

Administrative Application	
Fiscal Management 4304 <hr/> Fraud Management	Last Reviewed /Approved on: January 15, 2019
	References: <ul style="list-style-type: none"> The Criminal Code of Canada (RS, 1985, c.c-46) The Education Act Administrative Application 4303 – Conflict of Interest for Employees Administrative Application 7201 – Employee Code of Conduct Ministry of Education – Reporting and Recovery of Losses Policy for School Divisions Policy 2 – Role of the Board Policy 5 – Trustee Code of Conduct Policy 12 – Role of the Director
	Status: Operational

Preamble

The Regina Catholic School Division (RCSD) expects, consistent with the teachings of Christ, that employees will at all times conduct themselves with personal integrity, ethics, honesty, impartiality, and diligence in the performance of their duties. RCSD is committed to an organizational culture that operates with integrity and promotes responsibility, ethical behaviour, excellence, and accountability with respect to all decisions and practises.

This administrative application sets out the process to be followed for the identification, investigation and escalation and reporting of fraud at the school division. This administrative application applies to all Trustees and employees of the school division. It may also apply to persons or organizations external to the school division who perpetuate fraud against it.

Definition

1. **Fraud**

Fraud is a deliberate act of deception, manipulation or trickery, with the specific intent of gaining an unfair or dishonest personal gain or advantage. It may be perpetrated by one individual or completed in collusion with others. Fraud involves willful misrepresentation or deliberate concealment of material facts.

2. **Fraud Types**

Types of fraud may include, but are not limited to, the following:

- a. Forgery or alteration of cheques or other banking documents and records
- b. Theft, embezzlement or misappropriation of funds, supplies and services, resources, or time.
- c. Any irregularity in the handling or reporting of money transactions, including the falsification, unauthorized destruction or removal of corporate records, or financial statements.

- d. Any computer related activity involving the alteration, destruction, forgery, manipulation of data or unauthorized access for fraudulent purposes.
- e. Any claim for reimbursement of expenses that is either intentionally inflated or not a bona fide expense of the school division.
- f. The unauthorized use of school division money, property, resources, or authority for personal gain or other non-school division related purposes.
- g. Misuse or abuse of authority in the purchase of goods or services.
- h. False claims for grants, contributions, or any program/service payments, including refunds and rebates.
- i. Seeking or accepting anything of material value from vendors of the school division in violation of the conflict of interest provisions in *Administrative Application 4303 – Conflict of Interest for Employees*.

Principles

The guiding principles of Fraud Management include the following:

- a. Fraud and the material misstatement of financial information can have a significant adverse effect on the school division's public image, reputation and its ability to achieve its mission and priorities.
- b. This administrative application is intended as a means to increase awareness of key fraud indicators, the different types of fraud and fraud schemes that may exist and the roles/responsibilities of all staff in fraud prevention, deterrence and detection.
- c. RCDS is committed to protecting its revenue, property, proprietary information and other assets. The school division will not tolerate any misuse or misappropriation of its assets.
- d. RCSD will make every reasonable effort to protect itself against fraud, and will establish and maintain a system of internal control to ensure, to the fullest extent possible, the prevention and detection of fraud.
- e. RCSD will provide, as required, the necessary information and training to ensure that all staff are familiar with the types of improprieties that might occur within the workplace, and be alert for any indications of such conduct.
- f. Provided there are reasonable grounds, RCSD shall investigate any and all incidents of suspected or alleged acts of fraud. An objective and impartial investigation will be conducted regardless of the position, title, length of service, or relationship with the school division of any individual or party who becomes the subject of such an investigation.
- g. In the event that a fraud is substantiated, appropriate disciplinary action shall be taken, up to and including dismissal.
- h. In the event that a fraud is substantiated, RCSD shall make every reasonable effort to seek restitution and obtain recovery of any and all losses from the offender(s), or other appropriate sources, including the school division's insurers.

- i. In the event of criminal misconduct, the police shall be notified, as appropriate.

Application

1. Duty to Report Suspicion of Fraud

- a. Any act of fraud that is detected or suspected must be reported immediately and investigated in accordance with this administrative application, as expeditiously as possible.
- b. Any employee who has knowledge of an occurrence of a fraud, or has reason to suspect that a fraud has occurred, shall notify their supervisor. If the employee has reason to believe that the employee's supervisor may be involved, the employee shall notify the Director of Education and/or Chief Financial Officer.

2. Investigation of Suspicious or Allegations of Fraud

- a. Responsibility for ensuring all reported allegations of fraud are investigated rests with the Director of Education, in conjunction with the Chief Financial Officer and/or Superintendent of Human Resource Services, as appropriate.
- b. The Director of Education and the Chief Financial Officer shall periodically report to the Board Finance Review Committee of alleged or suspected frauds of a material amount (\$500.00 or more) and shall ensure that all instances of alleged or suspected fraud are appropriately investigated.
- c. The Director of Education and the Chief Financial Officer may engage the services of forensic consultants and legal counsel, as appropriate.
- d. Employees are expected to fully cooperate with management and any others involved in the investigation and make all reasonable efforts to be available to assist during the course of the investigation.
- e. All participants in a fraud investigation shall keep the details and results of the investigation confidential, and shall not discuss the matter with anyone other than those involved in the investigation.

3. Special Investigations (Trustees, Director of Education, Senior Management)

- a. Where a member of Senior Management is suspected of fraud, the employee may directly notify the Director of Education.
- b. Where the Director of Education is suspected of fraud, the employee may directly notify the Board Chair.
- c. Where a Trustee is suspected of fraud, the employee may notify the Director of Education or the Chief Financial Officer.

4. **Employee Protection**

- a. Acting in Good Faith – In making a report, an individual must be acting in good faith with reasonable grounds for believing that there is a suspected fraud or questionable financial practises. An individual who makes an unsubstantiated report, which is knowingly false or made with frivolous or malicious intent, or knowingly false, will be subject to the discipline, up to and including, dismissal.
- b. Protection from Reprisal – This administrative application prohibits reprisals against individuals, acting in good faith, who report incidents of suspected fraud, or who act as witnesses in any subsequent investigation. The school division shall make every effort to ensure that an individual, who in good faith reports under this policy, is protected from harassment, retaliation or adverse employment consequence. Anyone who retaliates against someone who has reported in good faith is subject to discipline, up to and including dismissal.

5. **Implementation and Monitoring**

- a. The Director of Education, in collaboration with the Chief Financial Officer, shall establish procedures required to implement this administrative application and provide periodic reports to the Board Finance Review Committee as well as meeting the requirements of the Ministry of Education's *Reporting and Recovery of Losses Policy* for School Divisions.