



FINANCE

Fraud Prevention and Reporting F012

POLICY

The consistent and effective investigation, reporting and disclosure of fraud occurrences.

PURPOSE

Fraud prevention and reporting is an integral part of financial management and corporate governance. The College is committed to maintaining the highest standards of honesty, integrity and ethical conduct and has adopted this policy to ensure consistent and effective investigation, reporting and disclosure of fraud occurrences.

SCOPE

The prevention of fraud is the responsibility of all employees.

STANDARDS

Fraud, in any form, will not be tolerated. This includes acts of fraud committed against the College as well as acts committed against outside parties to the benefit of the college.

Failure to report a fraud may result in an investigation of the party who fails to report it as well as an investigation of the party (ies) who actively commits the fraud.

Employees who commit an act of fraud are subject to disciplinary action, up to and including termination with cause.

SC will pursue full recovery of all losses resulting from an act of fraud.

GUIDELINES

Actions constituting fraud include, but are not limited to:

- forgery or alteration of a cheque, bank draft, or any other financial instrument;
- destruction or theft of funds, securities, supplies, or other assets;
- forgery or alteration of any document or account belonging to the College;
- false accounting or any impropriety in the handling or reporting of money or financial transactions;
- bribery;
- corruption;
- profiteering as a result of insider knowledge or SC client activities;
- disclosing confidential or proprietary information to outside parties;

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- in conjunction with Code of Conduct policy, providing or accepting gifts of material value to/from customers, contractors, vendors or other persons doing or attempting to do business with the College that are intended to influence a business decision or selection process;
- intentionally misrepresenting others' intellectual property as one's own;
- claiming non-legitimate expenses or unworked hours;
- conspiracy to commit any of the above; or,
- any similar or related inappropriate conduct.

Provided that the employee reporting a fraud acts reasonably and not in a vexatious manner, the employee will not be subject to any discrimination, threats, reprisals or disciplinary action by the College, as a consequence of reporting a suspected fraud and/or acting as a witness in an investigation or a court proceeding in relation to an alleged fraud.

All employees involved in an investigation of suspected fraud or irregularity maintain the rights, privileges and protections afforded to them by applicable law, by college policies and by the collective bargaining agreement.

PROCEDURE

Individuals who suspect fraud within the College must report the suspected fraud to two of the following: their supervisor, a Vice-President or the CEO.

Step 1

An individual who suspects fraud reports an incident or concern to their supervisor or anyone designated to receive fraud complaints. The incident report should be in writing, be dated and contain the following information:

- the name and job title of the witness and contact information;
- the name and job title of the alleged fraud suspect and available contact information;
- a description of the nature of the suspicious incident (e.g., theft, forgery, bribery, false accounting, corruption, profiteering), including when and how the incident was detected. The details of the suspicious incident should describe the circumstances surrounding the incident(s). What was said or done? When? How often? Where?
- the names and available contact information of any possible witnesses;
- other information or material the witness considers relevant; and
- the signature of the witness.

Step 2

The person receiving the incident report:

- reviews the fraud incident procedures with the witness;
- provides a copy of the written incident report to the out of scope manager (where it is alleged the manager is directly involved in the fraud, the person receiving the report refers the matter to another out of scope manager).

Step 3

The out of scope manager receiving the incident report provides a copy of the written incident report to the VP of Corporate Services (where it is alleged the VP of Corporate Services is directly involved in the fraud, the person receiving the report refers the matter to the CEO).

Step 4

All allegations must be investigated to determine if a fraudulent act has occurred. The College will appoint an investigator or team of investigators and will advise the Union of such.

The investigator(s) will:

- be trained in conducting an investigation and in accordance with this policy, and
- have no apparent bias or interest in the outcome of the investigation;

Where the witness or the alleged suspect objects to the appointment of an investigator, on the basis of bias or conflict of interest, the College will appoint another investigator and advise the Union.

Step 5

The investigator(s) conducts an investigation in accordance with the following guidelines:

- The investigation commences and concludes as soon as reasonably possible.
- Witnesses are interviewed separately, and written witness statements are prepared.
- Witnesses are asked to review and sign their written statements.
- Witnesses are advised to keep the investigation and the identity of the complainant and alleged suspect in confidence, unless they are required to disclose them by law.
- The witness and alleged suspect are entitled to be accompanied by a union representative (if they are in-scope) during the interview and investigation process.
- During the investigation process, both the witness and the alleged suspect are entitled:
 - to be informed of all the allegations made against them, and
 - be allowed the opportunity to make a full answer and defense.

Step 6

Once the investigation is complete, the investigator(s) will prepare a written report setting out:

- a summary of the evidence;
- a description of any conflict in the evidence;
- the investigator's conclusions on the facts and reasons for reaching that conclusion; and
- any recommended corrective action where fraud has been found to have occurred.

The investigator's report will be delivered to the out of scope manager, the complainant, the alleged harasser, and union representative(s) if they are in-scope. The report is marked as confidential and delivered with the notation that it should be kept in confidence unless disclosure is required by law or is necessary to implement corrective action or other legal remedies.

Step 7

The College:

- takes corrective action that the College considers appropriate and effective;
- informs the witness and suspect of the corrective action. Where the corrective action is different from the action recommended in the investigator's report, the College should provide reasons for not taking the investigator's recommended action;

Step 8

The College, after the corrective action has been taken, follows up with the witness to ensure that the corrective action was effective in stopping and preventing fraud. If the witness indicates that fraud has not ended, or that s/he has suffered reprisal as a result of making the complaint, the College should take additional or alternative corrective action to resolve the complaint.

Confidentiality

The College, or anyone acting on behalf of the College, should not disclose either the identity of employees reporting suspected offenses or alleged suspect's name or other identifying information to any person.

Disclosure of investigation documents

All documents and statements obtained during the course of the investigation, including the names and copies of witness statements, should not be disclosed to any person unless required by law.

Losses of money or property over \$500 that are due to fraud must be reported to the Ministry of Advanced Education.

RESPONSIBILITIES

Vice President of Corporate Services

DEFINITIONS

Fraud: The intentional deception, false representation or concealment of facts for the purpose of personal gain to obtain an advantage for oneself or for one or more third parties, or to avoid an obligation. Fraud includes inducing another party to act upon intentional deception, false representation or concealment to that party's injury or financial loss.

REFERENCES

Board Charter
Privacy and Fraud Incident Report

Date Issued: September 2017
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