

## Fraud

Policy No:	1200
Version:	2
Category:	Governance
Approval Body:	Board of Governors
Executive Sponsor:	President
Department Responsible:	Enterprise Risk & Internal Audit
Directory of Records Class:	650-15
Approval Date:	2025 October 07

## Policy Statement

As a publicly funded institution BCIT has a duty as a steward of the funds and assets in its care. Accordingly, BCIT:

- expects its employees to act with integrity, in good faith, and to safeguard all BCIT assets for which they are responsible;
- is committed to maintaining the highest standards of ethical conduct and promoting a culture of honesty, transparency, and accountability, and does not tolerate fraud in any measure;
- develops and maintains internal controls to prevent and detect fraud, and obligates all employees to report suspected fraud; and,
- requires employee commitment and co-operation in preventing, detecting, reporting, investigating, and responding to all instances of actual or suspected fraud.

BCIT will investigate all suspected internal fraud in accordance with this policy.

Employees committing fraud will be subject to disciplinary action up to and including termination of employment, referral to appropriate authorities for legal prosecution or both.

BCIT will seek to recover any losses resulting from fraud.

## Purpose of Policy

The purposes of this policy are to:

1. Define fraud and provide examples of activities that may constitute fraud.
2. State BCIT's position with respect to fraud.
3. Foster an environment of fraud awareness.
4. Outline expectations of management to establish appropriate controls and mitigation strategies to aid in the detection and prevention of fraud.
5. Confirm the responsibility of employees to report suspected fraud.
6. Articulate the process to be followed in responding to suspected fraud.

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**Who This Policy Applies To**

This policy applies to all current and 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 or non-academic misconduct by students addressed by Policy 5104, Student Code of Academic Integrity and 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 and Procedures**

- Policy 1100, Public Interest Disclosure and Protection
- Procedure 1100-PR1, Public Interest 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 and its associated procedures.

**“Audit and Finance Committee”** means the Board of Governors’ Standing Committee on Audit and Finance.

**“Board”** means the BCIT Board of Governors or its individual 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”).

**“fraud”** means any intentional act or omission designed to deceive others, resulting in BCIT suffering a financial or non-financial loss and the perpetrator achieving a real or potential 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);
- 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);
- 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 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. planning or attempting to commit an act or omission described above.

**“good faith”** means actions are undertaken honestly and not maliciously, vexatiously, or frivolously.

**“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 for Employees and the Board of Governors**

- a. Must not engage in or tolerate any fraudulent activity. Fraud prevention is the responsibility of all employees and the Board of Governors.
- b. If fraud is suspected, must immediately report it in accordance with the procedures described in Procedure 1100-PR1, Public Interest Disclosure and Protection Procedures, and cooperate fully in all resulting investigations.
- c. All alleged or suspected fraud will be responded to and investigated in accordance with Procedure 1100-PR1, Public Interest Disclosure and Protection Procedures.
- d. Investigations of fraud will be conducted without regard to the suspected wrongdoer’s length of service, position or title, or relationship to BCIT.
- e. Nothing in this policy will be interpreted as limiting or amending the provisions of any collective agreement. If any provision of the policy is inconsistent with the provisions of a collective agreement, the collective agreement prevails.

- f. BCIT protects the confidentiality of individuals and events under investigation. The 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.
- g. Following an investigation, if an employee or Board governor is determined to have committed fraud this information can be disclosed to the extent permitted by law.

## **Duties and Responsibilities**

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

### **Board of Governors**

The Board of Governors has overall responsibility for:

- setting the appropriate governance tone regarding the prevention of fraud;
- maintaining an effective oversight process on fraud risk management, including controls and procedures to safeguard the Institute's funds and assets;
- monitor BCIT management reporting on fraud risks and 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;
- overseeing management's fraud risk assessment;
- providing a periodic update on fraud risks, policies, and controls and the effectiveness of the Fraud Risk Management Program, and that this management report is shared with the Board; and
- ensuring management has assigned sufficient resources to fraud risk management.

### **Management**

Management is responsible for:

- ensuring fraud is addressed in Institute strategic objectives and risk assessment;
- assessing fraud risks and designing, implementing, and maintaining internal controls to deter, prevent, and detect fraud within business units;
- promoting employee awareness and understanding of and compliance with Policy 1500, Code of Conduct, this Fraud Policy, and Policy 1100, Public Interest Disclosure and Protection;

- ensuring fraud training is completed by employees;
- determining and implementing disciplinary and corrective action where appropriate; and
- reporting to the Board on actions that have been taken to manage fraud risks and the effectiveness of the Fraud Risk Management Program.

### **Human Resources**

The Human Resources department is responsible for:

- assisting management and employees to increase fraud prevention awareness by executing key anti-fraud activities through on-boarding, training, counseling, and issue resolution;
- leading and 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 or supporting in investigations; and,
- reporting fraud-related matters to the Audit and Finance Committee of the Board.

Internal Audit is also responsible for the following until the Fraud Risk Management Program is fully implemented, at which point these responsibilities will be transferred to the Enterprise Risk Management function:

- 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.

### **Employees**

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 incidents of fraud using the procedures described in Policy 1100, Public Interest Disclosure and Protection, and Procedure 1100-PR1; and,
- cooperating in fraud investigations.

Per Policy 1500, Code of Conduct, 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.

To safeguard the rights of those involved in the investigation of fraud allegations, all employees must keep the details and results of the investigation confidential, unless disclosure is required in furtherance of the investigation or is required by law.

**Procedures Associated with This Policy**

Procedure 1100-PR1, Public Interest Disclosure and Protection Procedures.

**Forms Associated with This Policy**

None.

**Amendment History**

		<u>Approval Date</u>	<u>Status</u>
Created:	Policy 1200 version 1	2022 Oct 04	Replaced
Revised:	Policy 1200 version 2	2025 Oct 07	In Force

**Scheduled Review Date**

2030 Oct 07 (earlier if necessitated by changes in the operational or regulatory environment).