



CORPORATE POLICIES AND PROCEDURES

FRAUD PREVENTION POLICY

No.: 01274
(Formerly ADM IV 310)

ISSUED BY: Vice President, Finance
and Business Development

DATE OF APPROVAL: N/A

APPROVED BY: Senior Management
Committee

LAST REVIEW/REVISION DATE:
2014/01/15

CATEGORY: Financial Services

IMPLEMENTATION DATE: 2014/01/15

POLICY STATEMENT:

The Ottawa Hospital is committed to protecting its revenue, property, proprietary information and other assets. The Ottawa Hospital will not tolerate any misuse or misappropriation of those assets inside or outside of the organization.

The purpose of The Ottawa Hospital's Fraud Prevention Policy is to provide guidance with respect to Fraud to employees together with a means to report concerns about known or suspected Fraud and establish a prompt and fair investigation process to deal with allegations of Fraud. It also promotes consistent organization behaviour by providing guidelines and assigning responsibility for the development of controls.

It is the Hospital's intent to fully investigate any suspected acts of "Fraud", as it is described in this Policy, in an impartial manner regardless of the suspected wrongdoer's length of service, position, title or relationship to the Hospital.

Hospital employees who engage in Fraud may be subject to disciplinary action up to dismissal and may face criminal prosecution and / or civil suits.

This policy applies to any irregularity or suspected irregularity, involving employees as well as physicians, volunteers, consultants, vendors, contractors, outside organizations and any other third parties involved with The Ottawa Hospital.

The department of Financial Services is responsible for the administration, revision, interpretation and application of this Policy.

DEFINITION(S):

1. **ACTIONS CONSTITUTING FRAUD:** Fraud and other similar irregularities include, but are not limited to:
 - a) Forgery, falsification, alteration, destruction or fabrication of any paper or electronic financially related record (for example, cheques, time sheets, vendors, contracts, requisitions, budgets, accounting records, etc.);
 - b) Making false financial claims and statements, including but not limited to authorizing or receiving payment for hours not worked;
 - c) Misappropriation of funds, supplies, or any other asset;
 - d) Irregularity in the handling or reporting of financial transactions;
 - e) Misappropriation or unauthorized use or misuse of property, equipment, materials or records;
 - f) Seeking or accepting anything of material value from vendors, consultants or contractors doing business with The Ottawa Hospital in violation of the Code of Conduct or the Gift policy;
 - g) Corruption, giving or receiving discounts or rebates or incentives without Hospital approval, authorizing or receiving payments for goods not delivered or services not performed, tendering irregularities, etc.;
 - h) Disclosing confidential and proprietary information to outside parties;
 - i) Any computer-related activity involving the alteration, destruction, forgery, or manipulation of data for fraudulent purposes or misappropriation of TOH-owned software in addition to the inappropriate use of computer systems where a financial impact is involved, including unauthorized access and software piracy;
 - j) Non-compliance with financial provisions of Hospital policies, procedures or practice or with any law

2. **INTERNAL CONTROLS:** Systematic measures (such as reviews, checks and balances, methods and procedures) instituted by an organization to:
 - a) Conduct its business in an orderly and efficient manner,
 - b) Safeguard its assets and resources,
 - c) Deter and detect errors, fraud, and theft,
 - d) Ensure accuracy and completeness of its accounting data,
 - e) Produce reliable and timely financial and management information, and
 - f) Ensure adherence to its policies and plans.

PROCEDURE:

1. Responsibilities

i. The Hospital

- The Hospital is responsible for establishing internal controls and procedures to prevent Fraud and to protect the resources it is entrusted with. If Fraud occurs, the Hospital is obliged to carry out a vigorous and prompt investigation, taking appropriate legal and / or disciplinary action in cases that would be justified, and to ensure that changes to systems and procedures take place immediately to prevent similar Frauds from happening again.

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Depending on the nature of the issue, the Ottawa Hospital may inform the police.

- The Hospital also has the duty to ensure its environment is a secure place in which to work and where people are confident to raise concerns without fear of reprisal. This extends to ensuring that employees are provided a safe work environment, as described in **Section #5 below**, when carrying out their official duties and are not placed in a vulnerable position. Hospital employees who identify themselves and make a report in good faith of a known or suspected Fraud will not be subject to reprisal for reporting.

ii. **Management**

Management at all levels have the responsibility to:

- Ensure adequate internal control exists within their area of responsibility and that controls operate effectively and in accordance with financial policies and procedures.
- Be aware of the Hospital's rules and guidance covering Fraud. They must be familiar with the types of Fraud that might occur within their area of responsibility, and be alert for any indication of Fraud.
- Ensure that the Hospital's Code of Conduct, Fraud Policy and financial policies are well communicated within their areas of responsibility.
- Report any suspected fraudulent act in accordance with the Code of Conduct or Fraud Policy as outlined in **Section #2 below**.

iii. **Employees**

All employees have a responsibility to:

- Ensure they are familiar with, and comply with TOH's Code of Conduct policy as well as the Fraud Prevention Policy.
- Report any suspected fraudulent act in accordance with the Code of Conduct or Fraud Policy as outlined in **Section #2 below**.
- Employees may remain anonymous when reporting a suspected Fraud but must maintain strict confidentiality concerning a reported Fraud at all times.

iv. **Third parties**

- Any third party, who knows or has reason to believe a Fraud has occurred, should notify a member of Senior Management or the Financial Controller.

