

## Fraud Prevention Procedures

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<b>Responsible Executive</b>	President
<b>Approver</b>	Chief Financial Officer
<b>Scope</b>	All members of the university community, as identified in Fraud Prevention Policy

### **PURPOSE:**

To document the protocols regarding incidents of suspected fraud that:

- Facilitates a timely and professional response to any suspicion or suggestion of fraud
- Provides for the assignment of responsibility for investigating the incident
- Establishes a process that helps ensure appropriate and consistent action is taken
- Provides for the determination and securing of evidence necessary for disciplinary and/or criminal action
- Establishes a basis on which external specialist(s) should be involved
- Keeps all relevant personnel suitably informed while respecting requirements for confidentiality

### **DEFINITIONS:**

**Assets** means all property of the university, including but not limited to equipment, financial assets, real property such as land, vehicles, materials, uniforms, cell phones, computers and associated equipment, email, internet services, records, information, and work time.

**Fraud** means a deliberate and/or unlawful deception with the intention of obtaining an unauthorized benefit from the university for personal gain. Fraud includes, but is not limited to:

- misappropriation of university funds or property
- forgery or alteration of documents and the inappropriate, deliberate destruction of documents, including e-documents
- authorizing or receiving payment for work, goods or services not received or performed
- altering or deliberately reporting incorrect financial or personal information for either a personal or university advantage
- unauthorized use of university assets and/or resources for personal advantage or gain
- any claim for reimbursement of ineligible expenses or unearned payment of fees or wages
- bribery, kickbacks, or unauthorized rebates
- identity theft
- misrepresentation of credentials or status with the university
- any fraudulent activity as defined by the Criminal Code (s. 380 (1))

## **PROCEDURES:**

### **1. Reporting:**

Suspected instances of fraud must be reported to the CFO and Vice-President Administration by email ([CFO-VPA@ufv.ca](mailto:CFO-VPA@ufv.ca)), phone or mail. The following notifications normally apply:

- Employees should report suspected instances of fraud to their immediate supervisor or the next appropriate management level. It is the responsibility of the supervisor/ management to ensure that the suspicion of fraud is reported to the CFO and Vice-President Administration.
- In cases where an individual is not comfortable with the process outlined above, the incident should be reported directly to the CFO and Vice-President Administration.
- If an individual reports a suspected instance of financial impropriety to a member of the Board of Governors, the Board member is to report the incident to the CFO and Vice-President Administration.
- If the allegation of fraud involves the CFO and Vice-President Administration, the following protocol will apply:
  - For a disclosure of suspected impropriety involving the CFO and Vice-President Administration, the incident should be reported to the Provost and VP Academic
  - For a disclosure of suspected impropriety involving both the CFO and Vice-President Administration and the Provost and VP Academic, reporting should be to the President
  - For a disclosure of suspected impropriety involving the CFO and Vice-President Administration, the Provost and VP Academic, and the President reporting will be to the Chair of the Board Finance & Audit Committee
- Reports can be made verbally or in writing, and can be made openly, confidentially, or anonymously. Reporting an allegation anonymously may affect the University's ability to conduct a competent investigation.
- Any person(s) suspected of fraud or irregularity should not be confronted prior to commencement of the investigation process. Records related to the activity may need to be seized before the suspected person(s) becomes aware of any investigation. The University can access an employee's office or electronic files.

### **2. Responding to Reports:**

The CFO and Vice-President Administration has the primary responsibility for coordinating investigations of allegations of fraud. Should this occur concurrently with other misconduct proceedings involving an employee pursuant to a collective agreement, the CFO and Vice-President Administration will coordinate with Human Resources.

When a report is received, the CFO and Vice-President Administration, in determining whether and how to proceed with a review, will consult with the Office of General Counsel, and will consider whether:

- the allegations or suspicions, if true, constitute a fraud or a serious or substantial violation under university policy
- the information provided is specific enough to be investigated
- the subject matter is within the University's authority to investigate (i.e., the suspected fraud is within the jurisdiction of the institution to audit); and

- the allegation contains directly, or points to, corroborating evidence that can give the allegation credibility

If the above criteria are not met, the CFO and Vice-President Administration may decline to proceed with a review. Alternative means of dealing with the allegation may be considered. The CFO and Vice-President Administration's decision will be documented. Should a decision not to proceed be made, the CFO and Vice-President Administration will communicate the decision to the person who made the allegation, unless that communication is not reasonably possible.

