



FRAUD AND IRREGULARITY PROCEDURE

SECTION FINANCE AND CORPORATE SERVICES	DATE DRAFTED June 24, 2011
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 Original signed by President & CEO	

INTENT

Members of the ACAD community shall, at all times, conduct themselves in a manner that serves the best interests of the Alberta College of Art + Design (“ACAD” or the “College”), demonstrates respect for the College’s Vision, Mission, Values and Mandate, and brings credibility and good will to the institution. ACAD is committed to the highest standards of ethical conduct and fiduciary responsibility and therefore treats fraud and irregularity with the utmost seriousness. This document is intended to document the protocols for suspected fraud and irregularity that facilitates a timely and professional response to any suspicion or suggestion of fraud or irregularity.

SCOPE

This Procedure applies to all members of the ACAD community, including all faculty, staff, students, volunteers, contractors and visitors.

DEFINITIONS

Fraud means a deliberate and/or unlawful deception, misrepresentation or concealment of fact practiced to secure advantage, benefit or gain and/or to cause loss to another. Examples of fraud for purposes of this procedure include, but are not limited to:

- misrepresentation of material facts
- concealment of material facts
- bribery
- undeclared conflict of interest
- theft of money or property
- theft of intellectual property
- theft of identity
- breach of fiduciary duty
- statutory offences

- receiving or authorizing compensation for goods or services not received or delivered

Irregularity means an activity or a potential activity that deliberately disregards College policies or procedures and includes concerns regarding inappropriate accounting or disclosures impacting the financial stewardship role of the College in the use or deployment of College resources.

Reasonable Care means the standard of care that a reasonably prudent person would observe under a given set of circumstances and whether the individual proceeds with reasonable caution as a prudent person would have exercised under similar circumstances. Circumstances will vary depending on their complexity, difficulty in interpretation, seriousness, the individual's knowledge, and the need to validate information or seek advice from knowledgeable sources. For example, this would mean having adequate record keeping systems and documentation procedures to ensure incidents and investigations are properly and accurately recorded and supported with evidence.

PRINCIPLES

1. Fraud, including fraud that benefits the College, will not be tolerated.
2. ACAD community members shall use honesty and integrity in performing their College duties and activities.
3. ACAD community members shall comply with College policies and procedures.
4. ACAD community members shall maintain in confidence any confidential information revealed to them in their capacity as College members, including information about students, personnel, College deliberations and decisions.
5. Employees who commit acts of fraud or irregularity will be subject to disciplinary action up to and including termination of employment and prosecution if appropriate.
6. ACAD, to the extent reasonably possible, will recover any losses incurred through financial improprieties.
7. All employees have an obligation to report suspected fraud or irregularity.
8. ACAD will adhere to the principles of ethical conduct and reporting of wrongdoing contained in the College's Whistle Blower Policy and Code of Conduct Procedures.
9. ACAD shall take reasonable care in investigating and dealing with suspected fraud or irregularity to avoid baseless allegations, premature investigation of allegations, and violations of a person's rights under law.

10. ACAD community members shall at all times try to avoid the appearance of irregularity in the conduct of their duties and services by adhering to the Codes of Conduct established by the College.
11. ACAD community members shall immediately declare any real, potential or perceived conflicts of interest.

PROCEDURES

The Vice- President Finance and Corporate Services shall establish internal processes and protocols for the implementation of this Procedure. These processes and protocols shall be reviewed regularly to ensure compliance with relevant legal principles, including relevant legislation and case law.

Reporting Procedures

1. Suspected instances of fraud or irregularity must be reported to the employee's immediate supervisor or the next appropriate management level for their area. It is the responsibility of a supervisor or relevant Chair, Manager, Director, Associate Vice President or Vice-President, to ensure that suspicion of fraud or irregularity is reported to the Vice- President Finance and Corporate Services to determine the appropriate response to any suspicion.
2. Reports can be made verbally or in writing, and can be made openly, confidentially, or anonymously. However, it is important to note that reporting an allegation anonymously will impact ACAD's ability to conduct a proper and competent investigation.
3. Any person(s) suspected of a fraud or irregularity should not be confronted prior to the commencement of the investigation process. Records related to the activity may have to be seized before the suspected person(s) become aware of the investigation.
4. In cases where an individual is not comfortable with reporting with the process outlined above the incident should be reported directly to the Vice President, Finance and Corporate Services (Vice President FCS).

