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## Fraud and Financial Irregularity Procedure

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<b>Policy Sponsor:</b>	Vice President, Finance & Administration
<b>Name of Parent Policy:</b>	<a href="#">Fraud and Financial Irregularity Policy</a>
<b>Policy Contact:</b>	Director, Strategic Initiatives
<b>Procedure Contact:</b>	Director, Strategic Initiatives
<b>Effective Date of Procedures:</b>	January 22, 2015
<b>Review Date:</b>	to be reviewed biennially

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### Purpose

To outline the responsibilities and processes the reporting and investigation of matters of Fraud or Financial Irregularity at Athabasca University (the University).

### Definitions

<b>Chief Internal Auditor</b>	An employee who directs the delivery of internal audit services for Athabasca University under the terms of the Internal Audit Charter.
<b>Employee</b>	An individual who performs services for Athabasca University under a contract of services as defined by the Canada Revenue Agency and the Income Tax Act.
<b>Executive Officers</b>	Includes the University President and Vice-Presidents.
<b>Financial Irregularity</b>	An activity that contravenes Athabasca University policy, procedure or internal controls which may or may not be fraudulent. This includes questionable accounting or auditing matters within the University.
<b>Fraud</b>	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 includes, but is not limited to:

- misappropriation, misapplication, destruction, removal or concealment of Athabasca University 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;
- authorizing or receiving payments for goods not delivered or services not performed;
- altering or deliberately reporting incorrect financial or personal information for either a personal advantage or for a benefit to Athabasca University;
- unauthorized use of Athabasca University property and resources for personal advantage or gain;
- any claim for reimbursement of unincurred or 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 Athabasca University.

**Good Faith**

Honestly intended action based on reasonable belief and not malicious, frivolous or vexatious in nature.

**Investigation**

A group consisting of internal and/or external individuals engaged to assist in the investigation, assessment and determination of a course of action and outcome in relation to an alleged or suspected case of Fraud or Financial Irregularity.

**Partner**

A party with whom Athabasca University has an agreement to work together to jointly offer a program, product or service.

**Representatives of the University**

Senior Officers, managers, supervisors, faculty, staff, post-doctoral fellows, professors emeriti, visiting academics, students, alumni, volunteers, members of the Board of Governors, contractors, partners and others, when acting on behalf of Athabasca University.



## **Reprisal**

To take or direct, or counsel or direct a person to take or direct, any of the following measures against a person(s) making a Protected Disclosure because the person(s) has, in good faith, sought advice about making a disclosure, made a Protected Disclosure, co-operated in an investigation under this Policy, declined to participate in a wrongdoing or done anything in accordance with this Policy:

1. any measure such as:
  - a. dismissal,
  - b. disciplinary action or reprimand,
  - c. demotion or withholding of due promotion,
  - d. discontinuation or elimination of a job
  - e. change of job location
  - f. reduction in wages,
  - g. changes in hours worked
  - h. termination of employment,
  - i. suspension,
  - j. imposition of any penalty,
  - k. harassment,
  - l. discrimination,
2. any measures, other than one mentioned in clause(1), that adversely affects the persons' employment or working conditions or learning conditions.
3. a threat to take any measures mentioned in clause (1) or (2).

## **Respondent**

A Representative of Athabasca University who/which is alleged to have committed Fraud or Financial Irregularity.

## **Senior Officers**

Any Executive Officer, Associate Vice-President, Director, Dean, Centre Chair, Registrar, or the University Secretary.

## **Procedure**

### 1.0 Duty to Report

All suspected instances of Fraud and Financial Irregularity must be reported promptly as outlined below:

- Individuals should report suspected cases of Fraud or Financial Irregularity to their immediate supervisor or the next appropriate Senior Officer or management level.



