



February 13, 2002

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: **Fraud and Other Similar Irregularities Policy**

Recommendation:

It is recommended that the Board adopt the policy entitled "Fraud and Other Similar Irregularities" attached as Appendix "A" to apply to members of the Board and Board employees.

Background:

At its meeting of April 30, May 1 and 2, 2001, City Council adopted a report entitled "Fraud and Other Similar Irregularities Policy" and required that all Agencies, Boards and Commissions also adopt a consistent policy.

Discussion:

Since the adoption by Council of the "Fraud and Other Similar Irregularities Policy", the Corporate Secretary, City Legal and the City Auditor have reviewed the City policy in light of the Board's by-laws. Attached is a "Fraud and Other Similar Irregularities Policy" for Exhibition Place which substantially follows the one adopted by Council except for modifications to language to address the particular nature of Exhibition Place. The Board should note that the General Manager & CEO would work closely with the City Auditor and City Solicitor in investigating any alleged violation of the Policy and reporting out the results of such investigation to the Board and City Council, as necessary.

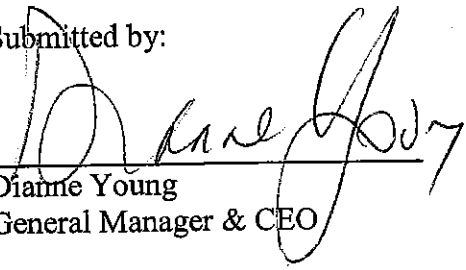
Conclusion:

This report recommends the adoption by the Board of the policy entitled "Fraud and Other Similar Irregularities Policy".

Contact:

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Submitted by:



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Dianne Young
General Manager & CEO



APPENDIX "A"

Statement of Policy Principles

The Board of Governors of Exhibition Place is committed to protecting its revenue, property, information and other assets 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.

This policy sets out specific guidelines and responsibilities regarding appropriate actions that must be followed for the investigation of fraud and other similar irregularities.

Definitions

Fraud and other similar irregularities includes, but is not limited to:

1. Forgery or alteration of cheques, drafts, promissory notes and securities.
2. Any misappropriation of funds, securities, supplies or any other asset.
3. Any irregularity in the handling or reporting of money transactions.
4. Misappropriation of furniture, fixtures and equipment.
5. Seeking or accepting anything of material value from vendors, consultants or contractors doing business with Exhibition Place in violation of the Board's Conflict of Interest policy.
6. Unauthorized use or misuse of Board property, equipment, materials or records.
7. Any computer related activity involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of Board-owned software.
8. Any claim for reimbursement of expenses that are not made for the exclusive benefit of Exhibition Place.
9. Any similar or related irregularity.

Applicability

This policy applies to all members of the Board of Governors and employees of the Board.

General Policy and Responsibilities

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

2. Senior Management is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations 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 indications of such conduct.
3. The City Auditor, in consultation with the City Solicitor, has the primary responsibility for the investigation of all activity as defined in this policy.
4. The City Auditor will notify the Chair of the Board of Governors of a reported allegation of fraudulent or irregular conduct upon the commencement of the investigation to the extent practical. Throughout the investigation these officials should be informed of pertinent investigative findings.
5. In all circumstances, where there are reasonable grounds to indicate that a fraud may have occurred, the City Auditor, subject to the advice of the City Solicitor, will contact the Toronto Police Service.
6. Upon conclusion of the investigation, the results will be reported to the Chair of the Board and City Council, if necessary.
7. Senior Management will pursue every reasonable effort, including court ordered restitution, to obtain recovery of the Board's losses from the offender, or other appropriate source(s).

Procedures

1. All Employees

Any employee who has knowledge of an occurrence of irregular conduct, or has reason to suspect that a fraud has occurred, shall immediately notify his/her supervisor. If the employee has reason to believe that the employee's supervisor may be involved, the employee shall immediately notify the General Manager & CEO and the City Auditor.

The employee shall not discuss the matter with anyone other than his/her supervisor, the General Manager & CEO, the City Auditor and the Police. Employees who knowingly make false allegations will be subject to discipline up to and including dismissal.

