

# Fraud Policy

**Effective Date: January, 2021**

## 1. Policy Statement

The Regional Centres for Education (RCEs) and CSAP recognize the importance of protecting the public education system, its operations, its employees, and its assets from the consequences of fraudulent activity. RCEs and CSAP are committed to maintaining the highest standards of respect, integrity, diversity, accountability, and the public good.

This policy will ensure consistent and effective prevention, investigation, and reporting of fraud occurrences within the education system. RCEs and CSAP have zero tolerance for fraud in any form.

All partners in education value the integrity of staff and recognizes that they have a key role to play in the prevention, investigation, and reporting of fraud. Employees of RCEs and CSAP must always be vigilant and are required to report any concerns they may have at the earliest opportunity in accordance with the policy guidelines. RCEs and CSAP are committed to creating and maintaining an honest, open, and well-intentioned working environment.

## 2. Definitions

**employee:** An individual in the employ of, seconded to, or under personal service contract with RCEs/CSAP.

**external parties:** Any person or organization that is not employed by an RCE or the CSAP, or who is not an elected board member of the CSAP.

**fraud:** The use of deception with the intent of obtaining an advantage, avoiding an obligation, or causing a loss to another party. Examples of fraud are included in Appendix A.

**internal controls:** Processes, effected by the RCE or CSAP, designed to provide reasonable assurance regarding the achievement of their goals and objectives.

## 3. Policy Objectives

This policy is established as part of the government's network of controls that aid in the prevention and detection of fraud. It helps promote consistent organizational behaviour by highlighting responsibility for the development of controls and the ways of reporting fraudulent behaviour.

## 4. Application

This policy applies to all employees of Regional Centres for Education and the Conseil scolaire acadien provincial.

## 5. Policy Directives

- 5.1. Employees are required to act lawfully and in accordance with policies and procedures.
- 5.2. Employees must report any instances of suspected fraud in accordance with this policy.
- 5.3. Employees may also make a voluntary disclosure to the Office of the Ombudsman under the Public Interest Disclosure of Wrongdoing Act.
- 5.4. Employees reporting suspicious incidents under this policy must treat the matter as confidential. Allegations under this policy are serious. All persons involved in a reported situation are responsible for respecting the reputation of individuals.
- 5.5. No employee will retaliate against anyone who has reported a suspicious incident in good faith or has participated in an investigation under this policy. Retaliation against an employee who has reported a suspicion in good faith may result in disciplinary action.
- 5.6. Reasonable measures shall be taken to maintain confidentiality and to protect, to the extent possible, the identity of the employee(s) reporting suspected offenses under this policy.
- 5.7. Any reports found to be malicious will be reviewed and considered for appropriate discipline of the reporting employee.
- 5.8. The consequences for an employee engaging in fraud will include disciplinary action up to and including dismissal.
- 5.9. For fraud investigations, RCEs and CSAP have the authority to
  - initiate any investigation which they consider appropriate
  - retain professional assistance as deemed necessary
  - determine who should perform and/or provide oversight of the fraud investigation procedures (e.g., third-party investigators, law enforcement)

## 6. Roles and responsibilities


### Department of Education and Early Childhood Development

The Deputy Minister of Education and Early Childhood Development is responsible for ensuring that RCEs and CSAP have appropriate fraud policies and procedures in place.

### Regional Centres and CSAP

The RED / Superintendent is responsible for implementing and maintaining policy and procedures, and ensuring a fraud management program is in effect, including but not limited to:

- provision of fraud awareness education
- fraud risk assessments
- reporting and investigating fraud allegations



In addition, Regional Executive Director/Superintendent is responsible for, in collaboration with the Director of Finance, ensuring a system of internal controls for the prevention and detection of fraud is maintained. Specific controls that are important to the prevention and detection of fraud include, but are not limited to:

- segregation of duties
- regular and timely accounting reconciliations
- physical safeguards over money and property
- effective supervision
- effective information system security (e.g., passwords, encryption)

## **7. Monitoring**

The Department shall monitor the effectiveness of the policy and coordinate periodic reviews.

## **8. Appendices**

Appendix A: Examples of Fraud and Similar Illegal Activity

# Appendix A

## Examples of Fraud and Similar Illegal Activity

The following examples are not intended to be an exhaustive list.

### Employees

Some examples of employee fraud or similar illegal acts are:

- falsification or alteration of financial records
- deceitful use of a corporate credit card
- inappropriate use of work time for personal purposes
- vacation or sick time taken but reported as work time
- unauthorized use of RCE or CSAP owned or leased vehicles and equipment
- corruption of RCE or CSAP files or data
- reimbursements for non-legitimate expenses or unworked hours
- accepting bribes or kickbacks
- undeclared conflicts of interest
- theft or use of cash or cheques prior to entry into the accounting system

### External Parties

Some examples of external third-party fraud or similar illegal acts are:

- theft of money or property
- corruption of RCE or CSAP files or data
- deliberate short shipment by a supplier
- deliberate substitution of inferior quality or defective goods by a supplier
- intentional damage of RCE or CSAP property
- bid-rigging, price fixing, or kickbacks in the contracting process
- fraudulent claims for social benefits, grants, or other program payments, including refunds and rebates