INTERNAL BOARD OPERATIONS: Office of Internal Audit

Reporting Fraud, Waste, Abuse or Unlawful Acts

I. Policy Statement

A. The Board of Education of Baltimore County (Board) accepts its fiduciary responsibility and role concerning the sound management of public funds entrusted to it. As a result, each Board employee is expected to perform his or her duties with the highest ethical standards at all times and to follow any and all applicable laws, regulations, Board policies and Superintendent’s rules concerning the proper disposition and use of Board funds, property and resources.

B. Board employees shall safeguard and preserve the assets and resources of the Board and report all instances of suspected fraud, waste, abuse or unlawful acts.

II. Definitions

A. Abuse – The wrongful or improper use of Board resources, including the deliberate use of one’s position to act in a manner that is contrary to its rightful or legally authorized or intended purpose.

B. Fraud – Any intentional acts, characterized either by deceit, concealment or violation of trust by which Board employees or vendors use their employment status or vendor relationship to take money, property, services or resources for themselves or others or to provide benefits to vendors or others in exchange for personal gain.

C. Waste – Any improper, careless or excessive spending, consuming, mismanaging or misusing of Board resources by Board employees or vendors or providing benefits to vendors or others in exchange for personal gain.

III. Responsibilities of Board Employees

A. Each Board employee and/or agent who suspects that fraud, waste, abuse or an unlawful act has occurred, is occurring or will occur shall report the matter by:
1. Filing an anonymous report to the Board’s fraud, waste and abuse hotline;
2. Making a report to the Office of Internal Audit ("Internal Audit"); and/or
3. Advising his/her immediate supervisor.

B. Under no circumstances are employees to conduct their own internal investigation. All reports of fraud, waste, abuse or unlawful act shall immediately be forwarded to Internal Audit for investigation.

IV. What to Report

For the purposes of this policy, the types of fraud, waste, abuse or unlawful act that must be reported includes, but is not limited to:

A. Any dishonest or fraudulent act involving Board funds, property, contracts or resources;

B. Forging, altering, falsifying or otherwise tampering with any Board document, account, invoice, purchase order, transaction, signature or files in any form;

C. Abuse of leave time or overtime;

D. Falsifying time records or expense reports;

E. Misappropriating cash, securities, inventory, supplies, fixed assets or other Board assets;

F. Disclosing and/or divulging confidential and/or proprietary information to outside parties;

G. Accepting and/or soliciting anything of material value, other than items used in the normal course of advertising, to, from or on behalf of contractors, vendors or persons providing services to the school system;

H. Removing, borrowing, destroying or inappropriately using school system records, furniture, fixtures or equipment without permission;

I. Improper handling or reporting of cash, Board assets or transactions; and/or
J. Any similar or related, dishonest or fraudulent act involving Board funds, property, contracts or resources.

V. Investigation

A. Internal Audit is authorized to initiate and conduct any audit or review deemed necessary in order to investigate fraud, waste, abuse or unlawful act.

B. Internal Audit shall have:
   1. Full and unrestricted access to all Board assets, technology, records, documents and files in any form;
   2. The right to inspect all Board assets, technology, records, documents and files in any form;
   3. Full and unrestricted access to Board employees, officials, contractors and others working for or on behalf of the board;
   4. The ability to inspect all Board goods, equipment, vehicles or property, whether owned, leased or borrowed;
   5. Cooperation from appropriate Board employees in locating assets, technology, records, documents and files in any form;
   6. Entry privileges to any and all facilities owned or used by the Board;
   7. Interview privileges, whether written or oral, with all Board employees; and
   8. The full cooperation of Board employees in the completion of Internal Audit’s approved work plan.

C. Board Employees shall fully cooperate with Internal Audit in the completion of internal reviews or investigations.

D. Board employees are prohibited from taking action that interferes with an ongoing investigation. Any violations under this paragraph may result in disciplinary action.

VI. Confidentiality

To the extent provided by law, the Board will maintain the confidentiality and the identity of:

A. The reporter of any of the matters described in paragraph IV above;

B. The person who is the subject of the report; and
C. The report itself.

VII. Consequences

A. A Board employee found to have engaged in fraud, waste, abuse or an unlawful act is subject to discipline, up to and including termination.

B. The Board reserves the right to take all appropriate actions, including reporting the fraud, waste, abuse or unlawful act to the police or appropriate government authorities and cooperating with criminal investigations.

C. The Board will make all necessary attempts to recover any losses resulting from fraud, waste, abuse or an unlawful act.

VIII. Retaliation

Retaliation against any Board employee who makes a good faith report of perceived fraud, waste, abuse or an unlawful act, or has participated in an investigation or other proceeding under this policy, is strictly prohibited.

IX. Annual notice

The Board directs the Superintendent to notify Board employees annually of this policy and of their reporting responsibilities and protection against retaliation.

X. Implementation

The Board shall implement this policy.

Related Policies: Board of Education Policy 4002, Obligations of Employees of the Board of Education of Baltimore County
Board of Education Ethics Code, Policy Sub Series 8360
Board of Education Policy 8400, Office of Internal Audit
Board of Education Policy 8420, Anti-Retaliation