

Administrative Procedures Manual	Administrative Procedure 404
	Conflict of Interest and Fraud Prevention
Page 1 of 5	APPROVED: September 2013 AMENDED/REVIEWED: August 2016, September 2019, August 2022
LEGAL REFERENCE:	Section 52,53, 68, 196, 197, 204, 222, 225 Education Act Public Interest Disclosure (Whistle Blower Protection Act) Teaching Profession Act Public Interest Disclosure (Whistle Blower Regulation 71-2013) ATA Code of Professional Conduct

Background

This Administrative Procedure is established to facilitate the development of controls which avoid conflicts of interest and to aid in the detection and prevention of fraud against the Division. It is the intent of the Division to promote consistent organizational behaviour by providing procedures and assigning responsibility for the development of controls and conduct of investigations.

This Administrative Procedure is consistent with [Board Policy - 14 - Whistle- Blowing Protection](#), [Administrative Procedure 401 - Nepotism](#) and [Administrative Procedure 403 - Duty to Report](#) .

This Administrative Procedure applies to any fraud and conflict of interest, or suspected fraud, involving employees, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the Division.

Definition

Fraud is the intentional, false representation, act of omission, or concealment of a material fact for the purpose of inducing another to act upon it to their injury.

Procedures

1. Responsibilities of Administration and Staff
 - 1.1 Administration and staff are responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct.
 - 1.2 Each member of the administration team and staff will be familiar with the types of improprieties that might occur within their area of responsibility and be alert to any indication of irregularity.
 - 1.3 Any fraud that is detected or suspected by any person, including the public, any employee, a vendor, or by administration, must be reported immediately to the Superintendent.
 - 1.3.1 Reporting shall be done under Board Policy 14 - Whistle-Blowing Protection and Administrative Procedure 403 - Duty to Report.
 - 1.4 The Secretary-Treasurer is responsible to coordinate investigations with legal advisors and other departments, both internal and external, under the direction of the Superintendent.

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2. Expectations Relating to Ethical Conduct

The Division requires and expects all employees to act in an honest, impartial and transparent manner.

- 2.1 Standard of Conduct – Division employees will be required as a condition of employment to sign a Standard of Conduct Statement affirming the highest ethical standards ([Form 404-1 Instructional Staff](#) or [Form 404-2 Educational Assistants](#) or [Form 404-3 Non-Instructional Staff](#))
- 2.2 Public Interest – Division employees, in fulfilling their Division duties, shall make decisions in the public interest and with regards to the merits of each case.
- 2.3 Public Scrutiny Considerations – Division employees have an obligation to perform their Division duties and arrange their private affairs in a manner that will bear the closest public scrutiny, an obligation that is not fully discharged by simply acting within the law. Transparency of practice is paramount in all cases.
- 2.4 Conflict of Interest – Division employees shall arrange their private affairs in a manner that will prevent real, potential or apparent conflicts of interest from arising.
 - 2.4.1 If such conflict does arise between a Division employee’s private interests and the official Division duties of the employee, the employee shall notify their direct supervisor immediately.
 - 2.4.2 The conflict shall be resolved in favour of the Division interest.
- 2.5 Confidentiality of Financial Information – Division employees shall not knowingly share to outside parties or take advantage of, or benefit from for personal gain, information that is obtained in the course of their Division duties and responsibilities, that is not generally available to the public.
- 2.6 Division Assets – Division employees shall not directly or indirectly use, or allow the use of, Division property of any kind, including schools, for anything other than officially approved Division activities.
 - 2.6.1 Employees may request approval from their immediate supervisor to address unique situations.

3. Actions Constituting Fraud

The terms fraud, misappropriation, and other fiscal wrong doings include but are not limited to:

- 3.1 Any dishonest or fraudulent act.

