



Chapter 3 Operations Management

3.5 Fraud Policy

Policy Statement

The Atlantic Provinces Special Education Authority (APSEA) recognizes the importance of protecting the organization, its operations, its employees, and its assets from the consequences of fraudulent activity. APSEA is committed to maintaining the highest standards of respect, integrity, diversity, accountability, and the public good. APSEA adopted this policy to ensure consistent and effective prevention, investigation, and reporting of fraud occurrences within APSEA. APSEA has zero tolerance for fraud in any form.

APSEA values the integrity of employees and recognizes that they have a key role to play in the prevention, investigation, and reporting of fraud. Employees must be vigilant at all times and are required to report any concerns they may have at the earliest opportunity in accordance with policy directives. APSEA is committed to creating and maintaining an honest, open, and well-intentioned working environment.

Definitions

Department – A division of APSEA responsible to deal with a particular area of activity or expertise, with its own designated group of employees.

Employee – A person whose terms and conditions are set out in accordance with a contractual agreement of employment with APSEA, as well as other direct employees performing work for APSEA.

External Parties – Any person or organization that is not employed by, or associated with APSEA, who receives or provides goods and services, income, or funding with APSEA.

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 APSEA, designed to provide reasonable assurance regarding the achievement of organizational goals and objectives.

Policy Objectives

This policy is established as part of APSEA's 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.

Application

This policy applies to all part-time, full-time, and casual employees of APSEA with respect to any fraudulent acts against APSEA involving employees and/or external parties.

Policy Directives

- Employees of APSEA are required to act lawfully and in accordance with APSEA's policies and procedures. All employees must report any instances of suspected fraud in accordance with the procedures set out in the policy directives. Employees may also make a voluntary disclosure to the Office of the Ombudsman under the *Public Interest Disclosure of Wrongdoing Act*.
- Allegations under this Fraud Policy are serious. All persons involved in a reported situation are responsible for respecting the reputation of individuals. Employees reporting suspicious incidents under this policy must treat the matter as confidential and not discuss it with anyone other than the person to whom they have reported the incident or the designated investigation team.
- Retaliation is prohibited against anyone who has reported a suspicious incident in good faith or has participated in an investigation under this policy. Retaliation may result in disciplinary action.
- 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.
- Any reports found to be malicious will be reviewed and considered for appropriate discipline of the reporting employee.
- The consequences for an employee engaging in fraud will include disciplinary action up to and including dismissal.
- For fraud investigations, the Superintendent has the authority to:
 - a. initiate any investigation which they consider appropriate.

- b. retain professional assistance (e.g., accounting, internal audit) as deemed necessary. Any costs incurred through the use of external parties will be the responsibility of APSEA.
- c. determine who should perform and/or provide oversight of the fraud investigation procedures (e.g., employees, third party investigators, law enforcement).

The rules of procedural fairness govern all activities under the investigation process.

Accountability

Director of Finance and Administration

The Director of Finance and Administration is responsible for developing and maintaining a Fraud Management Program to help prevent and detect fraud. Specific components of a comprehensive Fraud Management Program include:

- fraud policies and procedures;
- fraud risk assessment;
- fraud awareness education and training;
- fraud prevention and detection techniques.

The Director is responsible for implementing and maintaining a system of internal controls for the prevention and detection of fraud. The Superintendent and the other Directors will provide support and advice as appropriate. Specific controls which are important to the prevention and detection of fraud include:

- segregation of duties;
- regular and timely accounting reconciliations;
- physical safeguards over money and property;
- effective supervision;
- effective Information System Security (e.g., passwords, encryption).

The above controls are not all-inclusive but are general guiding principles.

All APSEA Employees

APSEA employees are responsible to understand and follow all APSEA policies and documents related to fraud.

Superintendent/Directors/Supervisors/Managers

As members of the Leadership Team, these individuals are responsible for implementing APSEA's operational policies and any applicable documents. Members of the Leadership Team will take reasonable measures to bring this policy to the attention of all employees and to ensure directives are being followed.

Monitoring

- The Superintendent of APSEA or their designate will review this policy annually.

References

- 4.7 Conflict of Interest and Commitment Policy
- 4.10 Whistleblowing: Employee Disclosure of Wrongdoing Policy

This is an organizational policy designed to supplement other APSEA policies and is not intended to replace or preclude them. If a situation occurs where there is a conflict between application of this policy and any other APSEA policy, the policy most specific to the situation will apply.

Approval Dates

Approved: June 2021
Reviewed/Revised: January 2024

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;
- unauthorized use of APSEA owned or leased vehicles and equipment;
- corruption of APSEA files or data;
- reimbursements for non-legitimate expenses or unworked hours;
- accepting bribes or kickbacks;
- undeclared conflicts of interest;
- theft 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 APSEA money or property;
- corruption of APSEA files or data;
- deliberate short shipment by a supplier;
- deliberate substitution of inferior quality or defective goods by a supplier;
- intentional damage of government 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.