

**MONTGOMERY
COUNTY
INTERMEDIATE
UNIT #23**

SECTION: OPERATIONS

TITLE: FRAUD

ADOPTED: FEBRUARY 24, 2016

REVISED:

<p>1. Purpose</p> <p>2. Definitions</p>	<p style="text-align: center;">828. FRAUD</p> <p>The Board expects all Board members, employees, volunteers, consultants, vendors, contractors and other parties that maintain a relationship with the Intermediate Unit to act with integrity, due diligence, and in accordance with law in their duties involving the intermediate unit’s resources. The Board is entrusted with public funds, and no one connected with the Intermediate Unit shall do anything to erode that trust.</p> <p>Fraud, financial improprieties, or irregularities include but are not limited to:</p> <ol style="list-style-type: none"> 1. Forgery or unauthorized alteration of any document or account belonging to the Intermediate Unit. 2. Forgery or unauthorized alteration of a check, bank draft, or any other financial document. 3. Misappropriation of funds, securities, supplies, or other assets. 4. Impropriety in handling money or reporting financial transactions. 5. Profiteering because of insider information of Intermediate Unit information or activities. 6. Disclosure of confidential and/or proprietary information to outside parties. 7. Acceptance or seeking of anything of material value, other than items used in the normal course of advertising, from contractors, vendors, or persons providing services to the Intermediate Unit. 8. Destruction, removal, or inappropriate use of Intermediate Unit records, furniture, fixtures, or equipment. 9. Failure to provide financial records to authorized state or local entities. 10. Failure to cooperate fully with any financial auditors, investigators or law enforcement.
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<p>3. Delegation of Responsibility</p> <p>4. Guidelines</p>	<p>11. Other dishonest or fraudulent acts involving Intermediate Unit monies, credit cards or resources.</p> <p>The Executive Director or designee shall be responsible to implement and maintain a system of internal controls designed to prevent and detect potential risks, fraud, financial impropriety, or fiscal irregularities within the Intermediate Unit, subject to review and approval by the Board.</p> <p>Administrators are responsible to be alert to an indication of fraud, financial impropriety, or irregularity within their areas of responsibility.</p> <p><u>Reporting</u></p> <p>All employees shall be alert for any indication of fraud, financial impropriety or irregularity within their area of responsibility.</p> <p>An employee who suspects fraud, impropriety, or irregularity shall immediately report their suspicions to the Executive Director or designee.</p> <p>If the report involves the Executive Director, the employee shall report their suspicions to the Board President, who shall be responsible to conduct an investigation.</p> <p>Employees who bring forth a legitimate concern or suspicion about a potential impropriety shall not be retaliated against. Those who do retaliate against such an employee shall be subject to disciplinary action.</p> <p><u>Investigation/Disposition</u></p> <p>The Executive Director or designee shall investigate reports of fraudulent activities in a manner that protects the confidentiality of all parties and the facts, in cooperation with appropriate individuals and agencies.</p> <p>If an investigation substantiates the occurrence of a fraudulent activity, the Executive Director or designee shall issue a report to the Board and designated individuals.</p> <p>The final disposition of the matter regarding employee discipline and decision to file a criminal complaint or refer the matter to law enforcement and/or a regulatory agency for independent investigation shall be determined by the Board and the Executive Director in consultation with legal counsel.</p>
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Results of an 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.

References:

Whistleblower Law – 43 P.S. Sec. 1421 et seq.

Sarbanes Oxley Act of 2002 – 15 U.S.C. Sec. 7201 et seq.

Whistleblower Protection – 18 U.S.C. Sec. 1513

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