

Policy Name: Financial Fraud Prevention and Reporting
Originating/Responsible Department: Financial Services
Approval Authority: Senior Management Committee
Date of Original Policy: January 2017
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Mandatory Revision Date: March 2027
Contact: Assistant Vice-President, Financial Services

Policy:

The University is committed to maintaining the highest standards of honesty, integrity and transparency in its financial activities to protect against financial fraud. The University is responsible for establishing internal controls and procedures to prevent financial fraud and to safeguard the resources with which it is entrusted.

The University will not tolerate financial fraud. University employees who engage in financial fraud may be subject to disciplinary action and may face civil and criminal legal proceedings.

All *Employees/Individuals* are required to act reasonably and in good faith in reporting and responding to alleged fraud or corruption and are required to co-operate with any investigation.

Purpose:

The purpose of the policy is to define, provide reporting procedures, and outline the potential consequences for fraudulent activity.

Scope:

This policy applies to all employees of Carleton University and to individuals and entities, including, consultants, contractors, vendors and partners having business relationships with the University and involving the utilization, allocation or impacting upon University resources.

Definitions:

In this Policy:

“Fraud” means intentionally and dishonestly obtaining or attempting to obtain an unauthorized financial benefit, whether by deception or other unethical means, to the advantage for any person or entity, or dishonestly attempting to cause a detriment to Carleton University. Examples of fraud included but are not limited to:

<p>Misappropriation or misuse of resources</p>	<p>Theft of cash, inventory or equipment</p> <ul style="list-style-type: none"> * Unauthorized use or sale of assets for personal benefit * Assisting in the illegal transfer of assets * Causing a loss or creating a liability by deception * Using resources (including University facilities and any equipment) dishonestly, without approval or authority, or for personal or financial advantage
<p>Misuse of position - whether for personal or for purported organizational advantage</p>	<p>Paying or accepting kickbacks, bribes or secret commissions from or to third parties</p> <ul style="list-style-type: none"> * Receiving from a person or offering a bribe or facilitation payment to a person, including those in public office, so as to influence a decision that would mean that person would violate their official duty or fiduciary duty owed to the University * Seeking favours of any kind, including sexual favours or vouchers for services, in exchange for favourable treatment which would be dishonest or unlawful * Improperly using an official position to gain an advantage for oneself or another person
<p>Contract management</p>	<p>Accepting bribes, facilitation payments and/or "incentive gifts" from suppliers</p> <ul style="list-style-type: none"> * Negligent or deliberate mismanagement of contracts for personal or financial advantage * Inflating charges or costs for goods or services or substituting an inferior product for that contracted for
<p>Financial transactions</p>	<p>Forging or falsifying documents or signatures</p> <ul style="list-style-type: none"> * Dishonestly using procurement procedures and processes * Causing, assisting or enabling unauthorized or illegal transfers of funds or access to other benefits or advantages * Inappropriate use of University credit cards including using for personal purchases * Creating and causing payments to fictitious vendors or suppliers

“Employee” includes faculty and staff or a person engaged by the University to perform a service or services.

“Individual” refers to any person the University reasonably determines is included in the scope of this Policy.

Procedure:

Responsibility: All Employees

Reporting Procedure

- a) In the first instance, and as soon as possible, any employee who is aware of or reasonably suspects fraudulent activity shall report the activity to their supervisor. The supervisor shall immediately report the situation to the relevant Chair/Department Head;
- b) If the employee is concerned that their supervisor may be involved, the employee should notify the supervisor one level above or may report directly to the Department Head;
- c) If for any reason the usual line of reporting (as set out above) would be inappropriate, suspicion of fraud complaints may be made directly to the General Counsel.

Note that to the extent possible, all information collected or received, shall be treated in confidence. There shall be no unauthorized disclosures except as is necessary to conduct a thorough investigation and to resolve the complaint, or where required by law.

Consequences:

Where the report confirms that an individual has committed fraud, disciplinary procedures will be taken as reasonably required up to and including dismissal. If the report indicates that the acts may be criminal in nature, law enforcement agencies will be notified accordingly.

The University will take such steps as it deems reasonable and necessary and shall make good faith efforts to recover any losses incurred through fraudulent acts.

Anyone reporting suspicion of fraud, acting in good faith, will be protected from retaliation and reprisal.

Any employee who makes allegations of fraud, that are subsequently demonstrated to have been made in bad faith, shall be subject to discipline.

Contacts:

Assistant Vice-President, Financial Services
General Counsel

Links to related Policies:

[Conflict of Interest and Commitment Policy](#)
[Responsible Conduct of Research](#)