotline portal for receiving complaints. Provider will collect complaints via phone, email, and online form.□

All complaints shall be reviewed by ACTTC and referred to other County departments as necessary and appropriate. All complaints and follow-ups shall be kept confidential to the greatest extent permitted by law. The Program does not replace other existing County compliant procedures and complainants will be provided with available information about other options for filing their complaint on the County website.□

The ACTTC will periodically publish online a summary of complaints and their disposition status.

Prior Board Actions:

None

FISCAL SUMMARY

Expenditures	FY 20-21 Adopted	FY21-22 Projected	FY 22-23 Projected
Budgeted Expenses	\$9,500	\$9,500	\$9,500
Additional Appropriation Requested			
Total Expenditures	\$9,500	\$9,500	\$9,500
Funding Sources			
General Fund/WA GF	\$9,500	\$9,500	\$9,500
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$9,500	\$9,500	\$9,500

Narrative Explanation of Fiscal Impacts:

The ACTTC entered into an Agreement for whistleblower hotline services for \$9,500 annually. We plan to utilize existing staff and appropriations for the initial implementation and operation of the Program. Once the Program is fully operational, we will assess the resource needs to review and process allegations and, if necessary, make resource adjustments through the appropriate County process.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Agenda Date: 6/8/2021

Narrative Explanation of Staffing Impacts (If Required):

The ACTTC will initially use existing Internal Audit resources to implement and operate the Program. Once the Program is fully operational, we will assess the staffing needs and, if necessary, make requests through the appropriate County process.

Attachments:

Fraud, Waste and Abuse Whistleblower Hotline Program Guidelines

Related Items "On File" with the Clerk of the Board:

None