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**Parent Policy: [Fraud and Irregularity Policy](#)**

## **Fraud and Irregularity Reporting Response Procedure**

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| <b>Office of Administrative Responsibility:</b> | Office of Internal Audit Services and Office of the General Counsel                           |
| <b>Approver:</b>                                | Board of Governors  |
| <b>Scope:</b>                                   | Compliance with this University procedure extends to all members of the University community. |

### Purpose

To document the protocol regarding incidents of suspected **fraud** and **irregularity** that:

- Facilitates a timely and professional response to any suspicion or suggestion of fraud or irregularity.
- Provides for the assignment of responsibility for investigating the incident.
- Establishes a review process that helps ensure appropriate and consistent action is taken.
- Provides for review of the circumstances of the incident, addresses measures to prevent a recurrence, and implements any action needed to strengthen future responses to fraud or irregularity.
- Provides for the determination and securing of evidence necessary for disciplinary and/or criminal action.
- Establishes a basis on which external specialist(s) should be involved.
- Keeps all relevant personnel suitably informed while respecting requirements for confidentiality.
- Helps recover losses and prevent further losses.

### PROCEDURE

#### 1. REPORTING PROCEDURES

Suspected instances of fraud or irregularity must be reported to the University Auditor, Internal Audit Services (IAS). The following notifications normally apply:

- a. Employees should report suspected instances of fraud or irregularity to their immediate supervisor or the next appropriate management level. It is the responsibility of a supervisor or relevant manager/executive to ensure that the suspicion of fraud or irregularity is reported to the University Auditor.
- b. In cases where an individual is not comfortable with the process as outlined above, the incident should be reported directly to the University Auditor.
- c. If an individual reports a suspected instance of financial impropriety to a Governor, the Governor is to report the incident to the University Auditor.

- d. If the allegation of fraud or irregularity involves Internal Audit Services, the following protocol will apply:
- i. For a disclosure of suspected impropriety involving Internal Audit Services, the incident should be reported to the Vice-President (Finance and Administration).
  - ii. For a disclosure of suspected impropriety involving both Internal Audit Services and the Vice-President (Finance and Administration), reporting should be to the Provost and Vice-President (Academic).
  - iii. For a disclosure of suspected impropriety involving Internal Audit Services, the Vice-President (Finance and Administration) and the Provost and Vice-President (Academic), reporting will be to the Chair of the Board of Governor's 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.

Any person(s) suspected of fraud or irregularity should not be confronted prior to commencement of the investigation process. Records related to the activity may need to be seized before the suspected person(s) becomes aware of any investigation. The University can access an employee's office or electronic files.

## 2. RESPONDING TO REPORTS

Internal Audit Services has the primary responsibility for coordinating investigations of allegations of fraud or irregularity. Should this occur concurrently with other misconduct proceedings involving an employee pursuant to a collective agreement, IAS will coordinate with Human Resource Services.

When a report is received, the University Auditor, in determining whether and how to proceed with a review, will consult with the Office of General Counsel, and will consider whether:

- a. the allegations or suspicions, if true, constitute a fraud or a serious or substantial violation under University policy;
- b. the information provided is specific enough to be investigated;
- c. the subject matter is within the University's authority to investigate (i.e. the financial irregularity is within the jurisdiction of the institution to audit); and
- d. the allegation contains directly, or points to, corroborating evidence that can give the allegation credibility.

If the above criteria are not met, the University Auditor may decline to proceed with a review. Alternative means of dealing with the allegation may be considered. The University Auditor's decision will be documented. Should a decision not to proceed be made, the University Auditor will communicate the decision to the person who made the allegation, unless that communication is not reasonably possible.

If the above criteria are met, a preliminary review into allegations of fraud or irregularity will be conducted by Internal Audit Services to determine if there are reasonable and probable grounds to warrant further investigation. The preliminary review will be conducted in a timely and confidential manner.

If IAS confirms that there is sufficient cause or predication to continue, the Provost and Vice-President (Academic) and the Vice-President (Finance and Administration) will be informed of the incident. Should the incident involve a Vice-President, or an employee reporting directly to a Vice-President, the President and Vice-Chancellor will also be informed.

The University Auditor, in consultation with the Provost and Vice-President (Academic) and the Vice-President (Finance and Administration), may convene a working group to support further investigations. This working group may be comprised of the Office of General Counsel, a representative of the Vice-Provost and Associate Vice-President (Human Resources), and others as deemed appropriate.

If specialist skills are required, external specialists should be consulted/acquired to augment the investigation.

The following will apply to all elements of the investigation:

Employees suspected of financial improprieties have legal rights that must be respected

All parties to an investigation shall be treated fairly and in compliance with the collective agreements.

All employees are required to be truthful and cooperative in investigations of allegations.

Requests for confidentiality, by those required to participate in an investigation, will be honoured to the extent reasonably possible.

Participants are entitled to protection from retaliation for having participated in an investigation.

