

Board Policy DIE: Fraud Prevention

Status: ADOPTED

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Fraud Prevention

FRAUD, WASTE, ABUSE, and CORRUPTION

Clayton County Public School employees shall be encouraged to report verbally or in writing to their supervisor, department head, or other appropriate authority, evidence of activity by a district department, agency, or employee constituting:

1. A violation of local, state, or federal law, rule or regulation;
2. Waste, fraud; or abuse
3. Gross mismanagement or misappropriation of resources;
4. Substantial and specific danger to the public health and safety;

All employees, board members, consultants, vendors, contractors and other parties maintaining a business relationship with the District shall act with integrity and due diligence in matters involving District fiscal resources.

Further, it is the rule of this school district that employees be free of intimidation or harassment when reporting to public bodies about matters of public concern, including offering interviews or testimony before appropriate investigative, legislative, judicial, or quasi-judicial authorities.

DEFINITION

Fraud:

As used in this policy, "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 interest policies.
- Mishandling financial records or District assets (destroying, removing or misusing).
- Concealment of facts and/or events regarding waste, fraud, or abuse involving the District.
- Bribery

Waste:

The intentional or unintentional, thoughtless or careless expenditure, consumption, mismanagement, use, or squandering of district, state, or federal resources to the detriment or potential detriment of the district. Waste also includes incurring unnecessary costs as a result of inefficient or ineffective practices, systems, or controls.

Abuse:

Excessive or improper use of a thing, or to employ something in a manner contrary to the natural or legal rules for its use. Intentional destruction, diversion, manipulation, misapplication, maltreatment, or misuse of resources. Extravagant or excessive use as to abuse one's position or authority. Abuse can occur in financial or non-financial

settings.

Dishonest proceedings, bribery, debasement, alteration, or perversion of integrity which threaten equal access, quantity and quality of education. This includes, but is not limited to:

- Neglect of duty or responsibility
- Bribery
- Concealing, facts or events regarding fraud, waste or abuse

STAFF RESPONSIBILITIES

Employees who encounter evidence of one or more of the above-referenced prohibited activities shall immediately report the evidence to their immediate supervisor and/or the Superintendent/designee, who shall have the primary responsibility for initiating necessary investigations. Investigations shall be conducted in coordination with legal counsel and/or other internal or external departments or agencies as appropriate.

The Superintendent/designee shall inform all employees of the following anti-fraud regulations established by the Board:

1. The District shall operate in a climate of honesty and ethical behavior with employees doing all within their power to further that goal.
2. Employees shall comply with all state and federal laws, rules, regulations and court orders, as well as Board policy addressing fiscal matters.
3. Employees shall practice good stewardship of District financial resources, including timely reporting of fraudulent expenditures.
4. 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:
 - a. Maintaining and protecting District financial records;
 - b. Performing one's job with the highest attention to detail to minimize and prevent error, falsification of accounting records, and omission of transactions;
 - c. Reporting knowledge of fraud or suspected fraud, including intentional misstatements and omissions of amounts or disclosures;
 - d. Guarding against misappropriation of assets;
 - e. Refusing to reveal to unauthorized persons or agencies investment activities engaged in or contemplated by the District; and
 - f. Resisting incentives, pressures, and negative attitudes that detract from performance of assigned responsibilities.

INTERNAL CONTROLS/INVESTIGATIONS

The Superintendent/designee 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, to the extent possible, the confidentiality of the parties and avoids unfounded accusations. Employees involved in the investigation shall be advised to keep information about the investigation confidential except if disclosure is allowed by written consent of the employee or otherwise allowed by law. Employees who bring forth a legitimate concern or suspicion about potential impropriety shall not be retaliated against unless the disclosure was made with knowledge that disclosure was or was done with reckless disregard for its truth or falsity. Those who do retaliate against such an employee shall be subject to disciplinary action.

If an investigation substantiates occurrence of a fraudulent activity, the Superintendent/ designee 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 to the appropriate law enforcement and/or regulatory agency for independent

investigation shall be made in consultation with legal counsel. Results of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate need to know until the results become subject to public disclosure in accordance with state law or federal law.
