

# Regulation 707.05-R(1): Internal Controls - Procedures

IASB Adopted: 3/10/22

Fraud, financial improprieties, or fiscal irregularities include, but are not limited to:

- Forgery or unauthorized alteration of any document or account belonging to the district.
- Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
- Misappropriation of funds, securities, supplies, or other assets.
- Impropriety in the handling of money or reporting of financial transactions.
- Profiteering because of “insider” information of district information or activities.
- Disclosing confidential and/or proprietary information to outside parties.
- Accepting or seeking anything of material value, other than items used in the normal course of advertising, from contractors, vendors, or persons providing services to the district.
- Destroying, removing, or inappropriately using district records, furniture, fixtures, or equipment.
- Failing to provide financial records to authorized state or local entities.
- Failure to cooperate fully with any financial auditors, investigators or law enforcement.
- Any other dishonest or fraudulent act involving district monies or resources.
- Acting for purposes of personal financial gain, rather than in the best interest of the district.
- Providing false, inaccurate or misleading financial information to district administrators or the board of directors.

The superintendent, *[and/or board president]* shall notify the State Auditor's office of any suspected fraud, embezzlement or financial irregularities as required by law. The district will comply with all investigation procedures and scope as directed by the State Auditor's office. All employees involved in the investigation shall be advised to keep information about the investigation confidential. The superintendent *[and/or board president]* may engage qualified independent auditors to assist in the investigation.

If an investigation substantiates the occurrence of a fraudulent activity, the superintendent, *[and/or the board president]*, or board vice-president if the investigation centers on the superintendent, shall issue a report to the board and appropriate personnel. 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.

**I.C. Iowa Code**  
Iowa Code § 279.8  
Iowa Code § 11

**Description**  
[Directors - General Rules - Bonds of Employees](#)  
[Auditor of State](#)

**Cross References**

**Code**  
401.12  
401.12-R(1)  
705.04

**Description**  
[Employee Use of Cell Phones](#)  
[Employee Use of Cell Phones - Regulation](#)  
[Expenditures for a Public Purpose](#)

705.04-R(1)

Expenditures for a Public Purpose - Use of Public Funds  
Regulation

707.06

Audit Committee