If the above criteria are met, a preliminary review into allegations of fraud will be conducted by the CFO and Vice-President Administration or designate to determine if there are reasonable grounds to warrant further investigation. The preliminary review will be conducted in a timely and confidential manner.

If the CFO and Vice-President Administration confirms that there is sufficient cause or predication to continue, the President and Vice-Chancellor and the Provost and Vice-President Academic will be informed of the incident.

The CFO and Vice-President Administration, in consultation with the Provost and Vice-President Academic, may convene a working group to support further investigations. This working group may be comprised of the Office of General Counsel, a representative of the Associate Vice-President Human Resources, and others as deemed appropriate.

If specialist skills are required, external specialists should be consulted/engaged to assist with or conduct the investigation. The following will apply to all elements of the investigation:

- Employees suspected of fraud have legal rights that must be respected
- All parties to an investigation shall be treated fairly and in compliance with the collective agreement if applicable. All employees are required to be truthful and cooperative in investigations of allegations
- Requests for confidentiality, by those required to participate in an investigation, will be honoured to the extent reasonably possible
- Participants are entitled to protection from retaliation for having participated in an investigation in good faith
- Where UFV finds that an employee or student makes a report of alleged fraud maliciously or in bad faith, or knowingly provides false or materially misleading information in a subsequent inquiry or investigation, that employee or student will be subject to discipline up to and including dismissal or expulsion

Employees suspected of fraud may be suspended or placed on leave, with or without pay, pending investigation.

The CFO and Vice-President Administration will prepare a report for review by the Office of General Counsel prior to dissemination. Reports will be addressed to the Provost and Vice-President. Should the incident reviewed involve a Vice-President, or an employee reporting directly to a Vice-President, the report will be provided to the President and Vice-Chancellor. Further dissemination of the report will be determined by the Provost and Vice-President Academic or the President and Vice-Chancellor. The CFO and Vice-President Administration will forward a summary of the report to the Finance & Audit Committee Chair.

Recommendations for improvements to internal controls that will assist in the prevention or detection of similar events will be reported.

The CFO and Vice-President Administration will provide the Board Finance & Audit Committee and/or Chair of the Board Finance & Audit Committee with a summary of all reported incidents of suspected fraud or irregularity and the disposition of each incident.

Any decision to refer the investigation results to a law enforcement agency will be made by the Provost and Vice-President Academic, or alternatively the President and Vice-Chancellor, in consultation with the Office of General Counsel.

The Associate Vice-President Human Resources, or a representative, will provide guidance related to action (disciplinary) required as a result of any response to or investigation of fraud or irregularity. Any disciplinary action initiated as a result of an investigation pursuant to this procedure will adhere to the collective agreement. Should it be warranted, the Associate Vice-President Human Resources, or a representative, with guidance from the Office of General Counsel, will facilitate the dissemination of information to the Faculty and Staff Association.

At the discretion of the CFO and Vice-President Administration, the details of an investigation may be shared with an investigator assigned to conduct related disciplinary investigations.

If an allegation or complaint cannot, for any reason, be satisfactorily examined and dealt with through these procedures, the Board Finance & Audit Committee has final responsibility for determining an alternative approach.

### **3. Confidentiality**

Disclosure of suspected fraud or irregularity may be made in confidence. Confidentiality, however, is subject to the provisions of the *Freedom of Information and Protection of Privacy Act (BC)*, other legislation, and the University's policies.

All participants in a fraud investigation shall keep the details and results of the investigation confidential. The details and results of investigations should not be disclosed or discussed with anyone other than those personnel associated with the University who have a legitimate need to know such results in order to perform their duties and responsibilities.

It is recognized that investigators of incidents may share information with others such as senior management, the Board of Governors Finance & Audit Committee, the Board of Governors, University solicitors, insurers, auditors and/or law enforcement agencies.

### **4. Reporting Content**

Reports of suspected fraud should be as specific as possible. The report should:

- describe the nature of the suspected impropriety
- contain the name of the person(s) believed to have engaged in the impropriety

- note the location/organizational unit where the incident occurred
- outline the dates of the incidents, if known
- indicate whether management was previously informed of the concern
- outline how the concern came to light
- point to any documentation that may support the allegation
- include a detailed description of the incidents and any other relevant information, including any supporting documentation; and
- provide contact information if the allegation is not anonymous.