

## **Policy GBGBA      FRAUD INVESTIGATION PROCEDURES**

1. Definition of fraud: An intentional deception made for personal gain or to damage another individual. Examples include but are not limited to:

- Any dishonest act;
- Forgery or alteration of any document or account belonging to the School Division;
- Forgery or alteration of a cheque, bank draft, or any other financial document;
- Misappropriation of funds, securities, supplies, or other assets of the School Division;
- Impropriety in handling or reporting of money or other financial transactions;
- Profiteering as a result of insider knowledge of School Division activities;
- Disclosing confidential and proprietary information to outside parties;
- Destruction, removal, or inappropriate or unauthorized use of records, furniture, fixtures, equipment or other assets owned by the School Division.

2. Policy To facilitate the development of controls which will aid in the detection and prevention of fraud against Kelsey School Division, all employees and School Board members are subject to the following:

- a) The Board believes in promoting consistent organizational behavior to mitigate fraud by providing guidelines and assigning responsibility for the development of controls and conduct of investigations of fraudulent acts.
- b) This procedure applies to any fraud, or suspected fraud, involving employees, School Board Members, consultants, contractors, vendors, and other parties conducting business with the School Division.
- c) The Board does not condone any acts of fraud. Employees or School Board members found, through appropriate investigation as outlined in the procedures, to have defrauded the School Division will be subject to discipline up to and including termination and subject to prosecution under any applicable provincial or federal law.

3. Procedure:

- a) All supervisors in the School Division are responsible for the detection and prevention of fraud within the organization. Each supervisor will be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indication of irregularity.
- b) Any fraud that is detected or suspected must be immediately reported to the Secretary Treasurer, who coordinates all investigations with legal advisors and other departments, both internal and external.
- c) Any employee who suspects dishonest or fraudulent activity will notify the Secretary Treasurer immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act. If the suspect is the Secretary Treasurer, the Superintendent will be notified.
- d) The identity of the reporting employee will remain confidential and may be disclosed only to those who have a legitimate need to know.

- e) The Secretary Treasurer has the primary responsibility for the investigation of all suspected fraudulent acts as defined in this policy. If the investigation substantiates that fraudulent activities have occurred, the Secretary Treasurer will issue reports to appropriate designated personnel and to the School Board through the Finance Committee.
- f) Decisions to discipline, prosecute, or refer the investigation results to the appropriate law enforcement for further investigation will be made in conjunction with the Superintendent, as will final decisions on the disposition of the case.
- g) The Secretary Treasurer will keep all information received through investigation confidential.
- h) All inquiries concerning the activity under investigation from the suspected individual, their attorney or other representative, or any other inquirer should be directed to the Secretary Treasurer.
- i) Investigation results will not be disclosed to anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the School Division from civil liability.

### 3 Investigation Procedures:

- a) The Investigation team will consist of the Secretary Treasurer and the supervisor of the accused. If the accused is the Secretary Treasurer, the investigation will be conducted by the Superintendent.
- b) Members of the investigation team will have unrestricted access to all School Division records and premises to conduct the investigation.
- c) The investigation team will have the authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities (including electronic) on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of the investigation.
- d) The reporting individual will not contact the suspected individual for any reason and will not discuss the details of the allegation with anyone unless asked to do so by the Secretary Treasurer.
- e) If the investigation results in a recommendation to terminate an employee, the recommendation will be reviewed by the Superintendent and if necessary, legal counsel, before any action is taken.
- f) The results of all investigations will be reported as appropriate to those involved in the investigation and to the Board through the Finance Committee.