

Bulletin # 3 – Fraud Prevention

There are many things that can be done to create a fraud risk management program. Awareness is the cornerstone of any fraud risk management program, and these bulletins are one way to get the message out to start building that awareness.

In this bulletin, we will explore fraud prevention. Fraud prevention is defined as reducing the risk of fraud and misconduct from occurring in the first place.

Tone at the Top

It is extremely important that organizations like the university lead by example and set the ‘Tone at the Top’. Meaning, the executives and Board of Governors of the university must exhibit behaviour of the highest ethical standards so that employees will follow suit. This is true of any organization or private company.

A code of conduct program and training are foundational to a successful fraud prevention program and ensuring that employees understand not only what is expected of them, but what they can expect from their employer. [See Blackboard for the online Code of Conduct Training Program]

Internal Controls

An environment with strong internal controls is less likely to experience a fraud. A strong internal control environment is about people, and not just policy and procedure manuals, systems, and forms. People and the actions they take at every level of the university affect internal control. Good internal controls should be able to provide reasonable assurance—**but not absolute assurance**, to the university’s senior management and Board of Governors that things are operating as they should.

The primary categories of internal controls are:

- Verification
- Authorization
- Reconciliation
- Physical security over assets
- Segregation of duties
- Education, training and coaching
- Management oversight

Internal controls may seem like they are time consuming, labour intensive or even suggesting a lack of trust. However, as the university grows, it is important to communicate to everyone that these processes are required not only for oversight purposes (although this is certainly part of it), but also for operations, reporting, and compliance. **The proper internal controls will go a long way toward assisting in fraud prevention.**



How can you protect yourself?

The more you know about fraud, the less likely you are to become a victim. So, here is our advice.

- **Be aware** – fraud occurs every day and there are fraudsters out there targeting you.
- **Be skeptical** – don't take everything at face value. Do a little research.
- **Trust your instincts** – if it's too good to be true, it probably is.
- **Be cautious** - of unsolicited calls, emails and other communications.
- **Report it** –don't hesitate to report a fraudster whether it's at work or in your personal life.
- **Never share** - personal information that is not required, online passwords, or other types of personal or private information (e.g. PINs).

What to do if you suspect a fraud

You can report a suspected fraud to:

- Your supervisor, director, chair or dean
- Any member of senior administration
- Internal Audit Services

Or you can contact the University's Whistleblower Hotline, ConfidenceLine:

Toll-free at 1-800-661-9675 or online at [MacEwan.ConfidenceLine.net](https://www.macewan.ca/wcm/ExecutiveandGovernance/OfficeofGeneralCounsel/InternalAuditServices/index.htm)

See the IAS website for more information

<https://www.macewan.ca/wcm/ExecutiveandGovernance/OfficeofGeneralCounsel/InternalAuditServices/index.htm>

Stay tuned for next week's fraud bulletin - summing it all up.