

**Non-Instructional Operations and
Business Services**

Series 700

Policy Title **INTERNAL CONTROLS**

Policy # 707.5

The Board expects all board members, employees, volunteers, consultants, vendors, contractors, students and other parties maintaining any relationship with the school district to act with integrity, due diligence, and in accordance with all laws in their duties involving the school district. The public has entrusted the board to manage the school district, including using public dollars in its management, and no one connected with the school district should do anything to erode that trust.

Internal control is the responsibility of all employees of the school district. The superintendent, business manager and board secretary shall be responsible for developing internal controls designed to prevent and detect fraud, misappropriation of funds and/or property, impropriety, and irregularities within the school district subject to review and approval by the board. Administrators shall be alert for any indication of fraud, misappropriation of funds and/or property, impropriety, or irregularity within the administrator's area of responsibility.

Any employee who suspects any suspicious activity, including, but not limited to; fraud, misappropriation of funds and/or property, impropriety, or irregularity; shall report their suspicions immediately to the superintendent. The superintendent shall have primary responsibility for any necessary investigations and shall coordinate investigative efforts with the board's legal counsel, auditing firm, and other internal or external departments and agencies, including law enforcement officials, as the superintendent may deem appropriate.

In the event the concern or complaint involves the superintendent, the concern shall be brought to the attention of the board vice-president, who shall be empowered to contact the board's legal counsel, insurance agent, auditing firm, and any other agency to investigate the concern or complaint.

Employees bringing forth a legitimate concern about a potential impropriety will not be retaliated against, and those who do retaliate against such an employee will be subject to disciplinary action up to, and including, termination.

Upon approval of the board, the superintendent may contact the State Auditor or elect to employ the school district's auditing firm or State Auditor to conduct a complete or partial forensic/internal control/SAS99 audit annually or otherwise as often as deemed necessary. The superintendent is authorized to order a complete forensic audit if, in the superintendent's judgment, such an audit would be useful and beneficial to the school district. The superintendent shall ensure the State Auditor is notified of any suspected embezzlement or theft pursuant to Iowa law. In the event there is an investigation, records will be maintained for use in the investigation. Individuals found to have altered or destroyed records will be subject to disciplinary action up to, and including, termination.

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