

## **400.4 Fraud Prevention, Identification and Reporting**

### **Policy**

Lethbridge School Division (the “Division”) believes in fiscal responsibility, including the safeguarding of its assets, resources, and employees by preventing, detecting and reporting fraud.

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. The Division will respond to and investigate all misappropriations and inappropriate conduct reported, observed or discovered.

Prevention encompasses an ethical environment, periodic fraud risk assessment and preventive internal control such as authority limits, policies and procedures. A strong tone at the top supported with preventive controls along with effectively implemented process serve as strong and effective deterrents for fraud. The most effective method of preventive fraud is creation of an ethical and transparent environment that promotes all employees to actively participate in protecting the Division’s reputation, resources and promoting stakeholder confidence in the Division.

### 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. Each member of Division administration will be familiar with the types of improprieties that might occur within his or her area of responsibility and be alert for any indication of irregularity.

### **Regulations**

1. Every employee (full time, part time, temporary, contract, ex-employee, advisor), volunteers, representative of vendors, suppliers, contractors, consultants, service providers or any other agency(ies) doing any type of business with the Division, is expected and shall be responsible to ensure that there is no fraudulent act committed by them while performing any business transaction(s) with the Division. As soon as it is learnt that a fraud or suspected fraud has taken or is likely to take place they should immediately refer to the required steps as outlined in procedure 400.4, Fraud, Prevention, Identification and Reporting.

All Division employees are responsible to:

- 1.1 Refrain from participating in any act of fraud.
  - 1.2 Report all detected or suspected instances of fraud.
2. Any irregularity that is detected or suspected must be reported immediately through the FRAUD TIPS Form 400.4

3. The Employee or other complainant may remain anonymous; however, it is encouraged to provide contact information so that the Division may seek further clarification (if required). Should the Employee or other complainant wish to provide their contact information:
  - 3.1 Adverse personnel action or reprisals will not be taken against an employee for the reporting of information in accordance with this policy, providing the reporting employee has acted reasonably and in good faith.
  - 3.2 This policy does not protect an employee from consequence of their own actions, if such actions do not constitute reasonable and good faith disclosure in filing their report.
4. Employees may seek advice on whether or not to report a suspected fraud from their direct supervisor, other school administrators, and/or any Designated Officer, and are protected from reprisal for seeking that advice.
5. All reported irregularities will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances, the Policy 400.1 - Employee Code of Conduct, and the law.
6. Irregularities concerning an Employee's moral, ethical, or behavioral conduct should be resolved by school/department administrator and through the Human Resources Department rather than the Fraud Investigation Team.
7. The Fraud Investigation Team has the primary responsibility for the investigation of all suspected fraudulent acts as defined by this policy. If the investigation substantiates that fraudulent activities have occurred, the Fraud Investigation Team will issue reports to appropriate designated officer as defined in procedure 400.4 Fraud Prevention, Identification and Reporting and, if appropriate, to the Board of Trustees through the Board Audit Committee.

The Board delegates to the Superintendent the authority to develop the procedures necessary to implement this policy.

### References

Education Act:	Section 52
Division Policies:	Appendix A - Policy 400.1 – Employee Code of Conduct Policy 400.3 – Whistleblower Protection Procedure 400.4 – Fraud Identification and Reporting Form 400.4 – Fraud Tips Form
Other:	ATA Code of Conduct