Responding to and Investigating Procedures

1. Finance & Corporate Services (FCS) has the primary responsibility for coordinating investigations of allegations of fraud or irregularity. Should this occur concurrently with other misconduct proceedings involving an employee pursuant to a collective agreement, FCS will coordinate with Human Resources.
2. When a report is received of suspected incidence (s) of fraud or irregularity, the Vice -- President (FCS) will assess the allegation to determine if the reported incident warrants an

initial review. In determining whether to proceed with an initial review the following factors will be considered :

- a) Do the allegations or suspicions, if true, constitute a fraud or a serious or substantial violation under ACAD's Policies or Procedures?
 - b) Is the information provided specific enough to be investigated?
 - c) Is the subject matter within ACAD's authority or jurisdiction to investigate?
 - d) Does the allegation contain directly, or point out to, corroborating evidence that can give the allegation credibility?
3. If the above criteria are not met, the Vice President FCS, in consultation with the President + CEO and the Director, Human Resources may decline to proceed with a review. Alternative means of dealing with the allegation may be considered. This decision will be documented and, should the decision be made not to proceed, the Vice- President FCS will communicate the decision to the person who made the allegation, unless that communication is not reasonably possible.
4. If the above criteria are met, the Vice-President will advise the President + CEO and the Director, Human Resources of the need to conduct a preliminary review of the reported incident. A review will then be conducted by the Vice President FCS to determine if there are reasonable and probable grounds to warrant further investigation. This preliminary review will be conducted in a timely and confidential manner.
5. If based on the results of the preliminary review, the Vice President FCS confirms that there is sufficient cause to continue, the President + CEO will be informed of the findings. In consultation with the President + CEO, and other Cabinet members as required, the Vice-President FCS will undertake a formal investigation. He/she may convene a working group as deemed appropriate to support this formal investigation or, if specialist skills are required, he/she may retain or consult with external specialists, including the Office of the Auditor General, to augment the investigation.
6. The following principles will apply to all elements of the formal investigation:
- a) Employees suspected of financial improprieties have legal rights that must be respected
 - b) All parties to an investigation shall be treated fairly and in compliance with collective agreements and any relevant legislation
 - c) All employees are required to be truthful and cooperative in investigations of allegations
 - d) Requests for confidentiality, by those required to participate in an investigation, will be honoured to the extent reasonably possible
 - e) Participants are entitled to protection from retaliation for having participated in an investigation

7. If, based on the results of the preliminary review fraud is deemed to be probable, employees suspected of such impropriety generally will be suspended or placed on leave, with or without pay, pending investigation.
8. The -Vice President FCS will prepare a report on the results of the formal investigation for review by the President + CEO. This report will include recommendations for improvements on internal controls that will assist in the prevention or detection of similar events.
9. Dissemination of the report to members of the Cabinet, or any others including the Board, the Finance and Audit Committee or the Office of the Auditor General will be based on the decision of the President + CEO, in consultation with the Vice –President CFS.
10. Any decision to refer the investigation results to a law enforcement agency will be made by the President in consultation with the Director, Human Resources, the Vice-President FCS and ACAD’s legal counsel, if required.
11. Any disciplinary action required as a result of an investigation pursuant to this Procedure will adhere to the applicable collective agreement. Should it be warranted, the Director, Human Resources with guidance from legal counsel, will facilitate the dissemination of information to the respective employee Association or union representative body regarding matters arising from the investigation.
12. If an allegation or complaint cannot, for any reason, be satisfactorily examined and dealt with through these procedures, the President + CEO has final responsibility for determining an alternate approach in responding to the matter raised.

Confidentiality

1. Disclosure of suspected fraud or irregularity may be made in confidence. Confidentiality, however, is subject to the provisions of the Freedom of Information and Privacy Protection Act (www.servicealberta.ca/foip/legislation/foip-act.fcm), and other legislation protecting individual rights which may require disclosure to the affected parties.
2. All participants in a fraud or irregularity investigation shall keep the details and results of investigations strictly confidential. Disclosure should be restricted to those officers and staff of the College who have a legitimate need to know such results in order to perform their duties and responsibilities.

Report Content

1. Reports of suspected fraud or irregularity should be as specific as possible and should include the following:
 - a) detailed description of the incident and nature of the suspected impropriety



- b) contain the name of the person(s) believed to have engaged in the impropriety
- c) note the location /organizational unit where the incident occurred
- d) outline the dates of the incidents, if known
- e) indicate whether management was previously aware of the concern
- f) outline how the concern came to light
- g) point to any documentation that may support the allegation
- h) contact information, unless the allegation is anonymous

REFERENCE

- Code of Conduct Procedure
- Whistle Blower Policy
- Disclosure Protection Procedure
- Code of Conduct Policy
- Conflict of Interest Procedure
- IT-Acceptable Use Procedure
- Information Security Policy
- Freedom of Information and Protection of Privacy Act