2. **Where to report**

Hospital employees and third parties are urged to report known or suspected Fraud to their own supervisor.

If reporting to a supervisor is either unavailable or inappropriate and where there is no relevant provision in an applicable collective agreement, the Hospital employee or third party should report the matter to a member of the Senior Management Team. Members of the Senior Management Team shall advise the Senior Vice President of Finance and Business Development immediately upon receiving the complaint so that an investigation can be initiated.

The Senior Vice President of Finance and Business Development, has the primary responsibility for the investigation of all suspected fraudulent acts as described in the policy.

The recipient of the report of a known or suspected Fraud must notify the Senior Vice President of Finance and Business Development, who in consultation with the appropriate designated personnel, will cause an investigation into the allegations of Fraud in a manner suitable in the circumstances, including free and unrestricted access to all Hospital records and information, and as expeditiously as possible under the circumstances. The designated personnel will have the authority to examine, copy, and / or remove all portion of the contents (hard copy or electronic) of files, desks, cabinets and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation. Designated personnel may include, but are not limited to, the Corporate Controller, the Senior Vice President of Human Resources or delegate, Senior Vice President Professional Practice and Chief Nursing Executive and the Legal Counsel and Director of Risk Management for the Hospital.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Legal Department.

If the investigation substantiates that fraudulent activities have occurred, the Senior Vice President of Finance will immediately issue reports to appropriate designated personnel and to the Audit Committee of the Board. Decisions to prosecute or refer the examination results to the appropriate law enforcement will be made in conjunction with Legal Counsel, Human Resources and Senior Management. Violators may have their employment terminated and the matter referred to the appropriate authorities.

Individuals who commit fraud will be reported to a regulated health professional college for professional misconduct, if applicable, by the Chief of Staff or the Chief Nursing Executive.

3. Disciplinary Action

Employees who have committed Fraud will be subject to disciplinary action up to and including dismissal. Where Fraud is suspected, the Hospital will conduct a neutral and objective investigation, during which the individual will be given notice of the essential particulars of the allegations and will be provided with an opportunity to respond. Employees may be placed on administrative leave pending the Hospital's investigation into the misconduct.

4. Confidentiality

Great care must be taken in the investigation of a suspected Fraud or wrongdoing to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. Therefore, all participants in a fraud investigation shall treat all

information received confidentially. Investigation results will not be disclosed or discussed with anyone other than those who have legitimate need to know. To the extent possible by law, the identity of individuals involved in an investigation including the identity of an individual alleging fraud will be protected.

5. Whistle-Blower Protection

In conjunction with **section #1.i) above**, no complainant covered by this policy shall be:

- Dismissed or threatened to be dismissed
- Disciplined or suspended or threatened to be disciplined or suspended
- Face any penalty
- Intimidated or coerced

Because the employee has acted in accordance with the requirements of the policy.

RELATED POLICIES / LEGISLATION:

This is a corporate policy designed to support other corporate policies and not intended to replace or preclude them. Should an overlap arise between the application of this policy and any other policy, the policy most specific to the situation will apply.

The Ottawa Hospital

1. Corporate - Administration Policies and Procedures - Human Resources - [Policy # 00362 - Code of Conduct](#)
2. Corporate - Administration Policies and Procedures - Human Resources - [Policy # 00365 - Gifts](#)
3. Corporate - Administration Policies and Procedures - Property & Services - [Policy # 00219 - Purchasing](#)
4. Corporate - Administration Policies and Procedures - Property & Services - [Policy # 00221 – Tendering Policy](#)
5. Corporate - Administration Policies and Procedures - Finance - [Policy # 00217 – Signing Authority Policy](#)
6. Corporate - Administration Policies and Procedures - Finance - [Policy # 00608 – Petty Cash](#)
7. Corporate - Administration Policies and Procedures - Finance - [Policy # 00215 – Cheque Request](#)
8. Corporate - Administration Policies and Procedures - Finance - [Policy # 00207 – Travel Policy](#)
9. Corporate - Administration Policies and Procedures - Finance - [Policy # 00361 – Disciplinary Process for Unionized Employees](#)

Ottawa Hospital Research Institute (OHRI)

1. OHRI ADM-XI-110 – Scientific Integrity

REFERENCES: N/A

COMMENTS / SIGNIFICANT REVISIONS: N/A

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