



ADMINISTRATIVE PROCEDURE 6804.01:

It is Council policy that:

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 Department is responsible for the coordination and communication of the Antifraud Policy to employees.

Fraud Awareness training conducted by the Human Resources Department 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.



Adopted by Council: July 28, 2008
Amended by CAO: July 27, 2017

V. Control Mechanism 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 through his or her Manager to the Director, Human Resources who will acknowledge the complaint to the GM, Finance and Corporate Services, or others as required. Where a SMT member is suspected of wrong doing the allegations should be reported to the Director, Human Resources who will immediately advise the CAO. Where the CAO is suspected of fraudulent activities, the allegations should be reported to the Director, Human Resources, who will immediately advise the Deputy CAO.

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.

Where complaints are received directly or addressed to the Mayor and/or Council members, the complaint will be forwarded to the Director, Human Resources who will immediately inform the CAO. Upon review of the complaint a determination will be made regarding whether notification of the Mayor and/or SMT is required.

Given the importance of confidentiality, the Complainant’s identity will be protected to the greatest extent possible.

B. Investigation

The Manager and the Director, 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 file to determine whether further investigation is



warranted. If during the preliminary stages while determining whether suspected fraud warrants further investigation, if the department Manager and the Director, Human Resources are satisfied that the allegations of fraud are unfounded, then no further action will be taken. When the suspected fraud warrants further investigation, the Director, Human Resources, shall notify the CAO of the reported allegations and coordinate the investigation with others as required. Pertinent findings uncovered during the course of the investigation shall be communicated in a timely manner by the Director, Human Resources, to either the CAO or Deputy CAO, followed by the submission of a recommendation for remedial or disciplinary action at the conclusion of the investigation.

C. Anonymous Complaints

As per the policy, anonymous complaints should be forwarded to the Director, Human Resources, who shall conduct an initial review of the substance of the complaint to assess legitimacy. Anonymous complaints that are easily discredited, lack substance, lack concrete evidence and/or serve no legitimate purpose will not be responded to by the City. If an investigation is warranted the Director, Human Resources will advise the CAO of any further follow up that is required.

The purpose of the whistle blower protection is to protect complainants and avoid the need for anonymous complaints. Accordingly, anonymous complaints will not be investigated if the complaint is easily discredited, and/or lacks legitimacy including insufficient or inaccurate information to suspect fraud has occurred or may occur. Following a preliminary assessment, anonymous complaints will only be addressed if there is sufficient legitimacy and concrete evidence to do so. Complaints that are vexatious, frivolous, made in bad faith or with the intent to harm another and/or misrepresent what is going on in the workplace, may be subject to legal or civil action.

Conducting Investigations

Those conducting investigation should:

- Maintain confidentiality of all parties involved to the greatest extent possible at all times.
- 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;
- Endeavour to ensure the investigation is done in a prompt and professional manner; and



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- 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.

Human Resources will be responsible for the confidential safekeeping of the documentation.

Any identified controls or prevention strategies identified will be presented to SMT for implementation.

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 in 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, Human Resources may use computer technology or software available to analyze data, identify trends and continuously monitor for fraud indicators with support from others as required. Automated analysis may be incorporated as a part of the regular operating process.