

# Administrative Policy

## Fraud

<b>Program Impacted</b>	Strategy and Business <i>The City of Edmonton's corporate processes are robust and helpful for integrated service delivery</i>  Financial Sustainability. <i>The City of Edmonton's resilient financial position enables both current and long-term service delivery and growth.</i>
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### Policy Statement

The City of Edmonton is committed to accountability, transparency, responsibility, and sound ethical operating practices, and will protect its revenue, property, records, information, and other assets. To this end, the City will take appropriate measures to prevent, deter, detect, report, and investigate suspected fraud, and create and maintain an environment in which employees can report incidents without fear of retaliation.

It is the City's intent to fully investigate any suspected acts of fraud. An objective and impartial investigation will be conducted, regardless of the position, title, length of service, or relationship with the City or its officials, of any party who is suspected of a violation of this policy.

### Guiding Principles

Fraud is a serious matter, and therefore this policy may include, but is not limited to the following acts characterized by deceit, concealment or wilful blindness to policy, procedure or appropriate practice:

- Misappropriation, embezzlement, unauthorized use or misuse of cash, funds, securities, supplies, records or any other City asset;
- Demanding, requesting or accepting anything having value from vendors, consultants, contractors, or

anyone doing business with the City as a condition of their doing business with the City or in order for them to receive preferential treatment from the City;

- Offering or providing anything having value to clients, vendors, consultants, contractors, or anyone doing business with the City as a means of obtaining preferential treatment or benefit for the employee, any other person or the City;
- Forgery, alteration or fraudulent creation of documents including but not limited to, cheques, drafts, promissory notes, securities, timesheets, purchase orders, permits, licenses, payment requisitions, etc.
- Improper handling or reporting of money transactions;
- Any intentional violation of the City's Code of Conduct Part 3, Conflict of interest.
- Any computer-related activity involving the alteration, destruction, forgery or fraudulent manipulation of data and any misappropriation of City-owned software;
- Authorization or receipt of payments for hours not worked, goods not received or services not performed other than normal prepaid expenditures;
- Violation of public trust or duty and misuse of one's position for personal gain.

In carrying out their duties under the procedures accompanying this policy, or when acting in situations not explicitly addressed by an existing procedure, employees will be guided by the following principles:

- **Due diligence** - Employees will exercise due diligence and control to prevent, detect, and report suspected fraud;
- **Fraud Risk Management** - Employees in managerial or supervisory roles will be familiar with the types of fraud that might occur within their area of responsibility and be alert for any indicators of such conduct;
- **Reporting** - All suspected incidents of fraud will be reported in good faith to the Office of the City Auditor;
- **Confidentiality** - All information relating to a report will be confidential and restricted to a "need to know" basis or as required by law. This may include the identity of the named individual(s), any information gathered as part of an investigation, and in certain circumstances the identity of the reporter.
- **Whistleblower Protection** - Employees will be protected from retaliation when reporting incidents of fraud or participating in investigations of suspected fraud; and
- **Cooperation** - Employees will cooperate with the Office of the City Auditor and other relevant authorities to investigate and resolve any suspected fraud or acts of retaliation.

### **Out of Scope**

The following are out of scope of this policy:

- Elected officials

- Edmonton Police Service
- Edmonton Public Library
- Agencies, Boards and Commissions
- Wholly owned corporations of the City of Edmonton

Many of these organizations operate independently from The City and may maintain their own protocols for reporting wrongdoing. Except where reports are assessed as activity involving the City directly, reports received involving these organizations may be referred to the appropriate organizational contacts without further action by the City.

## Definitions

Unless otherwise specified, words used in this procedure have the same meaning as defined in the City Administration Bylaw, Bylaw 16620.

- **Agency, Boards and Commissions (ABCs)** - External organizations that are an integral part of the City's budget and provide the ability for the City of Edmonton to scale services to serve a growing city. These are autonomous organizations with separate boards/commissions, related to the City through operating agreements, which usually include financial obligations;
- **City Assets** - Includes all tangible and intangible property of the of the City including but not limited to equipment, financial assets, land, vehicles, material, computers, electronic mail, internet services, information and work time;
- **City Auditor** - The designated officer established by the City Auditor Bylaw, Bylaw 21111;
- **Fraud** - An act committed by an individual who, by deceit, falsehood, or other fraudulent means, whether or not it is a false pretence, defrauds or attempts to defraud the City, whether ascertained or not, of any property, money, or valuable security or any service;
- **Good Faith:** A report is submitted in good faith when it is genuine and based on reasonable belief/grounds and not made with malicious intent, solely for self-interest, or in support of a personal or political agenda.
- **Misappropriation** - The intentional or illegal use of the property or funds of another person for one's own use or other unauthorized purpose;

## References

The following are legislative and administrative references relevant to this administrative policy:

- [Audit Committee - Bylaw 16097](#)
- [City Auditor - Bylaw 21111](#)
- [City Administration - Bylaw 16620](#)