
Fraud

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Policy Statement

BCIT is committed to maintaining the highest standards of ethical conduct and promoting a culture of honest, transparent, and accountable behaviour.

Fraud will not be tolerated at BCIT.

As a publicly funded institution, BCIT has a duty to act as a steward of the funds and assets in its care. As such, BCIT has a responsibility to develop processes and internal controls to prevent and detect fraud.

BCIT expects its employees to act honestly, with integrity, in good faith, and to safeguard BCIT's assets for which they are responsible.

BCIT expects employee commitment, co-operation, and involvement in preventing, detecting, reporting, investigating, and responding to all instances of actual or suspected fraud.

All BCIT employees have an obligation to report suspected fraud as part of their public duty working in a public sector organization.

BCIT is committed to ensuring all reports of suspected fraud relating to BCIT are investigated following this policy.

Employees who commit fraud will be subject to disciplinary action up to and including termination of employment, and/or referral to the appropriate authorities for legal prosecution.

BCIT will seek to recover any losses incurred as a result of fraud.

Purpose of Policy

The purposes of this policy are to:

- State BCIT's position with respect to fraud.
- Foster an environment that promotes fraud awareness.
- Define fraud and provide examples of activities that may constitute fraud.
- Outline expectations of BCIT management to establish appropriate controls and mitigation strategies that will aid in the detection and prevention of fraud.
- Confirm the responsibility that BCIT employees must report suspicions of fraud.
- Articulate the process to be followed in responding to reports of suspected fraud.

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Who This Policy Applies To

This policy applies to all BCIT employees, former BCIT employees, and the BCIT Board of Governors.

Scope

This policy applies to any actual or suspected act or omission that constitutes “fraud” as defined in this policy.

This policy does not apply to academic misconduct by students, such as cheating, plagiarism, or falsification of information or identification, which are addressed by Policy 5104 – Student Code of Academic Integrity. Also, this policy does not apply to non-academic misconduct of students, which is addressed by Policy 5102 – Student Code of Conduct (Non-Academic).

Related Documents and Legislation

Provincial Legislation

Freedom of Information and Protection of Privacy Act, RSBC 1996, c165

BCIT Policies

- Policy 1100, Whistleblower Disclosure and Protection
- Procedure 1100-PR1, Whistleblower Disclosure and Protection Procedures
- Policy 1500, Code of Conduct
- Policy 3501, Acceptable Use of Information Technology
- Policy 3502, Information Security
- Policy 5102, Student Code of Conduct (Non-Academic)
- Policy 5104, Student Code of Academic Integrity
- Policy 6700, Freedom of Information and Protection of Privacy

Definitions

The following definitions apply to this policy.

Audit and Finance Committee: means the Board of Governors' standing committee on Audit and Finance.

Board: means the BCIT Board of Governors.

Employee or BCIT employee: means a person who is employed at BCIT, a person who was employed at BCIT when a suspected fraud occurred or was discovered but who is no longer employed at BCIT ("former employees"), or a member of the BCIT Board of Governors.

fraud: means any intentional act or omission designed to deceive others, resulting in BCIT suffering a financial/non-financial loss and/or the perpetrator achieving a gain. Fraud includes, but is not limited to:

- i. misappropriation or unauthorized use of BCIT funds or assets (e.g. furniture, fixtures, equipment, data, trade secrets, intellectual property, etc.);
- ii. forgery, alteration, falsification, or misrepresentation of information or documents (e.g. cheques, bank drafts, deposit slips, promissory notes, travel expense reports, contractor agreements, purchase orders, electronic files, etc.);
- iii. authorizing or receiving payment for goods or services not received or performed, or payment for time not worked;
- iv. any claim for payment or reimbursement of expenses that are not incurred for the benefit of the Institute;
- v. engaging in bribery, receiving kickbacks, or seeking unauthorized rebates;
- vi. misrepresentation of credentials or status with the Institute; and
- vii. pursuing a plan or an attempt to commit an act or omission described above.

Institute: means BCIT.

internal controls: means processes designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting, and compliance.

Management: means an executive, administrator, or excluded (non-bargaining unit) administrative employee of the Institute, except the President.

Guiding Principles

BCIT employees must not engage in or tolerate any fraudulent activity.

Fraud prevention is the responsibility of all employees at BCIT.

A BCIT employee who suspects fraud must immediately report it in accordance with the procedures described in Procedure 1100-PR1, Whistleblower Disclosure and Protection Procedures, and cooperate fully in all resulting investigations.

