

## INTERNAL CONTROLS

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's resources. The board is entrusted with public dollars 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 Chief Financial Officer shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety, or fiscal irregularities within the school district subject to review and approval by the board. Administrators shall be alert for any indication of fraud, financial impropriety, or irregularity within the administrator's area of responsibility.

Any employee who suspects fraud, impropriety, or irregularity shall report their suspicions immediately to his/her immediate supervisor, and the Superintendent. The Superintendent shall have primary responsibility for any necessary investigations and will assign initial investigation to be headed by the Chief Financial Officer who will work with other administrators to determine facts and recommendation of action to the Superintendent. Upon receipt of findings, the Superintendent 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.

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, discharge.

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.

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.

Legal Ref.: American Competitiveness and Corporate Accountability Act of 2007,  
Pub. L. No. 107-204.  
Iowa Code ch. 11, 279.8 (2005).

Cross Ref.: 707.6 Audit Committee

ADOPTED: 10/9/06  
11/8/10

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