

STAFF CONDUCT**(Fraud Prevention)**

All employees shall be cautioned to act with integrity and due diligence in matters involving District resources. Annually, by direction of the Superintendent the general contents and direction contained in the procedure shall be conveyed to staff members.

Definition

As used in this procedure, "fraud" refers to intentionally misrepresenting, concealing, or misusing information in an attempt to commit fiscal wrongdoing. Fraudulent actions include, but are not limited to:

- Behaving in a dishonest or false manner in relation to District assets, including theft of funds, securities, supplies, or other District properties.
- Forging or altering **financial** documents or accounts illegally or without proper authorization.
- Improper handling or reporting of **financial** transactions.
- Personally profiting as a result of insider knowledge.
- Disregarding confidentiality safeguards concerning **financial** information.
- Violating **Board** conflict of interests policies.
- Mishandling **financial** records or District assets (destroying, removing, or misusing).

Staff Responsibilities

Employees who have reason to believe that **financial** fraud, impropriety or irregularity has occurred shall immediately report those suspicions to their immediate supervisor and/or the Superintendent who shall have the primary **responsibility** for initiating necessary investigations. Investigations shall be conducted in coordination with internal or external departments and agencies as appropriate.

The Whistleblower shall receive no retaliation or retribution for a report that was

provided in good faith - that was not done primarily with malice to damage another or the organization and further, an allegation made in the belief that wrongful conduct may have occurred. However, an allegation is not in good faith if it is made with reckless disregard for willful ignorance of facts that would disprove the allegation. A Whistleblower who makes a report that is not done in good faith is subject to discipline, up to and including termination or other legal means to protect the reputation of the organization and members of its **Board** and staff. Anyone who retaliates against the Whistleblower (who reported an event in good faith) will be subject to discipline, up to and including termination. The identity of the Whistleblower shall remain confidential unless the issue requires investigation by law enforcement, in which case members of the organization are subject to subpoena.

The Superintendent shall inform employees with **financial**/accounting responsibilities of the following anti-fraud standards expected to be followed:

- The District shall operate in a culture of honesty and ethical behavior with employees doing all within their power to further that goal.
- Employees shall comply with all laws, rules, regulations and court orders of the State and of the United States, as well as **Board** policy addressing fiscal matters.
- Employees shall practice good stewardship of District **financial** resources, including timely reporting of fraudulent expenditures.
- Employees with **financial**/accounting responsibilities shall support and follow sound business practices to the best of their ability and in keeping with their assigned responsibilities and job-related training by:
 - Maintaining and protecting District **financial** records;
 - Performing ones job with the highest attention to detail to minimize and prevent error, falsification of accounting records, and omission of transactions;
 - Reporting knowledge of fraud or suspected fraud, including intentional misstatements and omissions of amounts or disclosures;
 - Guarding against misappropriation of assets;
 - Refusing to reveal investment activities engaged in or contemplated by the District to unauthorized persons or agencies; and
 - Resisting incentives, pressures, and negative attitudes that detract from performance of assigned responsibilities.

Internal Controls/Investigations

The Superintendent shall be responsible for developing internal controls to aid in preventing and detecting fraud or **financial** impropriety or irregularity within the District. Reports of suspected fraudulent activities shall be investigated in a manner that protects the confidentiality of the parties and avoid unfounded accusations. Employees involved in the investigation shall be advised to keep information about the investigation confidential.

If an investigation substantiates occurrence of a fraudulent activity, the Superintendent shall issue a report to appropriate personnel and to the **Board** of Education. Final disposition of the matter and any decision to file a criminal complaint or refer the matter shall rest with the Superintendent or designee. The Superintendent shall:

- inform the State Auditor's Office of any suspected fraud or misappropriation of funds,
- investigate the incident,
- follow-up in writing to the findings of the investigation to the State Auditor's Office, and
- the State Auditor's Office will determine if additional action shall occur.

Results of the investigation violating **Board** conflict of interests policies shall not be disclosed to or discussed with anyone other than those individuals with a legitimate need to know.