

<b>Dupree School District</b>	<b>NEPN Code: DIF</b>
<b>Policy Manual</b>	

## **Fraud Prevention**

The Dupree School District recognizes the importance of protecting the school, its operations, its citizens, its taxpayers, its employees and its assets against financial risks and unethical activities. It is the policy of the Dupree School District to institute clearly and communicate a fraud prevention policy in an effort to prevent and deter all forms of fraud that could threaten the security of our assets and our reputation. This policy will be accessible to all employees and the public.

The District has a Zero Tolerance with regard to fraud and is committed to undertake the following steps as part of this policy:

- Education
- Prevention
- Detection
- Investigation
- Corrective Action

### **Education**

The most effective way to reach most employees is through education. Actively fighting fraud means implementing policies and procedures that prevent and detect fraud. The District's goal is to establish and maintain an environment of fairness, ethics and honesty. To maintain such an environment requires the active assistance of every employee, every day.

### **Definition of Fraud**

Fraud is defined as deception deliberately practices to secure unfair or unlawful gain. The term includes such acts as: bribery, deception, embezzlement, extortion, false representation, forgery, the concealment of material facts, the misappropriation of money or assets and collusion or conspiracy to commit any or all of the above acts. Acts of fraud may include:

- Breach of fiduciary duty
- Bribery
- Concealment of material facts
- Theft of money or physical property; and,
- Other statutory offences

### **Types of Fraudulent Activity**

Fraudulent activity may include:

- Forgery, alteration or misappropriation of cash, checks, bank drafts, promissory notes, securities or any other financial document
- Unauthorized use or disposition of funds or property
- Falsifying timesheets or payroll records
- Falsifying travel expenses and/or utilizing school funds to pay for personal expense or for personal benefit
- Theft
- Embezzlement
- Fictitious reporting of receipt of funds
- Falsification of expenses and invoices

**Profiteering**

Fraudulent activity also includes any misuse or attempt to misuse a District asset for personal gain including acts such as: offering, giving, soliciting and/or accepting an inducement or reward that may improperly influence the action of an employee of the District.

**Reporting of Fraud**

The District recognizes that allegations and concerns that fraudulent activity should reported to the Superintendent through the established chain of command. The Superintendent will report the fraud allegation directly to the School Board. All employees have a duty to report and are required by this policy to report any concerns they have or information provided them about possible fraudulent acts. In cases where the employee has reason to believe the Superintendent is involved, the employee shall notify the Business Manager, who will report directly to the School Board. For reasons of consistency and maintaining a central point of contact, the Superintendent has the primary responsibility for the investigation of all suspected fraudulent acts as defined by this policy. All cases of suspected fraud will be investigated and appropriate action will be taken. An anonymous method of reporting will be established.

**Internal Controls/Investigation**

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 an investigation shall be advised to keep information about the investigation confidential.

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