- It is the responsibility of the relevant Senior Officer, manager or supervisor, upon becoming aware or informed of a suspected case of Fraud or Financial Irregularity, to notify the Chief Internal Auditor, Tim Abram by telephone at (780) 675-6917 or email at [tabram@athabascau.ca](mailto:tabram@athabascau.ca)
- In cases where an individual is not comfortable with reporting Fraud or Financial Irregularity to their supervisor or the next appropriate Senior Officer or management level, the incident should be reported directly to the Chief Internal Auditor, Tim Abram by telephone at (780) 675-6917 or email at [tabram@athabascau.ca](mailto:tabram@athabascau.ca)

The Chief Internal Auditor will inform the Vice-President, Finance and Administration (or delegate) and the President, upon receiving a report of Fraud or Financial Irregularity. The President in turn will inform the Chair of the Audit Committee of the Board of Governors. In cases where the allegation involves the Vice-President, Finance and Administration, the Chief Internal Auditor will only inform the President.

If the allegation of Fraud or Financial Irregularity involves the Chief Internal Auditor, then the allegation of Fraud or Financial Irregularity is to be reported to the Vice-President, Finance and Administration, who will inform the President. The President in turn will inform the Chair of the Audit Committee of the Board of Governors.

If the allegation of Fraud or Financial Irregularity involves the Chief Internal Auditor and the Vice-President, Finance and Administration, then the allegation of Fraud or Financial Irregularity is to be reported to the President, who in turn will notify the Chair of the Audit Committee.

If the allegation of Fraud or Financial Irregularity involves the President, then the allegation of Fraud or Financial Irregularity is to be reported to the Chair of the Audit Committee.

Reports can be made verbally or in writing, and can be made openly, confidentially or anonymously. Reporting an allegation anonymously may affect the University's ability to conduct a competent investigation.

Reports can also be made under the Protected Disclosure (Whistleblower) Policy through Confidence Line, an authorized external service provider, by telephone at 1-800-661-9675 or online at [www.auwhistleblower.com](http://www.auwhistleblower.com)



## 2.0 Investigation

The Chief Internal Auditor has the primary responsibility for coordinating investigations of allegations of Fraud or Financial Irregularity.

In cases of alleged Fraud or Financial Irregularity on the part of the Chief Internal Auditor, the role of the Chief Internal Auditor under this Policy and Procedure will be carried out by an external audit firm engaged by the Chair of the Audit Committee.

Any allegations of Fraud or Financial Irregularity must not be discussed with anyone else without prior notification and permission of the Chief Internal Auditor or Chair of the Audit Committee, if applicable.

An individual suspected of Fraud or Financial Irregularity should not be confronted prior to commencement of the investigation process, as records related to the activity may need to be seized before the suspected individual(s) becomes aware of any investigation.

When a report of Fraud or Financial Irregularity is received, the Chief Internal Auditor will carry out a preliminary assessment into the allegation to determine whether and how to proceed with a review. In carrying out the preliminary assessment, the Chief Internal Auditor may consult with appropriate internal and external stakeholders, including the University's legal counsel, to determine whether there are reasonable and probable grounds to warrant further investigation. The preliminary review will be conducted in a timely and confidential manner.

In determining whether and how to proceed with a review, the Chief Internal Auditor will consider the following:

- do the allegations, if true, constitute Fraud or Financial Irregularity;
- is the information provided specific enough to be investigated;
- is the nature of the allegation within the University's authority to investigate; and
- is there credible evidence to support the allegation?

If, in the opinion of the Chief Internal Auditor, Fraud or Financial Irregularity is probable, he or she will advise the Respondent about the complaint and its particulars and invite the Respondent to respond to the evidence either in a face-to-face meeting or in writing before any decision is made.

All parties to an investigation shall be treated fairly and in compliance with any applicable collective agreement.

Employees suspected of Fraud or Financial Irregularity may be suspended or placed on leave with or without pay pending completion of the investigation.



The Chief Internal Auditor may halt the investigation at any time if it is determined that the alleged Fraud or Financial Irregularity does not constitute Fraud or Financial Irregularity. The Chief Internal Auditor's decision will be documented and forwarded to the Vice-President, Finance and Administration (or delegate), who will assess whether alternative means of dealing with the allegation should be taken. In cases where it is not appropriate to forward the report to the Vice President, Finance and Administration, the Chief Internal Auditor will forward the report to the Chair of the Audit Committee. In such cases the matter may be referred to the Respondent's supervisor and the Director, Human Resources, if it is not Fraud or Financial Irregularity but another behavioural concern.