If, in the opinion of the investigating team, fraud is probable, employees suspected of such impropriety generally should be suspended or placed on leave, with or without pay, pending investigation.

The University Auditor will prepare a report for review by the Office of General Counsel prior to dissemination. Reports will be addressed to the Provost and Vice-President (Academic) and the Vice-President (Finance and Administration). Should the incident reviewed involve a Vice-President, or an employee reporting directly to a Vice-President, the report will be provided to the President and Vice-Chancellor. Further dissemination of the report will be determined by the Provost and Vice-President (Academic) or the President and Vice-Chancellor. The University Auditor will forward a summary of the report to the Audit Committee Chair.

Recommendations for improvements to internal controls that will assist in the prevention or detection of similar events will be reported.

The University Auditor will provide the Board Audit Committee and/or Chair of the Board Audit Committee with a summary of all reported incidents of suspected fraud or irregularity and the disposition of each incident.

Any decision to refer the investigation results to a law enforcement agency will be made by the Provost and Vice-President (Academic), or alternatively the President and Vice-Chancellor, in consultation with the Office of General Counsel.

The Vice-Provost and Associate Vice-President (Human Resources), or a representative, will provide guidance related to action (disciplinary) required as a result of any response to or investigation of fraud or irregularity. Any disciplinary action initiated as a result of an investigation pursuant to this procedure will adhere to the applicable collective agreement. Should it be warranted, the Provost and Associate Vice-President (Human Resources), or a representative, with guidance from the Office of General Counsel, will facilitate the dissemination of information to the appropriate association.

At the discretion of the University Auditor, the details of an investigation may be shared with an investigator assigned to conduct related disciplinary investigations.

If an allegation or complaint cannot, for any reason, be satisfactorily examined and dealt with through these procedures, the Board Audit Committee has final responsibility for determining an alternative approach.

### 3. CONFIDENTIALITY

Disclosure of suspected fraud or irregularity may be made in confidence. Confidentiality, however, is subject to the provisions of the Freedom of Information and Protection of Privacy Act (Alberta), other legislation, and the University's policies.

All participants in a fraud or irregularity investigation shall keep the details and results of the investigation confidential. The details and results of investigations should not be disclosed or discussed with anyone other than those personnel associated with the University who have a legitimate need to know such results in order to perform their duties and responsibilities.

It is recognized that investigators of incidents will share information with senior management, the Board of Governors Audit Committee, the Board of Governors, University solicitors and/or law enforcement agencies.

#### 4. REPORTING CONTENT

Reports of suspected fraud or irregularity should be as specific as possible. The report should:

- describe the nature of the suspected impropriety;
- contain the name of the person(s) believed to have engaged in the impropriety;
- note the location/organizational unit where the incident occurred;
- outline the dates of the incidents, if known;
- indicate whether management was previously informed of the concern;
- outline how the concern came to light;
- point to any documentation that may support the allegation;
- include a detailed description of the incidents and any other relevant information, including any supporting documentation; and
- provide contact information, if the allegation is not anonymous.

#### **DEFINITIONS**

Any definitions listed in the following table apply to this document only with no implied or intended institution-wide use. [\[▲ Top\]](#)

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|---------------------|--|
| <b>Fraud</b>        | <p>A deliberate and/or unlawful deception, misrepresentation or concealment of facts practiced to secure advantage, benefit or gain and/or to cause loss to another.</p> <p>Examples of fraud for the purposes of this policy include:</p> <ul style="list-style-type: none"> <li>- Misrepresentation of material facts</li> <li>- Concealment of material facts</li> <li>- Bribery</li> <li>- Undeclared conflict of interest</li> <li>- Theft of money or property</li> <li>- Theft of intellectual property</li> <li>- Theft of identity</li> <li>- Breach of fiduciary duty</li> <li>- Statutory offences</li> </ul> |
| <b>Irregularity</b> | <p>An activity or potential activity that deliberately disregards University regulations or procedures (such as the Conflict Policy – Conflict of</p>  |

Interest and Commitment and Institutional Conflict).

Includes concerns regarding questionable accounting or auditing matters within the University.

The scope of this policy is limited to activities related to, or funds or property owned by, or in the care of, the University of Alberta.

## **FORMS**

There are no forms for this Procedure. [[▲Top](#)]

## **RELATED LINKS**

Should a link fail, please contact [uappol@ualberta.ca](mailto:uappol@ualberta.ca). [[▲Top](#)]

[Code of Student Behaviour](#) (University of Alberta)

[Conflict Policy - Conflict of Interest and Commitment, and Institutional Conflict](#) (UAPPOL)

[Ethical Conduct and Safe Disclosure Policy](#) (UAPPOL)

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

[Internal Audit Activity Charter](#) (University of Alberta)

[Postdoctoral Fellows Policy](#) (UAPPOL)

[Research and Scholarship Integrity Policy](#) (University of Alberta)