



MUNICIPAL PROPERTY ASSESSMENT CORPORATION

# **Fraud and Other Irregularities Policy**

## Document Control

The electronic version of this document is recognized as the only valid version.

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**Document Prime\*** Corporate Audit and Risk Officer

*\*Enquiries relating to this document should be referred to the responsible Document Prime.*

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### Approval History

Approver(s)	Approved Date
Board of Directors	March 31, 2016

### Revision History

Version No.	Version Date	Summary of Change	Changed By
Original	AC-BDR-16-03 March 31 - April 1, 2016	Creation of a new Corporate Policy to support the Whistleblowing Program; Administered and Overseen by the Risk Management Branch	Vice President and Chief Strategy Officer and Director, Enterprise Risk Management
01	August 22, 2016 (Administrative Change ONLY)	Clarification of the definition of "Investigation" in Definitions (Section 11).	Vice President and Chief Strategy Officer and Director, Enterprise Risk Management

02	AC-BDR-17-17 November 1, 2017	Language review; Updated responsibilities; Added content to Sec 8 (Confidentiality) (MFIPPA)	Vice President and Chief Strategy Officer and Director, Enterprise Risk Management
03	Sept 24, 2018 (Administrative Change ONLY)	Language review. Updated responsibilities wording.	Vice President and Chief Strategy Officer and Director, Enterprise Risk Management
04	AC-BDR-19-22 September 19, 2019	Addition of Sec 10-Reporting and Sec 11-Reprisal.	Vice President and Chief Strategy Officer and Director, Enterprise Risk Management
05	AC-BDR-20-24 December 1, 2020	Title change of Director, Risk Management to Corporate Audit and Risk Officer and Director, Human Resources to Executive Director, Human Resources and other minor updates.	Corporate Audit and Risk Officer

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## **1. Purpose and Objective**

This Policy sets out specific guidelines and responsibilities regarding the prevention, detection and reporting of fraud and other irregularities involving MPAC employees. In addition, this Policy outlines the appropriate actions that must be followed to investigate fraud and other irregularities. The prevention, identification, reporting, investigation, and resolution of fraud and other irregularities is to be made with reference to Municipal Property Assessment Corporation's (MPAC) Whistleblowing Program, and Code of Conduct, referred to in the Resources and Appendix sections of this Policy.

## **2. Scope and Application**

This Policy applies to all employees of MPAC and any of its business divisions including management, bargaining unit staff, regular and temporary employees. This Policy and its underlying whistleblowing processes are also accessible to the general public.

## **3. Principles**

MPAC is committed to protecting its financial, physical, human, and information resources from any attempt, either by members of the public, contractors, sub-contractors, agents, intermediaries or its own employees, to gain by deceit, financial or other benefits. MPAC is committed to implementing measures to detect and report fraud, and also to investigate any suspected acts of fraud, misappropriation, or other irregularities and questionable activities.

These principles are supported by the Risk Management Branch through a formal Whistleblowing Program that is also open to the general public. Accordingly, the Whistleblowing Program is designed to be: available internally *and* externally; user friendly to access and use; confidential; secure; and backed by a strong whistleblower protection and support network.

## **4. Policy Requirements**

It is MPAC's intent to fully investigate any suspected acts of fraud or other irregularity. An objective and impartial investigation will be conducted regardless of the position, title, and length of service or relationship with MPAC of any party who might be or becomes involved in, or becomes/is the subject of such investigation.

The Vice President and Chief Strategy Officer is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud and other irregularities. Management should be

familiar with the types of improprieties that might occur within their area of responsibility and be alert for any irregularities or indications of such conduct.

The Corporate Audit and Risk Officer, in consultation with General Counsel and the Vice President and Chief Strategy Officer, has the primary responsibility for coordinating the investigation of all activity as defined in this Policy.

In all circumstances, where there are reasonable grounds to indicate that a fraud may have occurred, the Vice President and Chief Strategy Officer, in consultation with General Counsel, will contact the appropriate authorities.

MPAC will pursue every reasonable effort, including court ordered restitution, to obtain recovery of any losses from the offender, or other appropriate source(s).

