

<i>Rainy River District School Board</i>	SECTION 8 <i>Finance</i>
FRAUD PREVENTION AND MANAGEMENT	8.45

POLICY

The Rainy River District School Board will maintain a system of internal controls designed to prevent, detect, investigate, and report instances of fraud.

RATIONALE

Fraud and the material misstatement of financial information can have a significant adverse effect on the Board's ability to achieve its overall goals and objectives and to maintain public trust. The Rainy River District School Board is committed to protecting its assets and reputation.

IMPLEMENTATION

This policy applies to trustees, employees, volunteers, and third party contractors/consultants.

As per Procedure 8.45 Fraud Prevention and Management.

GUIDELINES

- 1.1 The Director of Education, in collaboration with the Superintendent of Business, shall maintain procedures required to implement this policy and provide an annual report to the Audit Committee on the implementation of this policy.
- 1.2 The Board will provide the necessary information and training to ensure that staff is familiar with fraud, its prevention and its detection.
- 1.3 In the event that fraud has 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.
- 1.4 When an investigation substantiates that a fraud may have occurred, appropriate disciplinary action shall be taken, up to and including dismissal. In the event of criminal misconduct, the police shall be notified, as appropriate.

2.0 Duty to Report

- 2.1 All individuals have a duty to report any act of fraud that is detected or suspected.
- 2.2 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 shall immediately notify the appropriate supervisory officer or department manager.

- 2.3 Members of the public with suspicions of fraud are encouraged to report their suspicions to the Director of Education, or as outlined in the section 5.0 of this policy.

3.0 Protection from Reprisal for Reporting (Whistle-Blower Protection)

- 3.1 In making a report, an individual shall act in good faith with reasonable grounds for believing that there is fraud or questionable financial practices.
- 3.2 The Board shall make every effort to ensure that an individual who, in good faith, reports under this Policy, and/or who act as witnesses in any subsequent investigation, is protected from harassment, retaliation or adverse employment consequence.
- 3.3 Anyone who retaliates against someone who has acted in good faith is subject to discipline, up to and including dismissal.
- 3.4 An individual who makes a report which is knowingly false or made with vexatious or malicious intent will be subject to discipline, up to and including dismissal.

4.0 Investigation

- 4.1 The Director of Education shall ensure that all allegations of fraud will be investigated, provided there are reasonable grounds. 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 investigation.
- 4.2 The Director of Education or designate shall inform the Chair of the Audit Committee of the alleged or suspected fraud.
- 4.3 Employees shall fully cooperate with management and any others involved in the investigation and make all reasonable efforts to be available during the course of the investigation.
- 4.4 All participants in a fraud investigation shall keep the details and results of the investigation confidential.

5.0 Allegations of Fraud by Senior Administration and/or Trustees

- 5.1 Where a member of Senior Administration is suspected of fraud, the Director of Education shall be notified. The Director of Education will then notify the Chair of the Board and/or the Regional Internal Audit Manager.
- 5.2 Where the Director of Education is suspected of fraud, the Chair of the Board and/or the Regional Internal Audit Manager shall be notified directly.
- 5.3 Where a Trustee is suspected of fraud, the Director of Education and/or the Regional Internal Audit Manager shall be notified directly.

5.4 The Regional Internal Audit Manager will assume the primary responsibility for all investigations of Senior Administration and/or Trustees.

Definition:

Fraud is the 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 done in collusion with others. It involves willful misrepresentation or deliberate concealment of material facts.

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

- Forgery or alteration of cheques or other banking documents and records;
- Theft, embezzlement or misappropriation of funds, supplies and services, resources, other assets or time;
- Any irregularity in the handling or reporting of money transactions, including the falsification, unauthorized destruction or removal of corporate records, or financial statements;
- Any computer related activity involving the alteration, destruction, forgery, manipulation of data or unauthorized access for fraudulent purposes;
- Any claim for reimbursement of business expenses that is either intentionally inflated or not a bona fide business expense of the Board;
- The unauthorized use of Board money, property, resources or authority for personal gain or other non-Board related purposes;
- Misuse or abuse of authority in the context of purchasing goods or services;
- False claims for grants, contributions or any program/service payments, including refunds and rebates;
- Seeking or accepting anything of material value from vendors.

<u>CROSS REFERENCE</u>	<u>Date Approved</u> October 1, 2019	<u>LEGAL/MINISTRY OF EDUCATION REFERENCE</u>
Procedure 8.45 Fraud Prevention and Management	<u>Board Motion</u> 62	
Policy 2.05 Communications, Including Media Relations	<u>Review Prior to</u> 2024	
Policy 3.86 Employee Code of Conduct		
Policy 8.09 Procurement		
Policy 1.08 Trustee Code of Conduct		