

FRAUD POLICY

POLICY #200-1-4
COLLEGE SERVICES

Reviewed :	Executive Team	05.12.09
Approved :	Board of Governors	05.26.09
Approved:	Board of Governors	02.27.13

POLICY

Bow Valley College is committed to protecting the organization, its operations, employees, and assets from the consequences of fraudulent activity. The purpose of this policy is to:

- uphold the College's fiduciary responsibility as a public institution (fiduciary is defined, in this case, as an institution who uses public funds or public property who is required to exercise a standard care imposed by law)
- clearly state the College's position with respect to fraud
- impose a duty on College employees to report a suspicion of fraud as defined by this policy
- impose a duty on deans, directors, and executive members to detect and protect the College from improprieties
- protect those who report suspected fraudulent activity
- ensure a consistent, prompt response to reports of suspected fraudulent activity
- outline filing and reporting requirements
- outline consequences of participating in fraudulent activity

This policy applies to all employees of Bow Valley College as well as College consultants, contractors, vendors, and partners to the extent that the College resources are involved or impacted.

Also See:

Ethical Business Practices Policy

Protected Disclosure Policy

Code of Conduct Policy

Crisis Communications Policy

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Definitions

Fraud is "intentional deception resulting in injury to another. Elements of fraud are a false and material misrepresentation made by one who either knows it is false or is, ignorant of its truth...Fraud usually consists of a misrepresentation, concealment, or nondisclosure of a material fact, or at least misleading conduct, devices or contrivance."

Source: Yogis, John A., *Canadian Law Dictionary*. (New York: Baron's Educational Services Inc., 2003) p. 114

Fraud includes, but is not limited to:

- misappropriation, misapplication, destruction, removal, or concealment of College property
- alteration or falsification of paper or electronic documents (cheques, invoices, contracts, reference letters, grant applications, time sheets, requisitions, budgets, admission applications, student records and transcripts etc.) including the inappropriate destruction of paper or electronic documents
- authorizing or receiving payments for goods not received or services not performed
- altering or deliberately reporting incorrect financial or personal information for either a personal or College advantage
- unauthorized use of College property and resources for personal advantage or gain
- any claim for reimbursement of expenses that are not incurred for the benefit of the College
- graft, bribery, kickbacks, or rebates
- identity theft
- misrepresentation of professional or academic credentials,
- misrepresentation of position or status with the College or misstatement of the right to commit the College to contracts or transactions

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Guidelines

Fraud and the concealment of fraud are strictly forbidden at Bow Valley College. Such acts will be treated as serious offences and will result in severe discipline up to and including termination and/or charges under the Criminal Code of Canada. Contractors, vendors, and partners who are found to have committed fraud will have their contract terminated.

The College is committed to the thorough investigation of all suspected cases of fraud.

The College, to the extent possible, will recover any losses incurred through an act of fraud.

All employees have an obligation to report any suspected fraud. Failure to do so may result in discipline.

All deans, directors, and executive members must be familiar with the types of improprieties that may occur in their area; develop and enforce internal controls and policies that will provide the security and accountability of the resources entrusted to them; and report any indication that an act of fraud is occurring or has occurred in their area.

All employees involved in an investigation of suspected fraud will retain the rights, privileges, and protection afforded to them through the applicable College policies and collective agreements in effect at the time. This Fraud Policy is intended to be applied in concert with existing policies, practices and collective agreements governing conduct and discipline.

An individual who in good faith reports a suspicion of fraud will be protected from retaliation by employees of the College as stated in the College's Protected Disclosure Policy. Under no circumstances will this individual be threatened, intimidated, or dismissed because he or she acted in accordance with this policy. In addition, every effort shall be taken to mitigate any consequences of the process for other individuals who may unintentionally be adversely affected by it.

An individual who makes allegations of fraud, which are proven to be made in bad faith, will be disciplined.

At any time during the process of investigation, unlawful acts may be reported to the applicable law enforcement agency through the President and CEO.

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Procedure

1.0 Duty to Report

All suspected instances of fraud must be reported promptly either to the immediate supervisor or the Director, Human Resources. If the report is received by a supervisor, it is the responsibility of the supervisor to notify the Director, Human Resources (or the appropriate Vice President if the Director, Human Resources is involved). Any allegations must not be discussed with anyone else without prior notification and permission of the Director, Human Resources.