All alleged or suspected fraud will be responded to and investigated in accordance with the procedures described in Procedure 1100-PR1, Whistleblower Disclosure and Protection Procedures.

Investigations of fraud will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to BCIT.

Nothing in this policy will be interpreted as limiting or amending the provisions of any collective agreement. In the event any provision of the policy is found to be inconsistent with the provisions of a collective agreement, the collective agreement will prevail.

BCIT protects the confidentiality of individuals and events under investigation. The details and particulars of any investigation will not be disclosed or discussed with any individuals or parties other than those deemed necessary for investigation purposes, or as required by law.

Following an investigation, if a BCIT employee, is determined to have committed fraud this information can be disclosed to the extent permitted by law.

Duties and Responsibilities

All BCIT employees, regardless of their level, are responsible for helping deter and protect BCIT from fraud. Certain employees have specific anti-fraud control responsibilities that are further defined within job descriptions, department policies and and/or procedures, and/or other BCIT policies. The section below highlights the roles and responsibilities of the Board, BCIT's President, management, employees, the Human Resources department and Internal Audit with respect to fraud.

Board of Governors

The Board of Governors has overall responsibility for

- setting the appropriate 'tone at the top' regarding the prevention of fraud,
- maintaining an effective oversight process on fraud risk management, including effective controls and procedures to safeguard the Institute's funds and assets,
- becoming fully informed about instances of actual or suspected fraud at the Institute, and
- delegating operational responsibility for fraud risk management to the President.

President

The President is responsible for

- periodically reviewing this Fraud Policy,
- ensuring fraud risk has been considered as part of management's strategic objectives and risk assessment activities,
- overseeing management's fraud risk assessment activities,
- monitoring management's reports on fraud risks, policies and control activities,
- monitoring management's reporting to the Board on fraud risks, and
- ensuring management has assigned sufficient resources to execute fraud risk management activities.

Management

Management is responsible for

- ensuring fraud is addressed in the Institute strategic objectives and risk assessment activities,
- assessing fraud risks, designing, implementing and maintaining internal controls to deter, prevent, and/or detect fraud within each business unit,

- promoting awareness, understanding and compliance with Policy 1500, Code of Conduct, this Fraud Policy, and Policy 1100, Whistleblower Disclosure and Protection among employees,
- ensuring fraud training is completed by employees, and
- determining and implementing disciplinary and/or corrective action where appropriate.

Human Resources

The Human Resources department is responsible for

- assisting management and employees to increase fraud prevention awareness by executing key anti-fraud control activities through on-boarding, training, counseling, and issue resolution activities and processes,
- leading and/or supporting internal investigation activities as needed, and
- providing advice and guidance to management in the determination of disciplinary or corrective action where appropriate.

Internal Audit

Internal Audit is responsible for

- providing independent, objective assurance to the Board regarding the design and operational effectiveness of management's fraud prevention and detection controls for identified fraud risks,
- assessing BCIT's fraud prevention and detection culture periodically,
- delivering information to the Audit and Finance Committee about results of fraud culture assessments and the adequacy of management's controls and mitigation of fraud risk,
- leading and/or supporting in investigating, and
- reporting of fraud-related matters to the Audit and Finance Committee.

Employees

All BCIT employees are responsible for

- having a basic understanding of fraud, an awareness of indicators relating to fraud, and a familiarity with the types of fraud that might occur within their areas of responsibility,
- reporting concerns, suspicions or incidences of fraud utilizing the procedures described in Policy 1100, Whistleblower Disclosure and Protection, and Procedure 1100-PR1, Whistleblower Disclosure and Protection Procedures, and
- cooperating in investigations of fraud.

As per Policy 1500, Code of Conduct, BCIT employees are expected to consistently demonstrate and promote professional conduct, ethical behavior, and integrity by complying with all applicable BCIT policies and procedures, laws, rules, regulations and applicable professional codes of conduct.

In order to safeguard and protect the rights of those involved in the allegations, all employees who are involved in an investigation of fraud must keep the details and results of the investigation confidential, unless disclosure is required to further investigate the incident or as required by law.

Enterprise Risk Management

Enterprise Risk Management is responsible for

- periodically reviewing and updating this Fraud Policy as necessary,
- developing fraud awareness training for employees,
- guiding management in the fraud risk assessment process, and
- working closely with management in monitoring and reporting on all fraud risk related matters.

Procedures Associated With This Policy

Procedure 1100-PR1, Whistleblower Disclosure and Protection Procedures.

Forms Associated With This Policy

None.

Amendment History

		<u>Approval Date</u>	<u>Status</u>
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