



Authority Policy 9001

FRAUD MANAGEMENT

Legal References:

Related References:

Effective Date: February 2017

Revisions:

Reviewed:

1. Preamble

1.1 The purpose of this policy is to set out the process to be followed for the identification, investigation, and escalation and reporting of fraud at the KidsAbility School Authority (Board) (KASA).

1.2 This policy applies to trustees, employees and all organizations that do business with the Board.

2. Roles and Responsibilities

2.1 The Principal, in collaboration with the KASA Finance Committee, is authorized to provide the administrative procedures necessary to implement this policy.

3. Principles

3.1 Fraud and the material misstatement of financial information can have a significant adverse effect on the Board's public image, reputation and its ability to achieve its strategic objectives.

3.2 The policy 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.

3.3 The Board is committed to protecting its revenue, property, proprietary information and other assets. The Board will not tolerate any misuse or misappropriation of those assets.

3.4 The Board 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.

3.5 The Board will provide the necessary information and training to ensure that staff is familiar with the types of improprieties that might occur within the workplace and be alert for any indications of such conduct.

3.6 Provided there are reasonable grounds, the Board 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 Board, of any party who becomes the subject of such an alleged incident.

3.7 When a fraud is substantiated by the investigation, appropriate disciplinary action shall be taken, up to and including dismissal.

3.8 In the event that fraud is found to have occurred, the Board 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 Board's insurers.

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

4. Definitions

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

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

4.2.1 Theft, embezzlement or misappropriation of funds, supplies and services, resources, other assets or time.

4.2.2 Forgery or alteration of cheques or other banking documents and records.

4.2.3 Any irregularity in the handling or reporting of money transactions, including the falsification, unauthorized destruction or removal of corporate records, or financial statements.

4.2.4 Any computer related activity involving the alteration, destruction, forgery, manipulation of data or unauthorized access for fraudulent purposes.

4.2.5 Any claim for reimbursement of business expenses that is either intentionally inflated or not a bona fide business expense of the Board.

4.2.6 The unauthorized use of Board money, property, resources, or authority for personal gain or other non-Board related purposes.

4.2.7 Misuse or abuse of authority in the context of purchasing goods or services.

4.2.8 False claims for grants, contributions or any program/service payments, including refunds and rebates.

4.2.9 Seeking or accepting anything of material value from vendors of the Board

5. Requirements

5.1 Duty to Report Suspicion of Fraud

5.1.1 Any act of fraud that is detected or suspected must be reported immediately and investigated in accordance with this policy, as expeditiously as possible.

5.1.2 Any employee who has knowledge of an occurrence of a fraud, or has reason to suspect that a fraud has occurred, shall immediately notify his/her supervisor. If the employee has reason to believe that the employee's supervisor may be involved, the employee must notify their supervisor's superior.

5.1.3 Upon notification from an employee of a suspected fraud, the supervisor shall notify the Board.

5.1.4 Where the person reporting the suspicion of fraud is not satisfied that their suspicion will be investigated they must contact one of the following:

5.1.4.2 Principal or Chair of the Board

5.1.5 Where an employee or other person suspects the Principal of fraud, the employee must notify the Chair of the Board directly.

5.1.6 Where the Chair of the Board is suspected of fraud, the employee must notify the Head of the Finance Committee.

5.1.7 Where a Trustee, other than the Chair, is suspected of fraud, the employee must notify the Chair of the Board.

5.2 Investigation of Suspicions or Allegations of Fraud

5.2.1 Responsibility for ensuring all reported allegations of fraud are investigated rests with the Principal, through the Chair of the Board.

5.2.2 Where a suspected fraud is of a material amount the Principal and the Chair of the Board, shall inform the Chair of the Finance Committee. They shall ensure that all instances of alleged or suspected fraud are appropriately investigated.

5.2.3 The Principal and the Chair of the Board, involve the Chair of the Finance Committee, where appropriate. Similarly, the Board may involve forensic consultants and Board legal counsel.

5.2.4 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.

5.2.5 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.

5.3 Whistleblower Protection

5.3.1 Protection from Reprisal – This policy prohibits reprisals against individuals, acting in good faith, who report incidents of suspected fraud, or who act as witnesses in any subsequent investigation. The Board 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.

5.3.2 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 breach of a code of conduct or questionable financial practices. An individual who makes an unsubstantiated report, which is knowingly false or made with vexatious or malicious intent, will be subject to discipline, up to and including dismissal