REPORTING OF SCHOOL DIVISION LOSSES

Background

All losses of trust money, public money, or property over $500 that are due to fraud or similar illegal acts must be reported to the Director of Financial Analysis and Reporting, Education Funding Branch, Ministry of Education.

The Prairie South School Division emphasizes an ethical and positive work environment which promotes honesty, integrity, respect, service excellence and accountability. There is a zero tolerance policy towards fraud and similar illegal acts. Zero tolerance means the school division will investigate all suspected incidents of fraud or similar illegal acts and take appropriate disciplinary and legal action in all confirmed cases.

Any employee who has knowledge of a suspicious incident within the Prairie South School Division, which may involve a fraud or similar illegal act, shall report it immediately. This includes incidents which involve an employee, a student, a supplier, a contractor or other third party.

Allegations made under this procedure are serious. No employee who has acted in good faith shall be subject to any reprisal for reporting, or proposing to report, a suspected fraud or similar illegal act.

Procedures

1. Employee Responsibilities

    1.1 Employees are required to act lawfully and in accordance with Prairie South School Division's policies, procedures and directives.

    1.2 Employees with knowledge of a suspicious incident within the school division, which may involve a fraud or similar illegal act, should contact their immediate supervisor. The supervisor will then contact their Manager or Superintendent who will then inform the Director of Education and Superintendent of Business. Where there is reason to believe an employee's supervisor may be involved, the employee should directly contact their Manager or Superintendent.

    1.3 Employees should provide as much relevant, factual detail as possible in their reports but should not undertake their own investigation to collect evidence or information.

    1.4 Employees reporting suspicious incidents under this procedure should treat the matter as confidential and not discuss it with anyone other than those directly involved with the investigation.

2. Employer Responsibilities

2.1 Prairie South School Division is responsible to prevent and detect fraud and similar illegal acts through a system of internal controls. Prairie South School Division will ensure these controls are in place and operating as intended. Controls should be monitored through such means as internal audits, review of variance and exception reports by management. Deficiencies detected should be fixed and controls and processes modified as required.

2.2 Prairie South School Division is responsible to take reasonable steps, through training and other communication methods, to ensure that employees are aware of and understand the procedures which affect them, including reporting suspicions of fraud or similar illegal acts.

2.3 When incidents of suspected fraud or similar illegal acts are identified, Prairie South School Division is responsible for investigating all incidents. If confirmed, the school division will:

2.3.1 take disciplinary action against employees, which may include termination and legal action;

2.3.2 proceed with legal action against other parties as recommended by legal counsel;

2.3.3 pursue recovery of losses; and

2.3.4 implement corrective action to reduce the likelihood of similar future incidents.

2.4 Prairie South School Division will comply with all applicable laws, policies, directives and other authorities when investigating, reporting and following up on incidents.

3. Police Involvement

3.1 Except in situations involving criminal acts where it is clear that the police should be notified, Prairie South School Division may consult with legal counsel to determine whether the police should be notified for any loss over $500 which may have resulted from fraud or similar illegal acts. Prairie South School Division will consider contacting law enforcement authorities immediately if a police presence is a matter of urgency (such as incidents involving a theft or break-in) or where assistance is required to secure evidence.

4. Investigation

4.1 All allegations will be investigated to determine if a fraud or similar illegal act has occurred. Prairie South School Division will exercise discretion, based on the nature and relative size of the incident, to determine the extent of the investigation.

4.2 Prairie South School Division will ensure responsibility for investigations is clear. The Director of Education will assign responsibility to an individual or an oversight committee to conduct the investigation. Investigations must be objective, regardless of the relationship with a third party or the position, work record or length of service of an employee.

4.3 All participants in investigations are to keep the details confidential. Correspondence, reports and other documents related to suspected or actual cases of fraud are to be treated as confidential and kept in secure confidential files. Any issues related to confidentiality should be discussed with Prairie South School Division legal counsel.

4.4 A record of the investigation will be maintained, including details of pertinent telephone conversations, meetings and interviews, as well as working papers and results of audits and similar reviews.

4.5 Where a preliminary investigation fails to substantiate that a fraud or similar illegal act has taken place, the conclusion will be documented and the employee responsible for leading the investigation will ensure it is communicated to the parties involved in the investigation that no further action is required.

4.6 Where a preliminary investigation determines that there are reasonable grounds for an allegation, further work must be undertaken. Where an employee is involved, it may also be appropriate to consider suspending the employee against whom an allegation has been made. This may be with or without pay depending on the circumstances and must be done in collaboration with the Superintendent of Human Resources.

4.7 Upon completion of the investigation, a written report will be prepared which includes information such as background (e.g., nature of incident and circumstances which permitted it, description and amount of any losses, etc.), a summary of the investigation (e.g., work performed, including audits, interviews, police involvement, etc.), the conclusion and recommended actions (e.g., discipline, prosecution, recoveries, changes to operating practices to mitigate risk, etc.). The content of this report will depend on the particular circumstances.

4.8 The report will be provided to the Director of Education who will determine additional distribution, including timely reporting to the Ministry of Education.

5. Discipline

Where employee fraud or similar illegal activity is confirmed, disciplinary action, up to and including termination, shall be considered by the Director of Education in consultation with the area Superintendent and Superintendent of Human Resources.

6. Recovery of Losses

6.1 If a fraud or similar illegal act has been committed, all reasonable steps, including legal action, should be taken to recover any losses incurred.

6.2 Where an employee is involved, Prairie South School Division will also pursue recovery.

June 7, 2022