

Fraud Prevention and Fiscal ManagementAuthority

The School Board expects all Board members, district employees, volunteers, consultants, vendors, contractors, school district treasurer and other parties that maintain a relationship with the school district to act with integrity, due diligence, and in accordance with law in their duties involving the district's resources. The Board is entrusted with public funds, and no one connected with the district shall do anything to erode that trust.

Definitions

Fraud, financial improprieties, or irregularities include, but are not limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the district.
2. Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
3. Misappropriation of funds, securities, supplies, or other assets.
4. Impropriety in handling money or reporting financial transactions.
5. Profiteering because of insider information of district information or activities.
6. Disclosure of confidential and/or proprietary information to outside parties.
7. Acceptance or seeking of anything of material value, other than items used in the normal course of advertising, from contractors, vendors, or persons providing services to the district.
8. Destruction, removal, or inappropriate use of district records, furniture, fixtures, or equipment.
9. Failure to provide financial records to authorized state or local entities.
10. Failure to cooperate fully with any financial auditors, investigators or law enforcement.

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11. Other dishonest or fraudulent acts involving district monies or resources.

Delegation of Responsibility

The Assistant Superintendent for Business or designee shall be responsible to develop and implement internal controls designed to prevent and detect fraud, financial impropriety, or fiscal irregularities within the district.

The Assistant Superintendent shall be responsible for maintaining a sound system of internal controls that is designed to identify potential risks, evaluate the nature and extent of those risks, and manage them effectively.

District administrators are responsible to be alert to an indication of fraud, financial impropriety, or irregularity within their areas of responsibility.

The Superintendent shall ensure the appropriate authorities are notified, pursuant to state law, when cases of fraud, embezzlement or theft have been identified.

Guidelines

Reporting

An employee who suspects fraud, impropriety, or irregularity shall immediately report his/her suspicions to the Superintendent. If the report involves the Superintendent, the employee shall report his/her suspicions to the School Board Chair. Employees who bring forth a legitimate concern or suspicion about a potential impropriety shall not be retaliated against. Those who do retaliate against such an employee shall be subject to disciplinary action.

Investigation

The Superintendent shall have primary responsibility for conducting necessary investigations of reported fraudulent activity.

Based on his/her judgment, the Superintendent shall coordinate investigative efforts with the district auditor, insurance agent, external agencies, and law enforcement officials, if applicable.

If the Superintendent is involved in the complaint, the School Board Chair is authorized to initiate investigation of the complaint and coordinate the investigative efforts with individuals and agencies she/he deems appropriate.

Fraud Prevention and Fiscal Management (cont'd.)

Records shall be maintained for use in an investigation.

Individuals found to have altered or destroyed records shall be subject to disciplinary action. If an investigation substantiates the occurrence of a fraudulent activity, the Superintendent shall present a report to the School Board and appropriate personnel.

The School Board shall determine the final disposition of the matter, if a criminal complaint will be filed, and if the matter will be referred to the appropriate law enforcement and/or regulatory agency for independent investigation.

Confidentiality

The Superintendent shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the individuals and facts. All employees involved in the investigation are required to maintain confidentiality regarding all information about the matter during the investigation. Results of an investigation shall not be disclosed to, or discussed with, anyone other than those individuals with a legitimate right to know, until the results are made public.

Prevention

In order to prevent fraud, the Board directs that a system of internal controls be followed which include, but are not limited to, the following:

Segregation of Duties - Where possible, more than one (1) person will be involved in pieces of financial transactions. No one (1) person shall be responsible for an entire financial transaction.

Payments - Payments shall be made only by checks. No cash transactions shall be permitted.

Bank Reconciliations - Bank statements and cancelled checks shall be reconciled by the School District Treasurer and audited by the business office.

Access to Checks - Physical and electronic access to school district checks and accounts shall be limited to those employees with designated business functions.

Training - Administrators shall be responsible for ensuring that employees under their supervision receive training regarding fraud prevention.

Fraud Prevention and Fiscal Management (cont'd.)

Legal References:

New Hampshire Code of Administrative Rules, Section Ed 302.01(d) (2), Duties of Superintendent, Finance

New Hampshire Code of Administrative Rules, Section Ed 302.02(e), Duties of Superintendent, Accounting System and Financial Reporting

New Hampshire Code of Administrative Rules, Section Ed 303.01(b), Duties of School Board, Policies to Control and Effectuate the Purchase of Equipment, Supplies and Services

Approved: 12/02/14