## **5. Responsibilities**

### **5.1 Employee**

- Employees must follow the highest standards of ethical behaviour to ensure that public confidence and trust is maintained. Employees are expected to uphold their legal, fiduciary and ethical responsibilities and act in the best interests of the Corporation and within the limits of all applicable laws;
- Ensure understanding and compliance with the Fraud and Other Irregularities Policy and any policies, guidelines and procedures that support this Policy;
- Any employee who knows of an occurrence of irregular conduct, or has reason to suspect that a fraud has occurred, is expected to immediately notify:
  - his/her manager;
  - the Corporate Audit and Risk Officer; or
  - the Vice President and Chief Strategy Officer.
- If confidentiality or an indirect channel is preferred, the employee may submit his/her disclosure through MPAC's Whistleblowing Program;
- Maintain confidentiality related to investigations;
- Co-operate fully with investigations (when required) to the full extent of the employee's ability; and
- Employees who knowingly make an allegation that is false, made frivolously, maliciously or for personal gain, will be subject to discipline up to and including dismissal. If an allegation is made in good faith, but it is not validated through a review, no action will be taken.

### **5.2 Manager**

- Ensure all direct reports understand and comply with this Policy;

- Upon notification from an employee of suspected fraud or other irregularity in accordance with the Fraud and Other Irregularities Policy, the manager is to immediately notify the Corporate Audit and Risk Officer or Vice President and Chief Strategy Officer;
- Maintain confidentiality related to investigations;
- Participate in investigations and report findings to the Director, Enterprise Risk Management; and
- The manager shall not attempt to investigate the suspected fraud or discuss the matter with anyone other than the Corporate Audit and Risk Officer, Vice President and Chief Strategy Officer, and the police.

### **5.3 Operations Risk Program Manager**

- Administer the Whistleblowing Program;
- Document, track and coordinate the investigation with appropriate MPAC employees and business areas under the direction of the Corporate Audit and Risk Officer; and
- Review and recommend changes to changes to this Policy to the Corporate Audit and Risk Officer on an as needed basis and/or annually.

### **5.4 Corporate Audit and Risk Officer**

- Monitor and report on non-compliance with this Policy;
- Ensure that this Policy is communicated to all MPAC staff;
- Review and update the Fraud and Other Irregularities Policy on an as needed basis and/or annually; and
- Shall manage and administer the Whistleblowing Program including the coordination of the investigation with appropriate MPAC employees and business areas. Because of the collaborative nature of the Whistleblowing Program, employees in the following business areas may be required to participate in an investigation:
  - Legal, Policy and Compliance
  - Human Resources
  - Freedom of Information
  - Internal Audit
  - Finance
  - Information Technology

### **5.5 Department Head**

- Ensure all direct reports comply with this Policy;
- Act on non-compliance issues within their area of responsibility; and
- Participate in investigations and report findings to the Corporate Audit and Risk Officer.

#### **5.6 Vice President and Chief Strategy Officer**

- Ensure this Policy is communicated to all employees;
- Upon notification or discovery of a suspected fraud, and where the Vice President and Chief Strategy Officer deems appropriate, the Corporate Audit and Risk Officer shall be advised and an investigation of the fraud shall occur, including following the processes of MPAC's Whistleblowing Program; and
- In all circumstances where there appears to be reasonable grounds for suspecting that a fraud has taken place, the Vice President and Chief Strategy Officer, in consultation with the General Counsel, will contact the appropriate authorities.

#### **5.7 President and Chief Administrative Officer**

- Ensure that all direct reports comply with this Policy; and
- Act on non-compliance issues.

#### **5.8 Audit Committee**

- Review Policy and recommend changes to this Policy to the Board every year.

#### **5.9 Board of Directors**

- Approve this Policy and any subsequent amendments or revisions.

### **6. Contacts/Protocols**

The Vice President and Chief Strategy Officer and the Corporate Audit and Risk Officer will notify, on a periodic basis, and as appropriate, the President and Chief Administrative Officer and the Audit Committee Chair of a reported allegation of fraudulent or irregular activity upon the commencement of the investigation, and in alignment with the processes of MPAC's Whistleblowing Program. Upon conclusion of the investigation, the results will be reported to the President and Chief Administrative Officer and the Audit Committee.

### **7. Security of Evidence**

Once a suspected fraud is reported, the Corporate Audit and Risk Officer in consultation with General Counsel will take action to prevent the theft, alteration, or destruction of relevant records. Such actions include, but are not necessarily limited to, removing the records and placing them in a secure location, 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. The records must be adequately secured until the Corporate Audit and Risk Officer obtains the records to begin or continue the coordination of the investigation.

## **8. Confidentiality**

All participants in a fraud investigation shall keep the details and results of the investigation confidential. However, the Vice President and Chief Strategy Officer or the Corporate Audit and Risk Officer, in consultation with the Manager responsible for the administration of the *Municipal Freedom of Information and Protection of Privacy Act* and the involved police service, may disclose particulars of the investigation with potential witnesses if, in their reasonable discretion, such disclosure would further the investigation.

