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| <b>Policy:</b>          | Internal Audit     | GOV - 110 |
| <b>Division:</b>        | Board (Governance) |           |
| <b>Cross Reference:</b> |                    |           |

## **ADMINISTRATIVE PROCEDURES / REGULATIONS**

### **Procedures for Reporting and Investigating Allegations of Suspected Fraudulent Activity**

1. If an employee becomes aware of or suspects fraudulent activity of another employee(s), the activity may be reported to the employee's direct manager or supervisor. If the employee believes that reporting the matter to his or her direct manager or supervisor is not considered appropriate, the report should be made to a member of NLESD's management who the person believes would be appropriate. If the employee is not comfortable approaching any member of management, the report should be made to the Internal Audit Division.
2. Reporting of any suspected fraudulent activity can be made in writing, verbally or anonymously. Anonymous reports may affect the ability to conduct an investigation on the activity. NLESD will keep the identity of the Reporter confidential to the extent possible as permitted by law while not impacting the ability to conduct an investigation.
3. In order for the report to be properly actioned, the division will need to know the individual(s) involved, nature of the activity, applicable dates and any other necessary/useful information.
4. All reports of suspected fraudulent activity shall be communicated to the Internal Audit division.
5. Any report of suspected fraudulent activity must be made in good faith and have reasonable grounds to substantiate the report. Any report found to be malicious in nature could lead to disciplinary action up to and including termination.
6. No person(s) making a report of suspected fraudulent activity in good faith shall be subject to harassment, discrimination or employment impact, including any disciplinary action.

7. Once the details of a report are reviewed, it will be assessed on whether further action is required. Assessment will consider risks, controls, policies and procedures and consultations as appropriate.
8. Any person(s) suspected of fraudulent activity should not be confronted prior to commencement of any investigation.
9. Records relating to the activity may need to be seized prior to the suspected individual(s) becoming aware of any investigation.
10. Investigations will consider requirements of collective agreements where appropriate.
11. The Internal Audit division may advise any person(s) interviewed/questioned to treat information, evidence and any procedures with confidentiality, as appropriate.
12. 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 and to protect the District from potential liability.
13. Results of investigations shall be presented to the Associate or Assistant Director or Director of the division and Board, as appropriate.
14. Where it is determined that criminal charges may be warranted, law enforcement agencies will be contacted. Any decision to refer investigation results to law enforcement will be made by the CEO/Director of Education. Should the potential charges involve the CEO/Director of Education, the decision will be made by the Board of NLESD.

Internal Audit  
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