

Title	Fraud Prevention		
Classification	Board	Oversight & Responsibility	Office of Vice-President & Chief Financial Officer
Category		Effective Date	2021-Dec-14
Approval	Board of Governors	Policy No.	1091

This policy is applied in a manner consistent with applicable statutory and legal obligations, including university collective agreements and terms of employment.

The most up-to-date versions of the university's policies are posted on the policy & procedure website. If you've printed this policy, check the website to ensure you have the current version.

NOTE: The first appearance of terms in **bold** in this document (except titles) are defined terms – refer to the Definitions section.

1.0 POLICY STATEMENT

The university is committed to protecting its revenue, property, proprietary information and other **assets**; the university will not tolerate any misuse or misappropriation of these assets.

This policy establishes the authorities and expected behaviours to support the prevention, detection and reporting of **fraud** and other financial irregularity. Anyone who suspects fraud or other financial irregularity must report it and can expect to do so in a safe environment.

2.0 SCOPE

This policy extends to the university's board members, employees, students, contractors, volunteers and visitors and all academic, administrative, and research activities and operations undertaken by the university.

Any investigation commenced pursuant to this policy shall be undertaken without regard to a person's length of service, position or title, or relationship to the university.

This policy does not extend to academic dishonesty or fraud related to academic research; this nature of irregularity will be managed through relevant academic policies.

3.0 PRINCIPLES

- 3.1 The university will adhere to the principles of ethical conduct and reporting of fraud and financial irregularities. Activities which lead to fraud, including fraud that benefits the university, or other financial irregularity will not be tolerated; concealment of such activity is strictly forbidden.
- 3.2 Every member of the university community is responsible for the detection, prevention and reporting of fraud and other financial irregularity.
- 3.3 Employees are obligated by the *Standards of Conduct and Service for Employees and Contractors* to report any breaches and suspected cases of fraud and other financial irregularity.
- 3.4 Any individual who in good faith reports acts of suspected fraud and financial irregularity may do so freely and without fear of reprisal and will be protected by the *Safe Disclosure Policy*.
- 3.5 Any fraud or other financial irregularity that is detected or suspected must be reported immediately to the Privacy Officer who will coordinate all investigations.

- 3.6 The Privacy Officer has the primary responsibility for operationalizing procedures associated with this policy. This includes responsibility for the oversight of investigation of all suspected fraud and other financial irregularities.
- 3.7 The university is committed to the thorough investigation of suspected cases of fraud and other financial irregularity.
 - 3.7.1 Any member of the university community involved in an investigation of suspected fraud or other financial irregularity will retain the rights, privileges and protection afforded to them through the applicable federal and provincial legislation, as well as the university's policies and procedures, codes of conduct and collective agreements.
 - 3.7.2 If the investigation substantiates that an act of fraud or other financial irregularity has occurred, the Privacy Officer will issue reports to designated personnel and, if appropriate, to the Board of Governors through the Board Finance and Audit Committee.
- 3.8 Decisions to prosecute or refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent examination will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the case.
- 3.9 Employees who commit an act of fraud or other financial irregularity will be subject to disciplinary action, up to and including termination with cause, as well as possible criminal charges. Any disciplinary action will be in consideration of applicable provisions contained in any collective agreements.
- 3.10 The university, to the extent reasonably possible, will recover any losses incurred through fraud or other financial irregularity.

4.0 AUTHORITIES, ROLES, AND RESPONSIBILITIES

4.1 Board of Governors

- 4.1.1 The Board of Governors is responsible for the oversight and governance of the fraud risk program for the university within the university's enterprise risk management framework.

4.2 Executive

- 4.2.1 The President, as delegated by the Board of Governors, has accountability for the management and implementation of strategies to manage fraud risk.
- 4.2.2 The President and Vice-Presidents are accountable for promoting a culture of high standards of ethical conduct and integrity and supporting fraud prevention activities.
- 4.2.3 The Vice-President and Chief Financial Officer, as delegated by the President, leads the coordination of activities aimed at mitigating fraud risk.

4.3 Vice-President and Chief Financial Officer

Administration of the fraud prevention policy and processes are delegated to the Vice-President and Chief Financial Officer whose responsibility is to:

- 4.3.1 coordinate fraud prevention and risk mitigation activities and procedures;

- 4.3.2 monitor and report on fraud prevention and risk management through periodic review of program activities and trends to determine necessary prevention and mitigation plans; and
- 4.3.3 regularly report to the Executive Committee and Board of Governors on fraud prevention and risk program activity.

4.4 Privacy Officer

Coordination, investigation and tracking of all reports of fraud or other financial irregularity will be managed by the Privacy Officer, consistent with the *Safe Disclosure Policy* and related procedures.

4.5 Managers

Academic and administrative managers are responsible for implementing fraud prevention and risk management activities and maintaining appropriate internal controls that support effective fraud prevention practices.

4.6 Employees

All employees are responsible for reporting, in good faith, any suspected fraud or other financial irregularity.

5.0 DEFINITIONS

For the purposes of this policy:

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

Fraud means a deliberate and/or unlawful deception or misrepresentation or concealment of facts, practiced to secure advantage, benefit, or gain and/or to cause loss to another. Fraud for the purposes of this policy includes, but is not limited to:

- misappropriation, misapplication, destruction, removal or concealment of the university's property;
- alteration or falsification of paper or electronic documents (cheques, reference letters, grant applications, time sheets, requisitions, budgets, etc.) including the inappropriate destruction of paper or electronic documents;
- authorization or receiving of payments for goods not delivered or services not performed;
- alteration or deliberately reporting incorrect financial or personal information for either a personal advantage or for a benefit to the university;
- unauthorized use of university property and resources for personal advantage or gain;
- any claim for reimbursement of ineligible expenses or unearned payment of fees or wages;
- bribery, kickbacks or rebates;
- identity theft;
- misrepresentation by an employee of professional or academic credentials or employment status with the university; and
- any fraudulent activity as defined by the Criminal Code (s. 380 (1)).

Good Faith means a sincere belief or motive without any malice or the desire to defraud others.

Internal Controls means systematic measures (such as reviews, checks and balances, methods and procedures) instituted by the university to:

- conduct its business in an orderly and efficient manner;
- safeguard its assets and resources;
- deter and detect errors, fraud and theft;
- ensure accuracy and completeness of accounting data;
- produce reliable and timely financial and management information; and
- ensure adherence to its policies, plans and relevant laws.

6.0 INTERPRETATION

Questions of interpretation or application of this policy or its procedures will be referred to the Vice-President and Chief Financial Officer whose decision is final.

7.0 RELATED DOCUMENTS

Royal Roads University policies, procedures and related information:

- Standards of Conduct and Service for Employees and Contractors
- Conflict of Interest Policy
- Safe Disclosure Policy and related procedures

Applicable legislation and information:

- [Royal Roads University Act](#)
- [Canadian Criminal Code](#)

Review and Revision History

Reviewed by Finance and Audit Committee	2021-Nov-25
Approved by Board of Governors	2021-Dec-14
Next review	2022-Dec-14