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- 3.2 Actions in contravention with those outlined in section 2 – Expectations Relating to Ethical Conduct.
- 3.3 Forgery or alteration of any document or account belonging to the Division.
- 3.4 Inappropriate or unauthorized use of the name or logo of the Division.
- 3.5 Forgery or alteration of a cheque, bank draft, or any other assets.
- 3.6 Misappropriation of funds, securities, supplies, or other assets.
- 3.7 Impropriety in the handling or reporting of money/financial transactions.
- 3.8 Having personal direct or indirect pecuniary interest in any supplier with whom business is being conducted.
- 3.9 Seeking anything of material value that would benefit an individual personally directly or indirectly from contractors, vendors or persons providing services/materials to the Division.
- 3.10 Personally, accepting anything of material value greater than fifty dollars (\$50.00), or materials with a cumulative value greater that fifty dollars (\$50.00) over the course of one (1) year, from one (1) source of contractors, vendors or other persons providing services/materials to the Division.
 - 3.10.1 Employees must report to their supervisor, gifts of material value less than fifty dollars (\$50.00), received from contractors, vendors or other persons providing services/materials to the Division.
 - 3.10.2 Approval for the receipt of gifts greater than fifty dollars (\$50.00) must be provided by the Superintendent or designate accountable for the employee’s position, and in consultation with the Superintendent or Secretary-Treasurer.
- 3.11 Expensing dining meetings that are purely social.
 - 3.11.1 Expensing food provided at team building or staff meetings is acceptable, provided the cost and frequency is reasonable.
 - 3.11.2 No alcohol is to be expensed to the Division, unless approved by the Superintendent or Secretary-Treasurer.
- 3.12 Destruction, removal or inappropriate use of records, furniture, fixtures and equipment.
- 3.13 Asking or processing a charitable tax donation receipt that is not within the guidelines of the Canada Revenue Agency or that provides a personal benefit.

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3.14 Any similar or related inappropriate conduct.

4. Other Inappropriate Conduct

4.1 Suspected improprieties concerning an employee’s moral, ethical or behavioural conduct are to be resolved by department management, in consultation with the Secretary-Treasurer and Superintendent or designate.

5. Investigation Responsibilities

5.1 The Secretary-Treasurer, under the direction of the Superintendent, has the primary responsibility for the investigation of all suspected fraudulent acts as defined in this Administrative Procedure.

5.1.1 If the investigation substantiates that fraudulent activities have occurred, the Secretary-Treasurer will inform the Superintendent who will issue reports to appropriate designated personnel; and if appropriate, to the Board and/or the Audit Committee.

5.2 Decisions to terminate employment, prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with the Superintendent, as will final decision or disposition of the case.

5.3 Any employee who suspects dishonest or fraudulent activity will notify the Superintendent and Secretary-Treasurer immediately and is not to attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act.

5.4 Information received will be treated in confidence and protected under Board Policy 14 - Whistle-Blowing Protection

5.4.1 The employee or other complainant may remain anonymous.

5.4.2 All inquiries concerning the activity under investigation from the suspected individual, their attorney or representative, or any other inquirer is to be directed to the Secretary-Treasurer.

5.4.2.1 No information concerning the status of an investigation will be disclosed. The proper response for any inquiries is “I am not at liberty to discuss the matter. You may contact the Secretary-Treasurer for any information.”

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5.5 Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Division from potential civil liability.

6. Investigation Process

- 6.1 In consultation with the Superintendent, the Secretary-Treasurer shall establish the investigation team, which will be determined depending on the allegation and circumstance of the need.
- 6.2 The investigation team will have:
- 6.2.1 Free and unrestricted access to all Division records and premises, whether owned or rented;
 - 6.2.2 The authority to examine, copy, and/or remove all or any portion of the contents of the files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody of any such items or facilities when it is within the scope of their investigation;
 - 6.2.3 The ability to interview staff, vendors, and other related parties as needed to perform the investigation.
- 6.3 Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is underway.
- 6.4 Under no circumstances is any reference to be made to “the allegation”, “the crime”, “the fraud”, “the forgery”, “the misappropriation”, or any other specific reference.
- 6.5 The reporting individual is to be informed that he/she is prohibited from:
- 6.5.1 Contacting the suspected individual in an effort to determine facts or demand restitution.
 - 6.5.2 Discussing the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Secretary-Treasurer.