

FRAUD PREVENTION AND INVESTIGATION

Background

The Division's fraud procedure is established to facilitate the development of controls which will aid in the detection and prevention of fraud against the Division. It is the intent of the Division to promote consistent organizational behaviour by providing procedures and assigning responsibility for the development of controls and conduct of investigations.

This Administrative Procedure applies to any fraud, or suspected fraud, involving employees, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the Division.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Division. In instances where the Secretary Treasurer is being investigated, the Superintendent assumes the role of the Secretary Treasurer as referred to in this Administrative Procedure.

Definition

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury.

Procedures

1. Responsibilities

- 1.1 Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. Each member of the management team will be familiar with the types of improprieties that might occur within their area of responsibility, and be alert for any indication of irregularity.
- 1.2 Any fraud that is detected or suspected must be reported immediately to the Secretary Treasurer, who coordinates all investigations with legal advisors and other departments, both internal and external.

2. Actions Constituting Fraud

The terms defalcation, misappropriation, and other fiscal wrongdoings refer to, but are not limited to:

- 2.1 Any dishonest or fraudulent act.
- 2.2 Forgery or alteration of any document or account belonging to the Division.
- 2.3 Forgery or alteration of a check, bank draft, or any other financial Document.
- 2.4 Misappropriation of funds, securities, supplies, or other assets.

- 2.5 Impropriety in the handling or reporting of money or financial transactions.
 - 2.6 Profiteering as a result of insider knowledge of Division activities.
 - 2.7 Disclosing confidential and proprietary information to outside parties.
 - 2.8 Having a personal direct or indirect pecuniary interest in any supplier with whom business is being conducted.
 - 2.9 Disclosing to other persons activities engaged in or contemplated by the Division which would result in profiteering as a result of insider knowledge of Division activities.
 - 2.10 Seeking anything of material value which would benefit the individual employee, from contractors, vendors or persons providing services/materials to the Division.
 - 2.11 Personally accepting anything valued greater than fifty dollars (\$50), in total value in a year from one (1) source, from contractors, vendors or persons providing services/materials.
 - 2.11.1 Employees must report to their supervisor anything of value received from contractors, vendors or persons providing services/materials to the Division.
 - 2.12 Dining meetings are never purely social and are to be kept to modest proportions.
 - 2.13 Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment.
 - 2.14 Any similar or related inappropriate conduct.
3. Other Inappropriate Conduct
 - 3.1 Suspected improprieties concerning an employee's moral, ethical, or behavioural conduct, are to be resolved by departmental management. If there is any question as to whether an action constitutes fraud, department managers are to contact the Secretary Treasurer for guidance.
4. Investigation Responsibilities
 - 4.1 The Secretary Treasurer has the primary responsibility for the investigation of all suspected fraudulent acts as defined in this Administrative Procedure. If the investigation substantiates that fraudulent activities have occurred, the Secretary Treasurer will issue reports to appropriate designated personnel and, if appropriate, to the Board through the Audit Committee.
 - 4.2 Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with the Superintendent, as will final decisions on disposition of the case.
 - 4.3 The Secretary Treasurer shall treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Secretary Treasurer immediately, and is not to attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see section 5 below).
 - 4.4 Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the

reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Division from potential civil liability.

5. Investigation Process

5.1 Members of the Investigation Unit will have:

5.1.1 Free and unrestricted access to all Division records and premises, whether owned or rented.

5.1.2 The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation.

5.2 Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

5.3 An employee who discovers or suspects fraudulent activity will contact the Secretary Treasurer immediately.

5.3.1 The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer is to be directed to the Secretary Treasurer.

5.3.2 No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter. You may contact the Secretary Treasurer for any information."

5.4 Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

5.5 The reporting individual is not to:

5.5.1 Contact the suspected individual in an effort to determine facts or demand restitution.

5.5.2 Discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Secretary Treasurer.

5.6 If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the Superintendent and, if necessary, by outside counsel, before any such action is taken.

Adopted/Revised: JUN 2016/NOV 2019

Reference: Section 52, 53, 168, 96, 197, 204, 222, 225 Education Act
Public Interest Disclosure (Whistleblower Protection) Act
Teaching Profession Act
Public Interest Disclosure (Whistleblower Protection) Regulation
ATA Code of Professional Conduct