



The administrative procedure outlined below is developed to protect the Limestone District School Board (LDSB) against fraudulent activities, safeguarding its revenue, assets, proprietary information, and other resources. It delineates specific guidelines, assigns responsibilities, and charts the processes for the detection and investigation of fraud within the organization. LDSB's fraud prevention and investigation procedures underscores our unwavering commitment to transparency, accountability, and integrity in all organizational operations.

1. Definition and Classification of Fraud

1.1. Fraud encompasses any deceptive or unauthorized action undertaken by an individual or group with the intent of personal gain.

1.2. Types of Fraud include, but are not limited to:

- Fabrication, alteration, or destruction of any financial document or record, including but not limited to cheques, timesheets, contracts, and accounting records.
- Submission or authorization of false financial claims.
- Authorization of payment for undelivered goods or unrendered services.
- Acceptance of material value from entities conducting business with the LDSB, contravening Administrative Procedure 403 - Conflict of Interest.
- Fraudulent activities involving computer systems, including data manipulation and unauthorized software use.
- Violation of LDSB policies, legal statutes, or misuse of organization resources.
- Discrepancies in financial transaction management or reporting.
- Unauthorized disclosure of sensitive information.



2. Roles and Responsibilities

- 2.1. Supervisory and management staff are tasked with establishing and maintaining robust internal controls to mitigate and detect fraud, ensuring operational integrity, asset protection, and accurate financial reporting.
- 2.2. All employees are obliged to report any suspected fraudulent activity immediately upon discovery.
- 2.3. Reports of fraud must be made impartially and in good faith.
- 2.4. Investigators must disclose any potential conflicts of interest, ensuring transparency and integrity in the investigative process.
- 2.5. Prompt measures must be taken to halt ongoing fraudulent activities and secure pertinent records upon fraud detection.

3. Fraud Investigation Protocol

- 3.1. Immediate investigation is imperative following a fraud report, with a commitment to confidentiality and integrity.
- 3.2. The identity of all parties involved in a fraud investigation shall be protected to the fullest extent permissible by law.
- 3.3. Disclosure of investigation outcomes shall be limited to individuals with a legitimate need for such information.
- 3.4. Information obtained during investigations may be disclosed to external agencies as required by law.
- 3.5. Employees found guilty of fraud will face disciplinary actions, potentially including termination, in accordance with Administrative Procedure 415 – Progressive Discipline.

4. Reporting Procedures

- 4.1. Employees detecting fraud must report to their immediate supervisor or, if the



supervisor is implicated, to their Superintendent.

- 4.2. Subsequent notifications should be directed to the Superintendent of Corporate Services and/or the Superintendent of Human Resources.
- 4.3. Non-employee suspicions of fraud should follow a similar reporting path.
- 4.4. Special reporting protocols are established for instances involving high-level positions, ensuring direct communication with the Director of Education or the Regional Internal Audit Committee.

5. Protection Against Reprisals

- 5.1. The LDSB strictly prohibits retaliation against individuals for engaging in the reporting or investigation process.
- 5.2. Disciplinary measures against reprisal actions underscore the organization's commitment to a fair and just investigative process.

6. Post-Investigation Risk Assessment

- 6.1. Following an investigation, a comprehensive risk assessment will be conducted to prevent future incidents, enhancing organizational resilience against fraud.

7. Education and Training

- 7.1. LDSB is committed to ongoing education and training on fraud awareness and prevention, ensuring all employees are equipped to recognize and respond to fraudulent activities effectively.

8. Procedure Review

- 8.1. This procedure is subject to regular review and updates to maintain its efficacy and alignment with best practices and regulatory requirements.

Appendix A -Fraud Notification Process

