



ADMINISTRATIVE PROCEDURE BUSINESS ADMINISTRATION	
Effective:	March 24, 2026
Last Revised:	

FRAUD MANAGEMENT

1. PURPOSE

This administrative procedure has been developed to establish a clear and consistent framework for the prevention, identification, reporting, investigation, escalation, and resolution of fraud or suspected fraud within the Rainbow District School Board.

The Audit Committee assists the Board of Trustees in fulfilling its governance and oversight responsibilities, including risk management and internal control oversight, in accordance with Ontario Regulation 361/10 (Audit Committees). As part of this mandate, the Audit Committee may initiate and oversee investigations into audit matters, internal financial controls, and allegations of inappropriate or illegal financial activity.

2. APPLICATION AND SCOPE

This administrative procedure applies to: All staff members, Trustees, officers, and volunteers of the Rainbow District School Board; and, where applicable, external individuals, service providers, contractors, vendors, or organizations that commit or attempt to commit fraud against the Board.

3. PRINCIPLES

3.1 Fraud and the material misstatement of financial or operational information may adversely affect the Board’s reputation, public confidence, and ability to fulfill its mandate.

3.2 This administrative procedure promotes awareness of fraud risks, common fraud indicators, and potential fraud practices, and clarifies the roles and responsibilities of individuals in fraud prevention, deterrence, detection, and response.

3.3 The Board is committed to safeguarding its funds, property, information, and other assets, and will not tolerate misuse, misappropriation, or fraudulent conduct.

3.4 The Board shall establish and maintain systems of internal control designed to reasonably prevent and detect fraud.

3.5 The Board shall provide information, guidance, and training, as appropriate, to support employee awareness and vigilance regarding potential improprieties.

3.6 All allegations or suspicions of fraud shall be investigated promptly, objectively, and impartially in accordance with the Board’s administrative procedures, regardless of position, title, tenure, or relationship with the Board.

3.7 Where fraud is substantiated, appropriate disciplinary action shall be taken, up to and including termination of employment or appointment, subject to review by Human Resources and legal counsel.

3.8 The Board shall make reasonable efforts to recover losses resulting from fraud, including restitution and recovery through insurance or legal remedies, where appropriate.

3.9 Where reasonable grounds exist to believe criminal activity has occurred, the Director of Education and the Superintendent of Business, in consultation with legal counsel, shall notify the appropriate police service.

4. DEFINITIONS

4.1 Fraud is any deliberate act or omission intended to deceive, misrepresent, or conceal material facts for the purpose of obtaining an unfair or unlawful benefit. Fraud may be committed by an individual acting alone or in collusion with others.

4.2 Examples of fraud may include, but are not limited to:

- Forgery or alteration of cheques, financial instruments, or banking records;
- Theft, embezzlement, or misappropriation of funds, assets, supplies or services;
- Time theft - receiving compensation for time that is misused, unworked or falsely reported;
- Submitting false documents;
- Irregularities in the handling or reporting of financial transactions, including falsification or destruction of records;
- Computer-related fraud, including unauthorized access or manipulation of data;
- False or inflated claims for expenses, benefits, payroll, or timesheets;
- Unauthorized personal use of Board funds, purchasing cards, credit cards, or resources;
- Abuse of authority in procurement or contracting;
- False claims for grants, subsidies, rebates, or program funding;
- Soliciting or accepting bribes, kickbacks, or other improper benefits.

5. REQUIREMENTS

5.1 Duty to Report Suspected Fraud

Any actual, suspected, or attempted fraud shall be reported immediately and addressed in accordance with this administrative procedure.

Employees who have knowledge of, or reasonable grounds to suspect fraud shall promptly report the matter to their immediate supervisor.

Upon receipt of an allegation, the Director of Education and the Superintendent of Business shall conduct an initial assessment to determine:

- Whether the allegation falls within the definition of fraud;
- The potential financial, operational, or reputational risk;
- Whether immediate control actions are required.

5.2 Investigation of Allegations

5.2.1 The Director of Education and Superintendent of Business shall notify the Chair of the Audit Committee and the Regional Internal Audit Manager of alleged or suspected fraud and ensure appropriate investigation.

5.2.2 Investigations shall be conducted in a timely, objective, and confidential manner.

5.2.3 Depending on the nature of the allegation, investigations may be conducted by:

- Internal audit;
- Senior administration;
- External forensic specialists;
- Legal counsel.

5.2.4 Employees are required to cooperate fully and provide access to records, systems, and information as requested.

5.2.5 All investigative steps, findings, and conclusions shall be documented.

5.3 Special Investigations

5.3.1 Where the Superintendent of Business is suspected, the Chair of the Audit Committee, Director of Education, and internal audit shall be notified. Internal audit shall report findings to the Chair of the Audit Committee and Director of Education.

5.3.2 Where the Director of Education is suspected, the Chair of the Board of Trustees, Chair of the Audit Committee, and internal audit shall be notified. Findings shall be reported directly to the Chairs.

5.3.3 Where a Trustee is suspected, the Chair of the Board of Trustees, Chair of the Audit Committee, Director of Education, Superintendent of Business, and internal audit shall be notified.

5.3.4 Where the Chair of the Board of Trustees is suspected, the Chair of the Audit Committee, Director of Education, Superintendent of Business, and internal audit shall be notified.

5.4 Confidentiality and Records

5.4.1 All individuals involved in a fraud investigation shall maintain strict confidentiality and disclose information only to authorized parties.

5.4.2 Records shall be retained in accordance with the Board's records retention policies and applicable legislation.

5.5 Reporting Protection

5.5.1 The Board prohibits reprisal against individuals who, in good faith, report suspected fraud or participate in investigations.

5.5.2 All reports must be made honestly and on reasonable grounds. Reports that are knowingly false or made with malicious intent may lead to discipline. Reprisal may result in disciplinary action, up to and including termination.

5.5 Outcomes and Corrective Action

5.5.1 Where fraud is substantiated, corrective action may include:

- Disciplinary action up to and including termination
- Recovery of losses
- Notification to insurers
- Referral to police, where appropriate
- Improvements to internal controls

5.6 Monitoring and Reporting

5.6.1 The Superintendent of Business shall maintain a log of reported fraud incidents and outcomes.

5.6.2 An annual summary report shall be provided to the Audit Committee and Board of Trustees, as appropriate.

REFERENCE DOCUMENTS

Legal:

- [Ontario Regulation 361/10 – Audit Committees](#)

Board:

- [Purchasing Code of Ethics and Procedures](#)
- [Protection of Digital Security and Communication](#)
- [Board Policy No. GOV-01 Vision, Mission, and Values](#)
- [Board Policy No. GOV-03 Role of the Corporate Board](#)
- [Board Policy No. GOV-05 Code of Conduct: Board Members](#)
- [Governance By Laws](#)
- [Workplace Harassment: Respectful Working and Learning Environments for Employees](#)
- SOP_FIN_01 - Vendor Banking Set Up / Changes
- SOP_FIN-02 - Employee Banking Set Up / Changes
- CIBC Commercial and Corporate Banking Financial Services Agreement - Positive Pay Service (i.e. cheque fraud management)