If the Chief Internal Auditor determines that it is appropriate to continue with an investigation, he or she may convene an Investigation Group to support further investigation. The Investigation Group may be comprised of the following:

- The Director, Human Resources, if an employee(s) is involved
- The relevant Dean/Director (or Vice President in the case of a Dean/Director)
- The Vice-President, Academic, if an educational Partner is involved
- Appropriate law enforcement agencies, in instances where criminal charges may be warranted
- The Director, Financial Services, and/or the Director, IT Operations, depending on the nature of the Fraud allegation
- Athabasca University's legal counsel and/or an external Fraud advisor
- The contract manager if a contractor is involved
- Others as deemed appropriate by the Chief Internal Auditor.

The Investigation Group will take its direction from the Chief Internal Auditor. No persons other than those directed to do so by the Chief Internal Auditor will conduct investigations or interviews.

Should the investigation into an allegation of Fraud or Financial Irregularity occur concurrently with other misconduct proceedings involving an Employee, the Chief Internal Auditor will coordinate with the Director, Human Resources.

All Employees are required to be truthful, provide full disclosure and cooperate fully in investigations of Fraud or Financial Irregularity.

The Investigation Group will have free and unrestricted access to all relevant University records and premises and the authority to examine, copy, and/or remove all or any portion of the contents of computers, electronic devices and paper files, desks, cabinets and other storage devices or facilities owned by the University or located on University 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.



### 3.0 Confidentiality

All information collected or received by the Investigation Group will remain confidential except as would be necessary for a thorough investigation and/or as required by law. All members of the Investigation Group will be required to sign a confidentiality agreement.

### 4.0 Assistance to Law Enforcement and Regulatory Agencies

Any decision to engage or refer the investigation results to a law enforcement agency will be made by the Vice-President, Finance and Administration, or, alternatively, by the President or Chair of the Audit Committee in consultation with the Chief Internal Auditor or Athabasca University's legal counsel, or both.

All requests for assistance from law enforcement or regulatory agencies shall be immediately forwarded to the Vice President, Finance and Administration, or alternatively the President or Chair of the Audit Committee.

### 5.0 Outcomes, Filing and Reporting

Upon completion of the investigation, the Chief Internal Auditor will submit a final report to the Vice President, Finance and Administration and to the President. Should the incident involve the President or a Vice President, the report will be submitted to the Chair of the Audit Committee.

The report will provide a summary of the incident, including results of the investigation and recommended outcomes.

The recipient of the report will be responsible for determining the appropriate disciplinary action to be taken, up to and including termination.

If an individual is proven to have committed Fraud, information relating to the offence will be placed on the appropriate file (i.e., personnel, contract). The retention of such records will be governed by established records policies and applicable collective agreements.

The Chief Internal Auditor's report will include recommendations for improvements to internal controls that are identified as a result of the investigation.

If the incident of Fraud has resulted in a financial loss, the Chief Internal Auditor will advise the Director, Facilities and Services, to notify AU's insurer of the incident.

The Chief Internal Auditor will provide a summary any incidents of Fraud or Financial Irregularity as part of the Internal Audit Quarterly Update presented to the Audit Committee.



## **Applicable Legislation and Regulations**

[Post-Secondary Learning Act](#)

[Alberta Public Interest Disclosure \(Whistleblower Protection\) Act](#)

[Freedom of Information and Protection of Privacy Act](#)

[AUFA Terms and Conditions](#)

[AUPE Collective Agreement](#)

[CUPE Collective Agreement](#)

## **Related References, Policies, Procedures and Forms**

[Fraud and Financial Irregularity Policy](#)

[Information Technology Electronic Data Security Policy](#)

[Non-Academic Misconduct Policy](#)

[Protected Disclosure \(Whistleblower\) Policy](#)

[Protection of Privacy Policy](#)

[Research Integrity Policy](#)

[Student Academic Misconduct Policy](#)

## **History**

The Governors of Athabasca University, January 22, 2015, Motion # 194-10 (revised)  
Athabasca University Governing Council, June 17, 2005, Motion # 150-4 (approved)