



## **I. Introduction**

These procedures are intended to supplement the Antifraud Policy and to provide general guidance with respect to the prevention, investigation and remediation of fraud.

## **II. Communication & Training**

The City of Richmond recognizes that the continuing success of its Antifraud Policy and credibility will depend largely on the effectiveness of communication and fraud awareness training of its employees.

The Human Resources Division is responsible for the coordination and communication of the Antifraud Policy to employees.

Fraud Awareness training conducted by the Human Resources Division shall cover expectations from all employees regarding:

- Employee's duty to communicate fraudulent activity;
- A list of the types of fraud, including actual or suspected fraud, along with examples;
- How employees are to communicate suspected fraud; and
- Implications for those employees making false, frivolous or vexatious fraud allegations about another employee.

## **III. Objectives**

The objectives of these procedures are as follows:

- Identify the commonly used control mechanisms in the prevention and detection of fraud;
- Standardize the process of reporting and responding to allegation or suspicions of fraud;
- Identify monitoring activities for fraud indicators;
- Identify key elements required in communication and training in respect to the City's Antifraud Program; and
- Ensure all pertinent fraud information is disseminated to all City employees.

## **IV. Authorities**

The Antifraud Policy as adopted by Council on July 28, 2008.



## V. Control Mechanisms in the Prevention and Detection of Fraud

Mechanisms used in the prevention and detection of fraud include, but are not limited to the following:

- Process monitoring;
- Unannounced random auditing;
- Supervision and review;
- Training existing and new staff;
- Written policies and procedures;
- Segregation of duties and mandatory annual vacation;
- Reconciliation;
- Analytical Review;
- Edit checks and validation; and
- Audit trails.

## VI. Fraud Response Plan

### A. Reporting

Employees who suspect possible fraud or irregular conduct with regard to the City shall immediately report (either verbally or in writing) the case to his or her Manager, the General Manager of Corporate Services, or the Director of Human Resources. Where a TAG member is suspected of wrong doing the allegations should be reported to the CAO. Where a CAO is suspected of fraudulent activities, the allegations should be reported to the General Manager of Corporate Services who will advise Council.

The individual who reported the allegations should not contact the suspect or attempt to investigate the allegations further in an effort to determine facts or demand restitution. Further, the person who reported the possible fraud shall treat all aspects of the case as confidential and not discuss the case with anyone.

### B. Investigation

The Manager and the Director of Human Resources or their designate shall, in an expeditious and reasonable manner from the date of receiving the complaint, perform an initial review of the case and determine whether further investigation is warranted. When the suspected fraud warrants further investigation and TAG are not involved, the Director of Human Resources shall notify TAG of the reported allegations and coordinate the investigation with the Director of Finance, the City Solicitor and law enforcement officials as required.



### Conducting Investigations

Those conducting investigation should:

- Comply with any relevant legislation, policies and agreements;
- Maintain adequate documentation to support any decisions made;
- Treat the public and employees with courtesy and sensitivity to their rights;
- Ensure that their work practices in dealing with colleagues and clients do not harass or discriminate on Human Rights prohibited grounds;
- Take all relevant facts into consideration having regard to the particular merits of each case;
- Endeavor to ensure the investigation is done in a prompt and professional manner; and
- Remove themselves from the investigation process if there is a conflict of interest.

Participants in a fraud investigation shall keep the details and results of the investigation confidential. Reasonable precaution and care shall be taken by those in the investigation to:

1. avoid mistaken accusations;
2. avoid alerting suspected individuals that an investigation is under way;
3. not violate any person's right to due process; or
4. not make statements that could lead to claims of false accusation or other civil rights violation.

If the CAO or TAG are not being investigated, the Director of Human Resources shall apprise TAG of the reported allegation of fraudulent or irregular conduct upon commencement of the investigation, whether internal or external. Pertinent findings uncovered during the course of the investigation shall be communicated in a timely manner by the Director of Human Resources to TAG, followed by the submission of a final report and recommendation for remedial or disciplinary action at the conclusion of the investigation.

If the department Manager and the Director of Human Resources are satisfied that the allegations of fraud are unfounded, no further action will be taken. Documentation on the allegation, investigation and the recommendation for no further action shall be submitted to the CAO and TAG for approval. The City Clerk's Office is responsible for the confidential safekeeping of the documentation.

### VII. Confidentiality

The City reserves the right to monitor and inspect the use of its computer, technological and email systems and may inspect the contents of files, desks, cabinets and other storage facilities in the course of an investigation of fraudulent



activity. The collection, use and disclosure of personal information during the course of such investigations will be accordance with the Freedom of Information and Protection of Privacy Act.

Such actions include, but are not necessarily limited to reviewing and securing the contents of files, desks, cabinets and other storage facilities, limiting access to the location where the records currently exist, and preventing the individual suspected of committing the fraud from having access to the records.

**VIII. Monitoring for Fraud Indicators**

The Director of Finance and the Director of Information Services may use computer technology or software available to analyze data, identify trends and continuously monitor for fraud indicators. Automated analysis may be incorporated as a part of the regular operating process.