

Fraud Prevention and Management

Board Policy

Adopted: June 17, 2020 (M20-0074)

Revised: June 2020, June 2023

Review Date: June 2027

Policy Statement

The Halton District School Board (the “HDSB” or the “school board”) is committed to protecting its assets and maintaining public trust through a system of internal controls designed to prevent, detect, investigate, and report instances of fraud. This policy sets the guiding principles to be followed in the prevention and management of fraud.

Guiding Principles

- a) This policy applies to Trustees, employees, volunteers, and third-party contractors/consultants. It also applies to other external parties who perpetrate fraud against the HDSB.
- b) The school board is committed to preventing fraud, protecting its revenue, property, proprietary information, and other assets.
- c) In the event that fraud is found to have occurred, the school board shall make every reasonable effort to seek restitution and obtain recovery of any and all losses from the offender(s), or other appropriate sources, including the school boards’ insurers.
- d) In the event of criminal misconduct, the Halton Regional Police Services (HRPS) shall be notified, as determined by the Director of Education, and if appropriate, in consultation with HDSB legal counsel.
- e) This policy prohibits reprisals against individuals, acting in good faith, who report incidents of suspected fraud, or who act as a witness in any subsequent investigation.
- f) This policy is intended to establish and maintain a system of internal control to ensure, to the fullest extent possible, the prevention and detection and management of fraud.

Fraud Prevention and Management

Board Policy

Terminology

Fraud is a deliberate act of dishonesty or deception with knowledge that it may deprive another person of assets or economic benefit. An act of fraud may be perpetrated by one or more individuals.¹

A material act of fraud is defined for the purposes of this policy as the deprivation or suspected deprivation of an economic benefit to the HDSB equal to or greater than twenty-five thousand dollars (\$25,000.00), and/or inappropriate or suspected inappropriate activities by a Trustee, supervisory officer of the school bBoard, general manager or principal causing the deprivation of an economic benefit to the HDSB.

Requirements/Responsibility

Everyone is charged with the responsibility to prevent and immediately report any act of fraud, suspected fraud or financial misconduct in accordance with this policy and the Fraud Prevention and Management Administrative Procedure.

The responsibility of fraud oversight and investigation of alleged instances of fraud rests with the Director of Education, through the Superintendent of Human Resources and/or Superintendent of Business Services. The Director of Education may determine whether it is necessary to involve the regional internal auditors, external auditors and/or other subject matter experts.

The Director of Education will inform the Audit Committee Chair of any investigation of a material act of fraud, with a report provided to the Audit Committee at the conclusion of the investigation. The Audit Committee Chair will inform the Board of Trustees of any material acts of fraud in a future scheduled Committee of the Whole meeting, in private session. The Audit Committee Chair will also provide a report at the conclusion of the investigation of a material act of fraud, to the Board of Trustees, at the next scheduled Committee of the Whole meeting, in private session.

Nothing in this policy shall limit the school board's ability to seek guidance from or report a suspected incident of fraud or financial misconduct to the Halton Regional Police Services.

The Director of Education will provide an annual report regarding the implementation of this policy and any related findings to the Audit Committee in private session, and the

¹ R. v. Theroux, 1993 CanLII 134 (SCC), see also Criminal Code (RSC 1985, c.C.46, s.380(1))

Fraud Prevention and Management

Board Policy

Audit Committee Chair will provide the annual report to the Board of Trustees, at the next scheduled Committee of the Whole meeting, in private session.

Whistle-Blower Protection

This policy prohibits reprisals against individuals, acting in good faith, who report incidents of suspected fraud, or who act as witnesses in any investigation. The school board shall make every effort to ensure that an individual, who, in good faith, makes a report under this policy, is protected from harassment, retaliation or adverse employment consequences. A suspected act of fraud shall be reported to the immediate Supervisor or Supervisory Officer. Where a senior member of management is suspected of involvement in fraudulent activity, the report shall be made to the Director of Education, Chair of the Audit Committee or Chair of the Board. Where a Trustee is suspected of fraud, a report shall be made to the Director of Education.

Related Board Policies

[Code of Ethics](#)

[Trustee Code of Conduct](#)

[Trustee Code of Conduct Governance Procedure](#)

[Audit Committee](#)

[Trustee Expenses](#)

[Trustee Expenses Governance Procedure](#)

Related Board Administrative Procedures

[Fraud Prevention and Management](#)

[Code of Ethics](#)

[Audit Committee Governance Procedure](#)

[Progressive Discipline](#)

[Travel and Expense Reimbursement](#)

[Procurement](#)

[Corporate Purchasing Card](#)

[School Fundraising](#)

[School Generated Funds](#)

[Hospitality](#)

Fraud Prevention and Management

Board Policy

Related Ministry Documents

[Education Act](#)

[Ontario Regulation 361/10: Audit Committees](#)

[Ontario Public Sector Travel, Meal and Hospitality Expenses Directive](#)