If the allegation concerns either the Director, Human Resources or the Vice President, or the employee feels uncomfortable with giving this information to either individual he/she may make a report directly to the President and CEO or the Chair of the Board of Governors if the allegation involves the President and CEO.

2.0 Investigation

2.1 The Director, Human Resources, in consultation with the appropriate Vice President, will determine the necessary action depending upon the nature of the allegations. The Director, Human Resources may obtain legal advice and/or an external fraud advisor prior to composing the investigation group and will halt the investigation at any time if the allegation(s) does not constitute fraud. The matter may in such cases be referred to the supervisor or the appropriate Vice President if it is found not to be fraud but is another behavioural concern.

2.2 The composition of the investigative group is identified below. No persons other than those assigned by the Director, Human Resources or a law agency, will conduct investigations or interviews.

- The Director, Human Resources if an employee(s) is involved;
- The Contract Manager if a contractor is involved;
- The Vice-President, Academic if an educational partner is involved;
- Law enforcement agents, in instances where criminal charges may be warranted;
- The College solicitor and/or an external fraud advisor; and
- The Vice President, College Services

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- 2.3 Any individual suspected of fraudulent activity should not be notified prior to commencement of the investigation process. Records related to the activity may need to be seized before the suspected individual(s) becomes aware of any investigation. The investigative group will have free and unrestricted access to all College records and premises and the authority to examine, copy, and/or remove all or any portion of the contents of computer and paper files, desks, cabinets and other storage facilities on College 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 their investigation. A copy will be made and retained by the College of all records which are removed for investigative purposes to ensure continuity of the business.
- 2.4 The purpose of the investigation and the reporting of appropriately documented fraudulent activities are to provide a sound foundation for the protection of the innocent, the removal or discipline of the wrongdoers, appropriate judicial action when warranted by the facts, and the basis for filing fidelity bond claims and civil litigation seeking recovery.
- 2.5 If, in the opinion of the investigating team, fraud is probable and after receiving positive confirmation from law agencies, if applicable, and the College solicitor and/or an external fraud advisor, the Director, Human Resources will advise the respondent about the complaint and its particulars and invite the respondent to respond to the evidence either orally or in writing before any decision is made by the investigating group. If the respondent is an employee covered by a Collective Agreement, the applicable union representative will be in attendance.

Once it has been determined that fraud has occurred, the President and CEO, the Office of the Auditor General, the Ministry and the College Insurer must be notified.

- 2.6 Employees suspected of fraud may be suspended with or without pay pending completion of the investigation, or may be terminated immediately, based on the results of the investigation.

3.0 Confidentiality

All information collected or received by the investigation group will remain confidential except as would be necessary for a thorough investigation and/or as required by law.

4.0 Assistance to Law Enforcement and Regulatory Agencies

With the exception of the President and CEO, the Director, Human Resources or

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the Vice President, College Services are the only authorities authorized to provide assistance to law enforcement or regulatory agencies. All requests for assistance from such agencies shall be immediately forwarded to the Director, Human Resources for determination and handling.

5.0 Consequences

- 5.1 Upon completion of the investigation, the investigative group will submit a final report to the President and CEO, the appropriate Vice-President, and the Vice-President, College Services.
- 5.2 Employees who commit an act of fraud will be subject to disciplinary actions which may include termination and/or legal recourse which may include both criminal charges and civil suit. Contractors, vendors, and partners who commit fraud will have their contract terminated and the College may pursue legal recourse.
- 5.3 Failure by employees to report suspected fraud may result in discipline.

6.0 Filing and Reporting

- 6.1 If an individual is proven to have committed fraud, information relating to the offence will be placed on the appropriate file (i.e., personnel, contract). The retention of such records will be governed by established records policies and applicable Collective Agreements.
- 6.2 The Director, Human Resources, in consultation with the Vice President College Services and the Auditor General of Alberta, will make recommendations for improvements to internal controls that are identified as a result of each fraud investigation and submit this report to the President and CEO.
- 6.3 As set out in the Crisis Communication Policy, the two (2) designated spokespersons for Bow Valley College are the President and the Director, Marketing & Communications. Alternate spokespersons are the Chair, Board of Governors, VP Learning, VP College Services, or VP Enrolment & Learner Services.

All procedural guidelines, as set out in the Crisis Communication Policy, will be adhered to when handling the communication of information involving Bow Valley College, its operations, employees, and assets.