

Part: **Financial Management and Administration**
 Section: **Treasury Board's Risk Management Policies**
 Subsection: **Other Risk Management Policies**
 Policy: **Reporting Incidents of Fraud or Similar Illegal Acts**

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Reporting Incidents of Fraud or Similar Illegal Acts

Objective

The objective is to outline reporting requirements for incidents of fraud or similar illegal acts involving money and property administered by ministries and Treasury Board Crowns.

Authority

The Financial Administration Act, 1993, clauses 5(a) and 5(d) and subsection 10(2)

Applicability

This policy applies to ministries and Treasury Board Crowns (see [Appendix B Public Agencies](#)).

Definition

In this policy, fraud is defined as the use of deception with the intent of obtaining an advantage, avoiding an obligation or causing a loss to another party. The term is used to describe such acts as theft, false representation, misappropriation, falsification of documents, bribery and corruption.

Treasury Board Policy

- .01 Ministries and Treasury Board Crowns are to maintain adequate systems and controls to prevent and detect fraud and similar illegal acts.
- .02 Ministries and Treasury Board Crowns are to report incidents of fraud and similar illegal acts to the proper authorities.

Provincial Comptroller Directives

- .03 Ministries and Treasury Board Crowns are responsible for investigating, reporting and taking follow-up action on incidents of fraud or similar illegal acts. Ministries should refer to [Section 4101 Incidents of Suspected Fraud or Similar Illegal Acts](#) and [Section 4102 Employee Onus to Report Suspected Fraud or Similar Illegal Acts](#).

Police Involvement

- .04 Except in situations involving criminal acts where it is clear that the police should be notified, ministries and Treasury Board Crowns should consult with legal advisors to determine whether the police should be notified for any loss over \$500 which may have resulted from fraud or similar illegal acts. Ministries and Treasury Board Crowns should consider contacting law enforcement authorities immediately if a police presence is a matter of urgency (such as incidents involving a theft or break-in) or where assistance is required to secure evidence.

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Provincial Comptroller's Office Involvement

.05 Ministries and Treasury Board Crowns are to notify the Provincial Comptroller of all losses of money or property over \$500 that are due to fraud or similar illegal acts. This includes special purpose funds and trust funds they administer.

When reporting the incident, the [Incident Report](#) should be submitted by the Corporate Services Head to the Provincial Comptroller via email to pco@gov.sk.ca, copying the Permanent Head.

Incidents should be reported to the Provincial Comptroller no later than 30 days from the date of determining an incident of fraud or similar illegal act has likely occurred where the actual or reasonable estimate of the loss exceeds \$500, regardless of whether any recoveries have or will be received.

.06 Losses reported to the Provincial Comptroller should be the actual or estimated direct costs attributable to the incident excluding any costs related to the investigation, reporting and follow-up. Property damage or loss should be valued at the estimated cost to restore or replace the property to a pre-incident condition. All losses should be reported gross of any recoveries.

Prevention of Future Incidents

.07 When incidents of fraud or similar illegal acts occur, ministries and Treasury Board Crowns are responsible for taking steps to help prevent a similar occurrence in the future. These steps include, but are not limited to, improvement of controls, reinforcement of existing policies and procedures, employee training and more careful supervision.

.08 The [Investigation Report](#) should be completed by the applicable Program Area with assistance from the Corporate Services Area on a timely basis and submitted by the Corporate Services Head to the Provincial Comptroller via email to pco@gov.sk.ca, copying the Permanent Head. This report should identify deficiencies in internal controls as well as actions taken to correct the deficiencies to prevent future incidents.

Report to PAC

.09 Losses of money and property over \$500 that have been reported by ministries and Treasury Board Crowns, and that are due to fraud or similar illegal acts by employees, suppliers or

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contractors are reported by the Provincial Comptroller to the Standing Committee on Public Accounts (PAC). Information related to other incidents may also be reported to PAC where the Provincial Comptroller deems that it would be in the public interest to do so.

Recovery of Losses

- .10 If a fraud or similar illegal act has been committed, all reasonable steps, including legal action, should be taken to recover any losses incurred by the Government.

Ministries and Treasury Board Crowns should determine if insurance exists and if there is potential for recovery. If so, they should proceed with a claim. Where an employee is involved, ministries should refer to [Section 4115 Fidelity Bond](#).

References

- [3112 Petty Cash and Cash Register Float Losses](#)
 - [4100 Other Risk Management Policies](#)
 - [4101 Incidents of Suspected Fraud or Similar Illegal Acts](#)
 - [4102 Employee Onus to Report Suspected Fraud or Similar Illegal Acts](#)
 - [4110 Compensation for Loss Payments](#)
 - [4115 Fidelity Bond](#)
 - [4120 Employee Liability Protection](#)
 - [4125 Insurance](#)
- [Fraud Awareness Training](#)
- [Incident Report](#)
[Investigation Report](#)