

**Policy #: 665**  
**SCHOOL DISTRICT OF WEBSTER**  
**Date Adopted: May 17, 2011**  
**Date Revised:**  
**Policy Title: Fraud Prevention and Reporting**

The Webster Board of Education expects all employees, Board members, consultants, vendors, contractors, and other parties maintaining any business relationship with the district to act with integrity, due diligence, and in accordance with all laws in their duties involving the District's fiscal resources. The District is entrusted with public dollars and no person connected with the District should do anything to erode that trust.

**Definition**

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).

The Superintendent shall inform employees with financial/accounting responsibilities of the following anti-fraud standards established by the Board:

1. The District shall operate in a culture of honesty and ethical behavior with employees doing all within their power to further that goal.
2. Employees shall comply with all laws, rules, regulations and court orders of the State of Wisconsin and of the United States, 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 investment activities engaged in or contemplated by the District to unauthorized persons or agencies; and
  - f. Resisting incentives, pressures, and negative attitudes that detract from performance of assigned responsibilities.

Any employee who suspects fraud, impropriety, or irregularity shall report their suspicions immediately to his/her immediate supervisor and/or the Superintendent. In the event that the concern or complaint involves the Superintendent, the concern shall be brought to the attention of the Board president who shall be empowered to contact the District's legal counsel, auditing firm, and any other agency to investigate the concern or complaint.

The Superintendent may elect to employ the District's auditing firm to conduct a partial forensic/internal control audit annually or otherwise as often as deemed necessary. The Superintendent is authorized to order a complete forensic audit if, in his/her judgment, such an audit would be useful and beneficial to the District.

The Superintendent shall have the primary responsibility for initiating necessary investigations. Investigations shall be conducted in coordination with legal counsel and other internal or external departments and agencies as appropriate.

The Superintendent shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information about the investigation confidential.

If an investigation substantiates the occurrence of a fraudulent activity, the Superintendent, or Board President if the investigation centers on the Superintendent, shall issue a report to appropriate personnel and to the Board. The final disposition of the matter and any decision to file or not file a criminal complaint or to refer the matter to the appropriate law enforcement and/or regulatory agency for independent investigation shall be made in consultation with District legal counsel. The results of the 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.

Retaliation against informants, witnesses, or others involved in an investigation may violate federal and state law (Whistleblower Protection). Sarbanes-Oxley Act, 18 U.S.C. 1513 (e) and Wis. State. 230.80.

**Cross Reference:**

**Legal Reference:**

**WISCONSIN STATUTES**

- [Chapter 19, Subchapter III](#) [code of ethics for local government employees and officials]
- [Section 120.12\(1\)](#) [board duty; management of district]
- [Section 946.12](#) [misconduct in public office]

[Wisconsin Uniform Financial Accounting Requirements](#) (WUFAR)

Wisconsin Public School District Auditing Manual – [Statement of Auditing Standard \(SAS\) 99](#)