

## FRAUD AND IRREGULARITIES

This procedure is governed by its parent policy. Questions regarding this procedure are to be directed to the identified Procedure Owner.

<b>Category:</b>	B. Administration
<b>Parent Policy:</b>	B03
<b>Approval Date:</b>	June 24, 2019
<b>Effective Date:</b>	June 24, 2019
<b>Procedure Owner:</b>	Chief Financial Officer

<b>Overview:</b>	
<b>Procedures:</b>	<p>All suspected irregular and wrongful acts are to be reported to the Director, Business Services.</p> <p>Where any member of Business Services is suspected of an irregular or wrongful act, employees are to report such instances to the Chief Financial Officer.</p> <p>All reported instances of irregular or wrongful acts will be investigated with the objective of generating any one or more of the following:</p> <ol style="list-style-type: none"> <li>1. Provide a measured response to any suspicion or suggestion of irregular or wrongful activity.</li> <li>2. Provide assignment of responsibility for investigating the specific incident.</li> <li>3. Help recover losses and/or prevent further losses.</li> <li>4. Help design and implement appropriate procedures and controls to reduce the probability of similar types of occurrences College-wide.</li> <li>5. Establish a review process that ensures appropriate and consistent action is taken or undertaken, and that all evidence and information is secured for such a review process.</li> </ol> <p>All reported instances of irregular or wrongful acts will be investigated to determine the authenticity of the suspicion or suggestion. The Director, Business Services shall make an initial determination of the reported incident to determine if further investigation is warranted.</p> <p>A committee (the Committee) will be established by the Director, Business Services to receive information and provide advice regarding investigations. This Committee shall consist of the Director, Human Resources, the Director, Business Services, and other individuals as deemed necessary (with the intent to minimize the number of individuals involved due to the sensitivity and confidentiality of such</p>

actions). Normally the manager responsible for the individual under investigation shall participate on the Committee for that particular investigation.

A meeting of the Committee will take place promptly upon a reported instance that is to undergo further investigation. The Committee may retain or consult with an expert with specific skills required, including legal counsel, as part of the investigation and/or review process. The individual alleged to have actions of fraud or irregularity will be informed of the accusation only if the Committee acquires sufficient evidence to substantiate the claim. As stated in the policy, employees suspected of irregular or wrongful activities shall maintain the rights, privileges, and protections afforded them through applicable policies, agreements, or legislation. Information will be handled confidentially.

Upon the commencement of an investigation, a written report shall be prepared to include, but not limited to, the following details:

1. Description of the incident, including the value of any loss, the individual(s) involved, and the means of perpetrating the activity.
2. Immediate measures to be taken to prevent further loss.
3. Measures to secure evidence in the case of a criminal action or civil litigation.

This report or a summary of it will be presented to the appropriate Vice President for information.

During the course of an investigation and/or review process of irregular or wrongful activities, progress reports will be prepared by the Committee. Final reports and recommendations will be filed with the College Executive. All such reports will include the following details:

1. Progress with any disciplinary or criminal action.
2. Quantification of losses.
3. Progress with recovery of losses.
4. Actions taken to prevent and detect similar incidences.
5. Estimation of resources required to conclude the investigation.

As part of the annual audit of the College's financial systems and controls, a summary of all fraudulent activities will be made available to the external auditors and the Audit Committee.

The Director, Business Services will consider the evidence gathered and seek the advice of the Committee to determine if it is probable that a fraudulent activity has taken place. In such case, if the Committee in consultation with the appropriate Vice President determines it is in the best interest of the College to pursue the matter further the following actions will take place:

1. The President of the appropriate staff association (if applicable) will be notified and apprised of the situation on a confidential basis.
2. The suspected employee(s) will be suspended, with or without pay, pending further investigation.
3. Law enforcement authorities will be called upon to further investigate the incident.
4. Where fraud has occurred, the College will work with the appropriate law enforcement authorities regarding the filing of criminal charges against the employee(s).

The suspected employee's legal rights and any collective agreement rights, if applicable, must be respected if such a suspension is recommended.

Normally, any individual suspended will be denied physical access to the College pending a full investigation of the incident. All access to computer files and information, including web-based access, will also be denied.

If required, a plan of action as outlined above may be implemented while any review or investigation is occurring. This may include interim measures to prevent further loss or to prevent future incidents from occurring while an investigation is occurring or while recommendations are being considered.

All information received regarding a report of irregular or wrongful activity will be treated as confidential. Investigation results will not be disclosed or discussed with anyone other than those parties involved who have a legitimate need to know.

If an investigation results in the Committee recommending dismissal of an employee, the recommendation shall first be reviewed by the Vice President and the appropriate staff association, if applicable.

Any decision or decisions that are recommended by the Director, Business Services and that may be disagreed with by any parties involved will be presented to the Executive Committee of the College for the final decision and/or approval.

The following list of examples of irregular activity is intended to provide a general understanding of the scope of irregular activities as contemplated in the Fraud and Irregularities Policy. This list is not exhaustive.

Examples of irregularities include:

1. Improprieties in the handling or reporting of money or financial transactions,
2. Misappropriation of funds, securities, supplies, inventory, or any other assets (including furniture, fixtures or equipment),
3. Authorizing or receiving payment for goods not received or services not performed,
4. Authorizing or receiving payments for hours not worked,
5. Alteration or falsification of documents,
6. Misrepresentation of facts,
7. False claims by employees, students or vendors of the College,
8. Inappropriate use of College assets such as computers & equipment, vehicles, College credit cards, etc.,
9. Unauthorized selling or trading of intellectual property,
10. Inappropriate disposal of College assets,
11. Unethical behaviour associated with using one's position at the College,
12. Falsification of employment qualifications,
13. Misuse of College benefits (e.g. claims for sick time)
14. Inappropriate write-offs of amounts owing to the College (e.g. accounts receivable),
15. Breaking of a larger purchase into smaller purchases to avoid procurement policies which may or may not be to the advantage of the individual,
16. Collusion between staff and external tenders
17. Unauthorized changes or manipulation to electronic data

**Definitions:**

**Related Information:**

**Review Period:**

**Revision History:**

3 years

New: 2009  
Revised: 2019