

FISCAL MANAGEMENT GOALS AND OBJECTIVES
FINANCIAL ETHICS

CAA
(LOCAL)

All Trustees, employees, vendors, contractors, consultants, volunteers, and any other parties who are involved in the District's financial transactions shall act with integrity and diligence in duties involving the District's fiscal resources.

Note: See the following policies regarding conflicts of interest, ethics, and financial oversight:

- Code of ethics:
for Board members—BBF
for employees—DH
- Financial conflicts of interest:
for public officials—BBFA
for all employees—DBD
- Financial conflicts involving federal funds: CBB
- Systems for monitoring the District's investment program: CDA
- Budget planning and evaluation: CE
- Compliance with accounting regulations: CFC
- Activity fund management: CFD
- Criminal history record information for employees: DC
- Disciplinary action for fraud by employees: DCD, DCE, and DF series

FRAUD AND
FINANCIAL
IMPROPRIETY

The District strictly prohibits fraud, financial impropriety, or any other illegal activities in the actions of its Trustees, employees, vendors, contractors, consultants, volunteers, and others seeking or maintaining a business relationship with the District.

DEFINITION

Fraud and financial impropriety shall include but not be limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the District.
2. Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
3. Misappropriation of funds, securities, supplies, or other District assets, including employee time.

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4. Impropriety in the handling of money or reporting of District financial transactions.
5. Profiteering as a result of insider knowledge of District information or activities.
6. Unauthorized disclosure of confidential or proprietary information to outside parties.
7. Unauthorized disclosure of investment activities engaged in or contemplated by the District.
8. Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the District, except as otherwise permitted by law or District policy. [See DBD]
9. Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.
10. Failing to provide financial records required by state or local entities.
11. Failure to disclose conflicts of interest as required by law or District policy.
12. Any other dishonest act regarding the finances of the District.

FINANCIAL CONTROLS
AND OVERSIGHT

Each supervisor shall set an example of honest and ethical behavior for his or her employees and shall actively monitor his or her area of responsibility for fraud and financial impropriety.

FRAUD PREVENTION

Personnel with supervisory or review authority shall have the following three responsibilities.

1. First, each supervisor must become aware of what can go wrong in his or her area of authority.
2. Second, each supervisor must put into place and maintain effective monitoring, reviewing, and controlling procedures that will prevent acts of wrongdoing.
3. Third, each supervisor must put into place and maintain effective monitoring, reviewing, and controlling procedures that will detect acts of wrongdoing promptly should prevention efforts fail.

Accountability for the effectiveness of these responsibilities cannot be delegated and will remain with supervisors and managers.

RESPONSIBILITY TO
REPORT

Any person who suspects fraud or financial impropriety in the District shall report the suspicions immediately to any supervisor, the

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Superintendent or designee, the Board President, or local law enforcement. Failure to report suspicions about suspected fraud or financial impropriety or failure to cooperate with an ongoing investigation of such matters could result in disciplinary consequences up to and including termination.

Reports of suspected fraud or financial impropriety shall be treated as confidential to the extent permitted by law. Limited disclosure may be necessary to complete a full investigation or to comply with law. All employees involved in an investigation shall be advised to keep information about the investigation confidential.

FRAUD INVESTIGATIONS As appropriate, members of the FBISD Police, Legal, Human Resources, Internal Audit, and Technology departments, either independently or in collaboration, shall have the primary responsibility for the investigation of suspected fraudulent acts.

ETHICS HOTLINE To facilitate reporting of suspected violations, especially in those situations where the reporting individual wishes to remain anonymous, the District has established a telephone/Web reporting hotline. The District's Ethics Hotline is operated by an independent third party who will report all incidences directly to designated members of the Legal and Internal Audit departments immediately after receiving notice of a concern. The designated members of the Legal and Internal Audit departments shall have the primary responsibility for overseeing all investigations and follow up.

The District's Ethics Hotline is separate from the FBISD Crime Stoppers program. Individuals may also report illegal activities to the Crime Stoppers hotline by calling (281) 491-TIPS (491-8477).

PROTECTION FROM RETALIATION Neither the Board nor any District employee shall unlawfully retaliate against a person who in good faith reports perceived fraud or financial impropriety. [See DG]

RESPONSE If an investigation substantiates a report of fraud or financial impropriety involving the commission of a felony offense, the Superintendent or designee shall promptly inform the Board of the report, the investigation, and any responsive action taken or recommended by the administration.

If an employee commits fraud or financial impropriety, the Superintendent or designee shall take or recommend appropriate disciplinary action, which may include termination of employment. If a contractor or vendor commits fraud or financial impropriety, the District shall take appropriate action, which may include cancellation of the District's relationship with the contractor or vendor.

When circumstances warrant, the Board or Superintendent or designee may refer matters to appropriate law enforcement or regula-

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tory authorities. In cases involving monetary loss to the District, the District may seek to recover lost or misappropriated funds.

The final disposition of the matter and any decision to file a criminal complaint or to refer the matter to the appropriate law enforcement or regulatory agency for independent investigation shall be made in consultation with legal counsel.

ANALYSIS OF FRAUD

After any investigation substantiates a report of fraud or financial impropriety, the Superintendent or designee shall analyze conditions or factors that may have contributed to the fraudulent or improper activity. The Superintendent or designee shall ensure that appropriate administrative procedures are developed and implemented to prevent future misconduct. These measures shall be presented to the Audit Committee for review.