

Procedure Information	
Related to Policy No:	AD-F-2.17
Approved By:	Executive Committee
Approval Date:	August 1, 2024
Executive Responsible	Vice President Finance and Corporate Services
Administrator Responsible:	Director of Finance
Date of Next Review:	August 1, 2024

## FRAUD RISK MANAGEMENT PROCEDURES

### Definitions

#### Fraud

Any intentional act to deceive others, resulting in CNC suffering a loss and/or the perpetrator achieving a gain.

#### In Bad Faith

Acting with the intention of deceiving someone or doing harm.

#### In Good Faith

Acting or behaving honestly in the interests of accountability, transparency, and the overall well-being of the organization, employees, and the general public.

#### Internal Controls

Processes and systems that provide checks and balances and other forms of oversight to safeguard college resources.

#### Receiver

The administrator or executive who receives the report of suspected fraud. This may be the Director of Finance, the Vice President of Finance and Corporate Services, or the President.

#### Resources

All property of the College, including but not limited to:

- Equipment
- Financial assets
- Real property (such as land, vehicles, materials, and electronic devices)
- Records and/or information
- Work time

## Reprisal

Any actual or threatened act of intimidation, harassment, or discipline taken in response to an individual reporting suspected fraud or cooperating with an investigation.

## **Procedures**

### Reporting Suspected Fraud

1. Any individual who suspects fraud has or will occur ("the Complainant") will notify the Director of Finance ("the Receiver") as quickly as possible.
  - 1.1. If the suspected fraud involves the Director of Finance, the Vice President of Finance and Corporate Services (the "VPFCS") will instead be notified directly.
  - 1.2. If the allegation involves the VPFCS, the President will instead be notified directly.
2. Complainants may report suspected fraud anonymously, however if the report does not contain sufficient details to allow for a full and fair investigation the College may be unable to conduct an investigation.

### Investigation

3. Once notified of suspected fraud, the Receiver will review the allegation, assessing whether:
  - 3.1. The complaint involves potential fraud as defined in this policy;
  - 3.2. There is sufficient detail to investigate the matter further; and
  - 3.3. It is appropriate to launch an investigation in the circumstances.
4. If the above criteria are not met, the Receiver may decide against an investigation and consider other ways of addressing the allegation.
  - 4.1. The reasons for this decision will be documented in writing.
  - 4.2. If appropriate, the Receiver will provide a written summary of their decision with the Complainant, unless the report was made anonymously.
5. If the above criteria are met, the Receiver may, at their discretion, form an ad hoc committee to investigate the suspected fraud.

- 5.1. Where appropriate, the Receiver may assign outside counsel, or other outside resources, to join the ad hoc committee to investigate the matter.
6. The Receiver is responsible for directing the ad hoc committee members to:
  - 6.1. Conduct the investigation with an open mind and consider the facts and arguments objectively; and
  - 6.2. Not have any actual or perceived conflict of interest or bias in the matter.
  - 6.3. If an ad hoc committee member is unable to comply with 6.1 or 6.2 they will be removed from the ad hoc committee at the discretion of the Receiver.
7. All parties involved in an investigation will be treated fairly and in compliance with applicable collective agreements and with relevant laws and legislation.
8. During the investigation, employees suspected of fraud may be suspended or placed on leave, with or without pay in compliance with applicable collective agreements.
9. Upon conclusion of the investigation, the Receiver will prepare a confidential report for the President and VPFCs, which may include:
  - 9.1. reported allegations;
  - 9.2. steps taken during the investigation;
  - 9.3. facts considered;
  - 9.4. reasons for the decision;
  - 9.5. recommendations for any disciplinary action; and
  - 9.6. internal control measures that may help reduce future risk of fraud.
10. The President and VPFCs may consider disciplinary action, if any, and whether to report the fraud to authorities such as:
  - 10.1. CNC Board of Governors;
  - 10.2. law enforcement;
  - 10.3. appropriate regulatory agencies;
  - 10.4. insurance companies; and/or
  - 10.5. legal counsel.

11. When CNC has found that an employee has committed fraud under the policy, the President and VPFCs will inform Human Resources to administer any potential action.
12. When CNC has found that a contractor or vendor has committed fraud under the policy, CNC may consider taking any action subject to the terms and conditions of their respective contract.
13. When applicable, the Receiver may share with the Complainant and other members of the CNC community any mitigation strategies made by the College to prevent similar types of fraud from occurring.
14. Where appropriate and at the President and VPFCs's discretion, CNC may disclose limited information about the responsive action taken toward the individual found to have committed fraud.
  - 14.1. Any information shared will be disclosed in accordance with applicable laws and legislation.

#### Confidentiality and Records

15. CNC directs that all participants in a fraud investigation, including the Complainant will:
  - 15.1. keep the allegation and investigation details strictly confidential; and
  - 15.2. protect privacy as required by the Freedom of Information and Protection of Privacy Act.
16. Records related to actual and suspected fraud will be retained in accordance with the College's records retention policies.

#### Protection from Reprisal

17. CNC will not tolerate reprisal against individuals who report suspected fraud or participate in an investigation under this policy.
18. Prior to beginning an investigation and through the process as needed, the Receiver will assess the risk of reprisal to the Reporter and take appropriate action to mitigate that risk.
19. An individual who believes they have been subject to reprisal should report their concerns to the Receiver for investigation.
20. Individuals found to have retaliated against anyone involved in a fraud complaint or investigation will be subject to disciplinary action up to and including termination.

### Recovery of losses

21. In cases where the College has suffered a loss of resources, it will seek to recover its loss(es) in full along with all costs incurred to investigate and/or litigate.

### Preventing Fraud

22. The Director of Finance will develop and maintain internal controls to manage risk and safeguard CNC resources.
23. The College will provide fraud risk training to managers and employees, as appropriate.

### **Links to Additional Resources**

- [Freedom of Information and Protection of Privacy Act](#)
- [Guide on Managing Fraud Risks at the Office of the Auditor General of Canada](#)
- [The Criminal Code of Canada](#)

### **Related Policies and Procedures**

- [Academic Conduct E-1.29](#)
- Fraud Risk Management policy AD-F-2.17
- [Freedom of Information and Protection of Privacy AD-CO-4.14](#)
- [Protected Disclosure AD-HR-1.27](#)
- [Respectful Workplace AD-HR-1.10](#)
- [Standards of Ethical Conduct AD-HR-1.05](#)
- [Student \(Non-Academic\) Conduct E-1.45](#)

### **Procedure Amendment Log**

Amendment Number:	Date:
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