

<b>Fraud and Financial Irregularity Procedure</b>			
<b>Parent Policy</b>	Fraud and Financial Irregularity Policy		
<b>Policy Sponsor</b>	Vice President Finance and Performance Services & Chief Financial Officer	<b>Category</b>	Administrative
<b>Policy Contact</b>	Chief Internal Auditor	<b>Effective Date</b>	May 19, 2021
<b>Procedure Contact</b>	Chief Internal Auditor	<b>Review Date</b>	May 19, 2026

### 1. Purpose

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

### 2. Scope

This procedure applies to all members of the University Community, as well as anyone in a business relationship with the University.

### 3. Definitions

<b>Board Audit Committee</b>	Assists the Board in fulfilling its due diligence, fiduciary, financial reporting, and audit responsibilities and to approve, monitor, evaluate and provide advice on matters affecting the external audit, internal audit, risk management, legal and regulatory compliance, and the financial reporting and accounting control policies and practices of the University.
<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>	A full-time, part-time, casual, or seasonal individual employed by the University.
<b>Financial Irregularity</b>	An activity or potential activity that deliberately disregards Athabasca University policy, procedure or internal controls which may or may not be fraudulent. This includes questionable accounting or auditing matters within the University. A Financial Irregularity includes activities defined as Fraud.

<b>Fraud</b>	<p>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:</p> <ul style="list-style-type: none"> <li>• misappropriation, misapplication, destruction, removal or concealment of Athabasca University property;</li> <li>• 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;</li> <li>• authorizing or receiving payments for goods not delivered or services not performed;</li> <li>• altering or deliberately reporting incorrect financial or personal information for either a personal advantage or for a benefit to Athabasca University;</li> <li>• unauthorized use of Athabasca University property and resources for personal advantage or gain;</li> <li>• any claim for reimbursement of ineligible expenses or unearned payment of fees or wages;</li> <li>• bribery, kickbacks or rebates;</li> <li>• identity theft;</li> <li>• misrepresentation by an Employee of professional or academic credentials or employment status with Athabasca University; and</li> </ul> <p>Any fraudulent activity as defined by the Criminal Code (by section 380 (1)).</p>
<b>Investigator</b>	<p>A representative from the University’s internal audit business area who is responsible for bringing a systematic, disciplined approach to the investigation of suspected incidents of Fraud and Financial Irregularity.</p>
<b>University Community</b>	<p>All faculty and staff, students, Board Members, contractors, postdoctoral fellows, volunteers, visitors and other individuals who work, study, conduct research or otherwise carry on business of the University.</p>

#### 4. Guiding Principles

#### 4.1. Duty to Report – University Community

Any member of the University Community who suspects instances of Fraud and Financial Irregularity must report their concern promptly. The individual may utilize one of the following steps as appropriate:

- a) Employees should report suspected incidents of Fraud or Financial Irregularity to their immediate supervisor or the next appropriate Senior Officer or management level.
- b) Individuals should report the incident to the Chief Internal Auditor. Employees should directly report the incident to the Chief Internal Auditor where they are not comfortable with reporting Fraud or Financial Irregularity to their supervisor or the next appropriate Senior Officer or management level.
  - Viviana Botticelli by phone 780-289-3009 or by email at [internalaudit@athabascau.ca](mailto:internalaudit@athabascau.ca)
- c) Reports can be made verbally or in writing, and can be made openly, confidentially, or anonymously.

#### 4.2. Duty to Report – Management

- a) It is the responsibility of the relevant manager or supervisor, upon becoming aware or informed of a suspected case of Fraud or Financial Irregularity, to notify the Chief Internal Auditor.
- b) If the allegation of Fraud or Financial Irregularity involves the Chief Internal Auditor, then the allegation is to be reported to the Vice President Finance and Performance Services & CFO.

#### 4.3. Investigation

- a) The Chief Internal Auditor has the primary responsibility for initiating and coordinating investigations of allegations of Fraud or Financial Irregularity.
  - i. Upon receipt of a reported allegation the Chief Internal Auditor, will advise the Vice President, Finance and Performance Services & CFO the President and the Board Audit Committee.
  - ii. Should the allegation involve the President or a Vice President, the final report will be submitted to the Chair of the Board Audit Committee.
  - iii. Should the investigation occur concurrently with other misconduct proceedings involving an Employee, the Chief Internal Auditor will coordinate with Human Resources.
- b) 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 as directed by the Vice President Finance and Performance Services & CFO.

- c) 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.
- d) 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.
- e) When a report of Fraud or Financial Irregularity is received, the Chief Internal Auditor will carry out an assessment into the allegation to determine whether and how to proceed with a review.
- f) In determining whether and how to proceed with a review, the Chief Internal Auditor will consider the following:
  - i. Would the allegations, if true, constitute Fraud or Financial Irregularity?
  - ii. Is the information provided specific enough to be investigated?
  - iii. Is the nature of the allegation within the University's authority to investigate?
- g) All Members of the University Community are required to be truthful, provide full disclosure and cooperate fully in investigations of Fraud or Financial Irregularity.
- h) The Investigator is authorized to have unrestricted access to all relevant University records, people, and premises.
  - i. The Investigator has 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 the investigation.

#### **4.4. Confidentiality**

All information collected or received by the Investigator will remain confidential except as required by law.

#### **4.5. Assistance to Law Enforcement and Regulatory Agencies**

- a) Any decision to engage or refer the investigation results to a law enforcement agency or to pursue civil action to recover losses will be made by the Vice President Finance and Performance Services & CFO, 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.

- b) All requests for assistance from law enforcement or regulatory agencies shall be immediately forwarded to the Vice President Finance and Performance Services & CFO, or alternatively the President.

#### **4.6. Reporting and Outcomes**

- a) Upon completion of the investigation, the Chief Internal Auditor will submit a final report of the investigation to the Vice President Finance Performance Services & CFO, the President and the Board Audit Committee.
- b) Should the investigation involve the President or a Vice President, the final report will be submitted to the Chair of the Board Audit Committee.
- c) The final report of the investigation will provide a summary of the incident, including results of the investigation and outcomes including:
  - i. Recommendations to improve the effectiveness of governance, risk management, and control processes for consideration by decision-makers.
  - ii. Any disciplinary action, termination and/or civil action to mitigate financial losses.
- d) 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 Board Audit Committee.

#### **5. Applicable Legislation and Regulations**

[Post-Secondary Learning Act](#)

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

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

#### **6. Related Procedures/Documents**

[Fraud and Financial Irregularity Policy](#)

[Non-Academic Misconduct Policy](#)

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

[Protection of Privacy Policy](#)

[Research Integrity Policy](#)

[Student Academic Misconduct Policy](#)

[Security of Digital Information and Assets and related Procedures](#)

**History**

<i>Date</i>	<i>Action</i>
May 19, 2021	Revised Policy Approved (Executive Team)
January 22, 2015	Revised Policy Approved (Board of Governors Motion #194-10)
June 17, 2005	Policy Approved (Board of Governors Motion #150-4)