



Fraud Policy

Policy Statement

Halifax Harbour Bridges (“HHB”) recognizes the importance of protecting the organization, its operations, its employees, and its assets from the consequences of fraudulent activity. HHB is committed to maintaining the highest standards of respect, integrity, diversity, accountability, and the public good. HHB has adopted this policy to ensure consistent and effective prevention, investigation, and reporting of fraud occurrences within HHB. The HHB has zero tolerance for fraud in any form.

HHB values the integrity of staff and recognizes that they have a key role to play in the prevention, investigation, and reporting of fraud. Employees must be vigilant at all times and are required to report any concerns they may have at the earliest opportunity in accordance with the policy guidelines. HHB is committed to creating and maintaining an honest, open, and well-intentioned working environment.

Definitions

AUDIT COMMITTEE

The audit committee is a committee of the Board of Commissioners that is responsible for the oversight of accountability, governance and risk management processes within HHB.

EMPLOYEE

All people directly employed by HHB, including both salaried and hourly staff, bargaining unit staff, non-bargaining unit staff, part-time and seasonal staff.

DEPARTMENT

Any HHB department,

EXTERNAL PARTIES

Any person or organization that is not employed by, or associated with an HHB department, who receives or provides goods and services to HHB.

FRAUD

The use of deception with the intent of obtaining an advantage, avoiding an obligation or causing a loss to another party. Examples of fraud are included in Appendix A.

INTERNAL CONTROLS

Processes, effected by the HHB, designed to provide reasonable assurance regarding the achievement of corporate and departmental goals and objectives.

Policy Objectives

This policy is established as part of the HHB's network of controls that aid in the prevention and detection of fraud. It helps promote consistent organizational behaviour by highlighting responsibility for the development of controls and the ways of reporting fraudulent behaviour.

Application

This policy applies to all employees with respect to any suspected fraudulent acts against the HHB involving employees and/or external parties.

Policy Directives

Employees are required to act lawfully and in accordance with HHB policies and procedures. All employees must report any instances of suspected fraud in accordance with the procedures set out in the policy guidelines. Employees may also make a voluntary disclosure to the Office of the Ombudsman under the *Public Interest Disclosure of Wrongdoing Act*.

Allegations under this Fraud Policy are serious. All persons involved in a reported situation are responsible for respecting the reputation of individuals. Employees reporting suspicious incidents under this policy must treat the matter as confidential and not discuss it with anyone other than the person to whom they have reported the incident or the designated investigation team.

Retaliation is prohibited against anyone who has reported a suspicious incident in good faith or has participated in an investigation under this policy. Retaliation may result in disciplinary action.

Reasonable measures shall be taken to maintain confidentiality and to protect, to the extent possible, the identity of the employee(s) reporting suspected offenses under this policy.

Any reports found to be malicious will be reviewed and considered for appropriate discipline of the reporting employee.

The consequences for an employee engaging in fraud will include disciplinary action up to and including dismissal.

For fraud investigations, the Chief Financial Officer has the authority to:

a. Initiate any investigation which they consider appropriate

- b. Retain professional assistance (e.g. accounting, internal audit) as deemed necessary.
- c. Determine who should perform and/or provide oversight of the fraud investigation procedures (e.g. HHB, Third party investigators, Office of the Ombudsman, law enforcement).

The rules of procedural fairness govern all activities under the investigation process.

Policy Guidelines

Detailed procedures for the reporting and investigation of fraud are available on the Internal Audit Centre's intranet site (<https://isd.iweb.gov.ns.ca/InternalAudit-Resources>).

Accountability

AUDIT COMMITTEE

The Audit Committee is responsible for developing and maintaining a Fraud Management Program to help prevent and detect fraud. Specific components of a comprehensive Fraud Management Program include:

- Fraud policies and procedures
- Fraud risk assessment
- Fraud awareness education and training
- Fraud prevention and detection techniques
- Well-documented framework for reporting and investigating allegations of fraud

CHIEF FINANCIAL OFFICER

The Chief Financial Officer is responsible for implementing and maintaining a system of internal controls for the prevention and detection of fraud.

Specific controls which are important to the prevention and detection of fraud include:

- Segregation of duties
- Regular and timely accounting reconciliations
- Physical safeguards over money and property
- Effective supervision
- Effective Information System Security (e.g. passwords, encryption)

The above controls are not all-inclusive but are general guiding principles.

Specific responsibilities for the reporting and investigation of suspected fraudulent acts can be found in the procedures as set out in the policy guidelines.

Monitoring

The Audit Committee is responsible for the review and update of this policy. The Audit Committee shall monitor the effectiveness of the policy and coordinate periodic reviews.

References

This is an organizational policy designed to supplement other HHB policies and is not intended to replace or preclude them. If a situation occurs where there is a conflict between application of this policy and any other HHB policy, the policy most specific to the situation will apply.

This policy is further supported by the following pieces of provincial legislation and provincial policies. In situations where this policy is in conflict with statutory provisions, the latter shall prevail.

- *Public Interest Disclosure of Wrongdoing Act*
- *Freedom of Information & Protection of Privacy Act*
- Values, Ethics, & Conduct: A Code for Nova Scotia's Public Servants

Enquiries

Chief Financial Officer (902) 463-2466

Appendix

Appendix-A – Examples of Fraud and similar illegal activity

Appendix A

Examples of Fraud and Similar Illegal Activity

The following examples are not an exhaustive list.

Employees

Some examples of employee fraud or similar illegal acts are:

- falsification or alteration of financial records
- deceitful use of a corporate credit card
- unauthorized use of HHB owned or leased vehicles and equipment
- corruption of HHB files or data
- reimbursements for non-legitimate expenses or unworked hours
- accepting bribes or kickbacks
- undeclared conflicts of interest
- theft of cash or cheques prior to entry into the accounting system

External Parties

Some examples of external third party fraud or similar illegal acts are:

- theft of HHB money or property
- corruption of HHB files or data
- deliberate short-shipment by a supplier
- deliberate substitution of inferior quality or defective goods by a supplier
- intentional damage of HHB property
- bid-rigging, price fixing, or kickbacks in the contracting process
- fraudulent claims for social benefits, grants, or other program payments, including refunds and rebates