



FRAUD POLICY

Upwood Park/Salvador Del Mundo Co-operative Homes Inc. 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 investigation of fraud and other similar irregularities.

Definitions

Fraud and other similar irregularities include, but are 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. Violation of conflict of interest as per City Guideline 2015-6. (Conflict of interest By-law, page 9)

A conflict of interest exists if any of the following situations occur:

- a) The personal or business interest of a director, officer, agent or employee of Upwood Park/Salvador Del Mundo Co-operative Homes Inc. is in conflict with the interest of Upwood Park/Salvador Del Mundo Co-operative Homes Inc.

b) A personal gain, benefit, advantage or privilege is directly or indirectly given to or received by a director, officers, agent or employee of Upwood Park/Salvador Del Mundo Co-operative Homes Inc. or a person related to one of them as a result of a decision by Upwood Park/Salvador Del Mundo Co-operative Homes Inc.

A related person to a director, officer, agent or employee means a parent, spouse, same-sex partner, child, household member, sibling, uncle, aunt, niece, mother-in-law, father-in-law, sister-in-law, brother-in-law, grandparent, or a person with whom the director, officer, agent or employee has a business relationship.

(Please see the attached Conflict of Interest By-Law #18)

6. Unauthorized use or misuse of Upwood Park/Salvador Del Mundo Co-operative Homes Inc. property, equipment, materials or records.
7. Any computer related activity involving the alterations, destruction, forgery, or manipulation of data for fraudulent purposes or misappropriation of (housing provider)-owned software.
8. Any claim for reimbursement of expenses that are not made for the exclusive benefit of the *Upwood Park/Salvador Del Mundo Co-operative Homes Inc.*
9. Provision of an unauthorized benefit to a member including, but not limited to, an unauthorized reduction of the housing charge/rent payable by a member, unauthorized internal transfers to another unit or unauthorized determination of eligibility for rent-geared-to-income assistance.
10. Any similar or related irregularities.

Applicability

This policy applies to members of the Board of Directors and all employees of *Upwood Park/Salvador Del Mundo Co-operative Homes Inc.*

General Policy and Responsibilities

1. It is the Board of Directors 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, and length of service or relationship with the *Upwood Park/Salvador Del Mundo Co-operative Homes Inc.* of any party who might be or becomes involved in or becomes/is the subject of such investigation.
2. All directors, officers and employees of *Upwood Park/Salvador Del Mundo Co-operative Homes Inc.* will co-operate fully with the Board of Directors to ensure that any suspected acts of fraud, misappropriation or other similar irregularity are investigated to the satisfaction of the Board of Directors and City of Toronto's Social Housing Unit.
3. In all circumstances, where there are reasonable grounds to indicate that a fraud may have occurred, the Board of Directors, subject to the advice of its legal counsel, will contact its insurance company, the Toronto Police Service and the City of Toronto's Social Housing Unit.
4. Upon Conclusion of the investigation, the results will be reported to the President of the Board of Directors. The President will provide a copy of the results to the City of Toronto's Social Housing Unit.
5. The Board of Directors will pursue every reasonable effort, including court ordered restitution, to obtain recovery of the corporation's losses from the offender, or other appropriate sources.

Procedures

1. Reporting

a) *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 property manager. If the employee has reason to believe that the employee's property manager may be involved, the employee shall immediately notify the President of the Board.

Employees shall not attempt to investigate a suspected fraud or discuss the matter with anyone other than a person to whom the fraud was reported. An allegation of fraud is a serious matter. Employees who knowingly make false allegations will be subject to discipline up to and including dismissal.

b) Property Manager - Upon notification from an employee of suspected fraud, or if the Property Manager has reason to suspect that a fraud has occurred, the Property Manager shall immediately notify the President of the board and Senior management staff. The Property Manager shall not attempt to investigate the suspected fraud or to discuss the matter with anyone other than the President, senior management staff, staff of the City of Toronto Social Housing Unit and the police.

c) President of the Board- Upon notification from an employee of a suspected fraud, or if the President has reason to suspect that a fraud has occurred, the President shall immediately advise the Board of Directors, senior management company staff and the City of Toronto Social Housing Unit. The President shall not attempt to investigate the suspected fraud or to discuss the matter with anyone other than the Board of Directors, senior management company staff, staff of the City of Toronto Social Housing Unit and the police.

d) Board of Directors - Upon notification or discovery of a suspected fraud, the Board of Directors will, in consultation with the City of Toronto Social Housing Unit, promptly conduct an initial review and make a determination whether or not the suspected fraud warrants additional investigation. In all circumstances where there appears to be reasonable grounds for suspecting that a fraud has taken place, the Board of Directors, in consultation with (the housing provider's) legal counsel, will contact the Toronto Police Service. The President shall coordinate the investigation with the City of Toronto Social Housing Unit and appropriate law enforcement officials. The board of directors shall investigate any suspected fraud to the satisfaction of the City of Toronto Social Housing Unit.

2. Security of Evidence

a) Once a suspected fraud is reported, the Board of Directors, in consultation with the corporation's legal counsel and the City of Toronto Social Housing Unit, shall take immediate action to prevent the theft, alteration, or destruction of relevant records.

b) Such actions may include, but are not limited to, removing the records and placing them in a secure location, limiting access to the location where the records currently exist, and preventing any individual(s) suspected of committing the fraud from having access to the records. The records must be adequately secured until the investigator engaged to conduct the investigation or the police take control of the records to begin the audit investigation.

3. Confidentiality

All participants in a fraud investigation shall keep the details and results of the investigation confidential.

4. Personnel Action

a) If a suspicion of fraud is substantiated by the investigation, disciplinary action, up to and including dismissal, shall be taken by the Board of Directors in consultation with the corporation's legal counsel.

b) 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 Chair of the Board of Directors 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.

5. Whistle-Blower Protection

No person acting on behalf of *Upwood Park/Salvador Del Mundo Co-operative Homes Inc.*, including the Board of Directors shall:

a) Dismiss or threaten to dismiss an employee;

b) Discipline or suspend or threaten to discipline or suspend an employee;

c) Impose any penalty upon an employee; or

d) Intimidate or coerce an employee because the employee has acted in accordance with the requirements of the policy. Violation of this section will result in discipline up to and including dismissal.

6. Media Issues

Any staff person or member of the Board of Directors contacted by the media with respect to an audit investigation shall refer the media to the President. The alleged fraud or audit investigation shall not be discussed with the media by any person other than the President in consultation with the corporation's legal counsel.

Presented and Approved by the Board of Directors on _____, 2016

President

Corporate Secretary