



**Responsible Office:** Internal Audit Department

## **BOARD POLICY 9300**

### **REPORTING OF FRAUD, WASTE, OR ABUSE**

#### **PURPOSE**

The Board adopts this Board Policy to allow for the filing and investigation of complaints for fraud, waste, or abuse by members of the Board, employees, or volunteers, and for the protection of good faith complainants from retaliatory actions by the District.

#### **DEFINITIONS**

1. "Abuse" refers to violations and circumventions of District Policy, administrative regulations, or departmental procedures, which impair the effective and efficient execution of operations.
2. "Fraud" refers to, but is not limited to, any dishonest, unethical, or fraudulent behavior such as forgery or alteration of any document; misappropriation of funds, supplies, etc.; improper handling or reporting of money or financial transactions; profiting by self or others as a result of inside knowledge; destruction of intentional disappearance of records, furniture, fixtures, or equipment; accepting or seeking anything of material value from vendors or persons providing services or materials to the District for personal benefit; and/or any similar or related irregularity.
3. "Waste" refers to the unnecessary incurring of costs as a result of inefficient practices, systems, or controls.

#### **POLICY**

1. The Board directs the Internal Audit Department (Department), to implement and maintain a mechanism for the submission of complaints of fraud, waste, and abuse by a Trustee, employee, or volunteer of the District.
  - a. Complaints. Complaints alleging fraud, waste, or abuse by a Trustee, employee, or volunteer may be submitted to the Internal Audit Department through an online reporting system, reporting hotline, or submission of a report form.
    - i. The Complainant may submit a report on a confidential basis or anonymously. Anonymous reports must include substantive information of all allegations or they will not be investigated.

b. Review of Complaint.

- i. Upon receipt of the Complaint, the Department shall determine if the report alleges fraud, waste or abuse as defined herein or in a separate District policy, regulation or procedure and/or a local, state, or federal law or regulation.
- ii. If the Department determines that even if every allegation in the Complaint is true, and the Complaint still fails to allege fraud, waste or abuse, the Complaint will not be investigated, and the Department may inform the Complainant of its determination in writing.
- iii. The Department shall acknowledge receipt of the Complaint to the Complainant within five business days.

c. Investigation.

- i. The Department will investigate issues of fraud, waste, or abuse, but as necessary, matters will be referred to the appropriate Departments for investigation.
- ii. Matters involving a possible criminal violation shall be referred to the District's School Police Department or other law enforcement agency.
- iii. In the event of a report against an employee of the Department, the Complaint will be referred to the Office of General Counsel for review and investigation. Upon receipt of the Complaint, the Office of General Counsel will follow the same steps as the Department herein.

d. Reporting.

- i. Upon completion of the investigation, the Department will issue a Report that contains facts, analysis, findings, and recommendations. Said Report shall be provided to the Superintendent and all members of the Board of Trustees unless a conflict of interest exists, then the Report will be provided to the next highest level of Administrator and all Board members without a conflict.
- ii. The recommendations and resolutions shall vary depending on the matter involved, whether the potential for employee discipline exists, the involvement of law enforcement, etc.

- iii. The Complainant may receive information related to the resolution of the matter, but such information shall be subject to the discretion of the Chief Auditor.
    - iv. A report summarizing reported cases of fraud, waste, or abuse shall be provided by the Department to all members of the Board of Trustees on a quarterly basis. The report will include information on each case including date case reported, school or department involved, subject matter, status of case, and disposition of the case.
  - e. Confidentiality.
    - i. Complaints will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.
    - ii. All Reports involving an employee will be kept confidential to the extent possible and in compliance with the policies of the District and applicable state or federal laws.
    - iii. Any disciplinary action that the District may take against an individual as a result of the Complaint is considered confidential and shall not be disclosed to the Complainant.
- 2. Good Faith Requirement. An employee filing a Complaint concerning a fraud, waste, or abuse, must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation.
  - a. A "good faith" belief that fraud, waste or abuse occurred means that:
    - i. The employee believed that the conduct reported was a violation; and
    - ii. The employee's belief was reasonable in light of the employee's training and experience.
  - b. Any unsubstantiated allegation that the Department finds to be made maliciously or knowingly false will be viewed as a serious disciplinary offense. The Department shall forward those findings to the Superintendent and Board President consistent with reporting requirements herein.
- 3. Retaliation Prohibited
  - a. The District will not retaliate against an employee who files a good faith Complaint.

- b. An employee who is found to retaliate against a good faith Complainant shall be subject to discipline up to and including termination of employment.

**LEGAL REQUIREMENTS AND ASSOCIATED DOCUMENTS**

- 1. This Board Policy reflects the goals of the District’s Strategic Plan and aligns/complies with the governing documents of the District, to include:
  - a. Board Policy 1600, Public Complaint and Resolution Procedure; and
  - b. Board Policy 4505, Standards of Professional Conduct.

**REVISION HISTORY**

Date	Revision	Modification
7/07/2021	1.0	Adopted