



400.2AP Conflict of Interest and Fraud Prevention

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LEGAL REFERENCE

Education Act Sections 33,52,53,55,68, 85-91, 197,198,199,203-205,222,225,229
Alberta Human Rights Act
Child, Youth and Family Enhancement Act
Employment Standards Code
Freedom of Information and Protection of Privacy Act
Labour Relations Code
Personal Information Protection Act
Teaching Profession Act

CROSS REFERENCE:

- [400.1AP Staff Code of Conduct](#)
- [402.1AP Nepotism Avoidance](#)
- [602BP Financial Matters](#)

BACKGROUND:

The Administrative Procedure on fraud and conflict of interest is established to facilitate the development of controls which will avoid conflicts of interest and to aid in the detection and prevention of fraud against the school division. It is the intent of the school division to promote consistent organizational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

This Administrative Procedure applies to any fraud and conflict of interest, or suspected fraud, involving employees, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the school division.

Management and staff share responsibility for the detection and prevention of fraud, misappropriations, and other inappropriate conduct.

DEFINITIONS:

Fraud - the intentional, false representation, act of omission, or concealment of a material fact for the purpose of inducing another to act upon it to his or her or their injury.

Pecuniary/Conflict of Interest – means a matter that could affect the employee or the employer if the employee of the employees immediate family monetarily – means a situation whenever the employee has loyalties to two different roles, that may have monetary compensation connected to them.

Primary Income Source – means the Board is the primary income source for all employees of the Board who are working on a permanent or seasonal basis.

Secondary Income – means that other job or investment participated in with the intent of providing additional income in a venture that may be a conflict of interest, except as an investor with less than 5% of the voting share.

Influence – means a situation where an employee has authority or control over information presented to the public suppliers, or other departments or the Board on a decision or a monetary transaction being considered.

Immediate Family – means the employee’s spouse, employee’s children, parents of the employee or the parents of the employee’s spouse.

PROCEDURE:

1. Each member of the senior leadership and staff will be familiar with the types of improprieties that might occur within their area of responsibility, and be alert for any indication of irregularity.
2. Any fraud that is detected or suspected by any person (including our public, any employee, a vendor, by management, or the Superintendent) must be reported immediately in accordance with *Administrative Procedure 401.3 – Public Interest Disclosure*.
3. Actions Constituting Fraud
The terms fraud, misappropriation, and other fiscal wrongdoing refer to, but are not limited to:
 - 3.1 Any dishonest or fraudulent act.
 - 3.2 Forgery of a document or account belonging to the school division.
 - 3.3 Inappropriate or unauthorized use of the name or logo of the school division.
 - 3.4 Misappropriation of funds, securities, supplies, or other assets.
 - 3.5 Impropriety in the handling or reporting of money/financial transactions.
 - 3.6 Having a personal direct or indirect pecuniary interest in any supplier with whom business is being conducted.
 - 3.7 Seeking anything of material value that would benefit an individual personally directly or indirectly from contractors, vendors or persons providing services/materials to the school division.
 - 3.8 Personally accepting anything valued greater than \$50 from a vendor without approval of the Superintendent or Secretary Treasurer (total value in a year from one source from contractors, vendors or persons providing services/materials). In the case of the Superintendent, approval is provided by the Board Chair.
Examples of proper uses for items or services received can include:
 - 3.8.1 used in fundraising for the school or the Division
 - 3.8.2 making available to all staff at the site
 - 3.8.3 providing the benefit to the Division students

Items received must be made available to all staff at the respective worksite wherever possible, or provided to staff in lottery.

3.9 Expensing dining meetings that are purely social. Food provided at team building or staff meetings is acceptable provided the cost and frequency is reasonable. Expensing alcohol or other recreational controlled substances is not permitted.

3.10 Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment.

4. Declaration of Pecuniary Interest:

4.1 An employee must make their supervisor and or the Superintendent aware of any secondary income that may cause a pecuniary interest for themselves or their immediate family within 14 days of this situation.

4.2 The supervisor shall consult with the Superintendent to confirm that restrictions, if any, are required by the employee – a letter of acknowledgement shall be provided to the employee, with a copy put in their personnel file outlining the pecuniary interest together with a notation on if or when their influence could be a conflict of interest and any restrictions that may apply regarding the particular matter, including any mitigating steps.

4.3 Any employee, who has authority or influence over a decision or other information presented to the Board for a decision to be made, has an obligation to notify their supervisor of their need to decline participation in that process.

4.4 Transparency is required in order to protect employees and the Board; therefore, employees are encouraged to err on the side of caution when deciding to disclose a matter.

4.5 Under this Article, where the employee is the Superintendent, the Superintendent will provide in writing any pecuniary interest to the Board of Trustees through submission to the Secretary Treasurer.