The identity of an individual submitting a whistleblowing report will be kept confidential by MPAC and their privacy will be protected under the *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA). MPAC will never release a person's identity who submitted a whistleblowing report without their consent, unless ordered to do so by a court or quasi-judicial tribunal.

## **9. Personnel Actions**

If fraudulent or irregular conduct is confirmed by the investigation, disciplinary action, up to and including dismissal, shall be taken by the appropriate level of management, in consultation with the Executive Director, Human Resources, the Vice President and Chief Strategy Officer and General Counsel, in conformance with the Code of Conduct, and any relevant policies and procedures or legislation.

## **10. Reporting**

The Corporate Audit and Risk Officer shall update the Board of Directors on all Whistleblowing reports received (and the summary results of investigations) on a quarterly basis in conjunction with the President and Chief Administrative Officer and Vice President and Chief Strategy Officer, as appropriate.

The Corporate Audit and Risk Officer shall prepare an annual Whistleblowing Program report that will be delivered to the Board of Directors and be available to the public that will contain:

- a. the number of disclosures received;
- b. the number of investigations completed; and
- c. for an investigation under this Policy that results in a finding of wrongdoing:
  - i. a description of the wrongdoing;
  - ii. any recommendations made or corrective measures taken in relation to the wrongdoing; and/or if MPAC has not taken corrective measures in relation to the wrongdoing, the reasons provided.

Information provided in the Whistleblowing Program Annual Report shall not include identifiable information and shall comply with all applicable privacy legislation and policy to protect the identities of the applicable parties.

## **11. Reprisal**

A MPAC employee who believes that they are the subject of a reprisal related to their reporting of wrongdoing shall notify the Corporate Audit and Risk Officer of the alleged reprisal for investigation. Employees may refer to the Whistleblower Protection Statement for more information.

## **12. Resources**

Whistleblowing Program frequently asked questions (FAQ), process charts, Policy documents and related resources can be found on MPAC's Whistleblowing Program landing page.

### 13. Definitions

Allegation	An allegation is an unproven assertion or statement based on a person's perception.
Department Head	A regular full-time or temporary employee authorized and responsible for a department, consistent with Level 2 in Appendix A of the Delegation Of Authority (DOA) Policy.
Fraud and Other Irregularities	<p>Fraud and other irregularities (e.g. wrongdoings) includes, but is not limited to:</p> <ol style="list-style-type: none"> <li>1. Forgery or alteration of cheques, drafts, promissory notes and securities;</li> <li>2. Any misappropriation or embezzlement of funds, securities, supplies or any other asset;</li> <li>3. Any irregularity in the handling or reporting of money transactions;</li> <li>4. Misappropriation of furniture, fixtures and equipment;</li> <li>5. Seeking or accepting anything of material value from vendors, consultants or contractors doing business with the Corporation in violation of the Code of Conduct;</li> <li>6. Unauthorized use or misuse of Corporate property, equipment, materials or records including without limitation, the unauthorized disclosure of confidential and/or personal information;</li> <li>7. Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of Corporately-owned software or hardware including, without limitation, violations of MPAC policies regarding Use of Information Technology Resources;</li> <li>8. Unauthorized alteration of the assessed value of any property in Ontario: (a) in which the employee or a related person (as defined in the <i>Business Corporations Act</i> (Ontario)) has a pecuniary interest; or (b) for an improper benefit, pecuniary or otherwise;</li> <li>9. Any claim for reimbursement of expenses that is not made for the exclusive benefit of the Corporation; and</li> <li>10. Any similar or related irregularity including waste.</li> </ol>
Investigation	A fact-finding process to determine whether or not the Fraud and Other Irregularities Policy or related governance instrument has been violated.

Manager	A regular full-time or temporary employee authorized and responsible for directly managing or supervising employees.
Reprisal	Reprisal includes any harassment, intimidation, dismissal, suspension, demotion, or threat of the foregoing, of an MPAC employee as a direct result of the employee in good faith disclosing a perceived fraudulent or irregular activity or event.
Whistleblowing	Raising a concern about a wrongdoing within an organization. MPAC's Whistleblowing Program provides MPAC staff, property taxpayers, and other Ontario residents with a variety of channels to report any observed or suspected fraud or other irregular activity involving MPAC staff.

#### 14. Appendix

- MPAC's Code of Conduct is an integral part of this Fraud and Other Irregularities Policy and should be referenced in conjunction with this Policy.
- Employees shall refer to the Whistleblower Protection Statement for more information on the protection from reprisal to those employees who in good faith report wrongdoing.