2. Managers

Upon notification from an employee of suspected fraud, or if the Manager has reason to suspect that a fraud has occurred, the Manager shall immediately notify his/her Director and the General Manager & CEO and the City Auditor.

The General Manager & CEO shall not attempt to investigate the suspected fraud or to discuss the matter with anyone other than the person to whom the fraud was reported, the City Auditor, and the Police.

3. Senior Managers

Upon notification from any employee or Manager of suspected fraud, or if the Senior Manager has reason to suspect that a fraud has occurred, the Senior Manager shall immediately contact the General Manager & CEO and the City Auditor. The Senior Manager shall not attempt to investigate the suspected fraud or to discuss the matter with anyone other than the General Manager & CEO, the City Auditor, City Solicitor and the Police.

4. General Manager & CEO

Upon notification of discovery of a suspected fraud, or if the General Manager & CEO has reason to suspect that a fraud has occurred, the General Manager & CEO will immediately contact the City Auditor. The General Manager & CEO shall not attempt to investigate the suspected fraud or to discuss the matter with anyone other than the City Auditor, City Solicitor and the Police.

5. Upon notification or discovery of a suspected fraud, the City Auditor will promptly investigate the fraud. In all circumstances where there appears to be reasonable grounds for suspecting that a fraud has taken place, the City Auditor, in consultation with the City Solicitor, will contact the Toronto Police Service.

6. Contacts/Protocols

After an initial review and a determination that the suspected fraud warrants additional investigation, the City Auditor will notify the General Manager & CEO, the Chair of the Board, and the City Solicitor of the allegations. The City Auditor shall coordinate the investigation with the appropriate law enforcement officials.

7. Security of Evidence

Once a suspected fraud is reported, the City Auditor, in consultation with the City Solicitor, shall take immediate 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 City Auditor obtains the records to begin the audit investigation.

8. Confidentiality

All participants in a fraud investigation shall keep the details and results of the investigation confidential. However, the City Auditor, in consultation with the Freedom of Information Coordinator for Exhibition Place and the Toronto Police Service, may disclose particulars of the investigation with potential witnesses if such disclosure would further the investigation.

9. Personnel Actions

If a suspicion of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal, shall be taken by the appropriate level of management, in consultation with the Human Resources Consultant, the General Manager & CEO and the City Solicitor, in conformance with the Board's Personnel Policies and Procedures.

Unless exceptional circumstances exist, a person under investigation for fraud shall be given notice in writing of the essential particulars of the allegations following the conclusion of the audit investigation and prior to final disciplinary action being taken. Where notice is given, the person against whom allegations are being made may submit a written explanation to the General Manager & CEO no later than seven calendar days after the notice is received. This requirement is subject to any collective agreement provisions respecting the rights of employees during disciplinary proceedings.

10. Whistle-Blower Protection

No employer or person acting on behalf of an employee shall:

- dismiss or threaten to dismiss an employee;
- discipline or suspend or threaten to discipline or suspend an employee;
- impose any penalty upon an employee; or
- intimidate or coerce an employee.

Because the employee has acted in accordance with the requirements of the policy. The violation of this section will result in discipline up to and including dismissal.

11. Media Issues

If the media becomes aware of an audit investigation, Senior Management and any other person contacted by the media shall refer the media to the General Manager & CEO. The alleged fraud and audit investigation shall not be discussed with the media other than through the General Manager & CEO or the City Auditor.

12. Documentation

At the conclusion of the investigation, the City Auditor will document the results in a confidential memorandum report to the Chair of the Board with a copy to the General Manager & CEO. If the report concludes that the allegations are founded, the report will be forwarded to the Toronto Police Services.

The City Auditor will also be required to make recommendations to the General Manager & CEO which will assist in the prevention of future similar occurrences.

13. Completion of Investigation

Upon completion of the investigation including all legal and personnel actions, any records, documents and other evidentiary material will be returned by the City Auditor to the Board.

14. Reporting to External Auditors

The City Auditor will report to the external auditors of the City all information relating to investigations.

