



Fraud Prevention and Management

Date Approved: 2018

Projected Review Date: 2022

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PURPOSE:

Hamilton-Wentworth District School Board (HWDSB) is committed to protecting its assets and maintaining public trust through a system of internal controls designed to prevent, detect, investigate, and report instances of fraud.

GUIDING PRINCIPLES:

- This policy applies to trustees, employees, volunteers, and third-party contractors/consultants.
- The Board is committed to preventing fraud, protecting its revenue, property, proprietary information and other assets.
- In the event that fraud is found to have 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.
- In the event of criminal misconduct, the police shall be notified, as determined by the Director and/or the Chair of the Board.
- This policy prohibits reprisals against individuals, acting in good faith, who report incidents of suspected fraud, or who act as witnesses in any subsequent investigation.

INTENDED OUTCOMES:

- Increase awareness of key fraud indicators, the diverse types of fraud and fraud schemes that may exist and the roles/responsibilities of all staff in fraud prevention, deterrence and detection.
- Establish and maintain a system of internal control to ensure, to the fullest extent possible, the prevention and detection of fraud.

RESPONSIBILITY:

Director of Education
Members of Executive Council

TERMINOLOGY:

Fraud: A 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 wilful misrepresentation or deliberate concealment of material facts.



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

- a) forgery or alteration of cheques or other banking documents and records;
- b) theft, embezzlement or misappropriation of funds, supplies and services, resources, other assets or time;
- c) any irregularity in the handling or reporting of money transactions, including the falsification, destruction or removal of corporate records;
- d) any computer related activity involving the alteration, destruction, forgery, manipulation of data or unauthorized access for fraudulent purposes;
- e) any claim for reimbursement of business expenses that is either intentionally inflated or not a bonafide business expense of the Board;
- f) any claim for compensation/pay (inflated timesheet);
- g) any claim for reimbursement of benefit expenses under the Board benefit plans provided to employees that is either intentionally inflated or falsified;
- h) the unauthorized use of Board money, property, resources, or authority for personal gain or other non-Board related purposes;
- i) misuse or abuse of authority in the context of purchasing goods or services;
- j) false claims for grants, contributions or any program/service payments, including refunds and rebates;
- k) seeking or accepting anything of material value from vendors of the Board (bribes, commissions) in violation of the conflict of interest;
- l) making personal purchases on Board Purchasing/Credit Cards.

ACTION REQUIRED:

- Staff will implement and maintain procedures to operationalize this policy to create a system of internal controls designed to prevent, detect, investigate, and report instances of fraud.
- The Director of Education, or representative, will provide an annual report to the Audit Committee on the implementation of this policy and any findings.
- The Board will provide the necessary information and training to ensure that staff is familiar with fraud, its prevention and its detection.

PROGRESS INDICATORS:

Intended Outcome	Assessment
Increase awareness of key fraud indicators, the diverse types of fraud and fraud schemes that may exist and the roles/responsibilities of all staff in fraud prevention, deterrence and detection.	Develop and implement an annual internal awareness campaign. Incorporate fraud prevention into yearly training of staff



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Intended Outcome	Assessment
Establish and maintain a system of internal control to ensure, to the fullest extent possible, the prevention and detection of fraud.	The Director of Education, or representative, will provide an annual report to the Audit Committee on the implementation of this policy and any findings.

REFERENCES:

Government Documents

- The Education Act
- Ontario Regulation 361/10: Audit Committees
- The Criminal Code of Canada (RS., 1985, c. C-46)

HWDSB Policies

- Fundraising
- Procurement
- Staff Progressive Discipline