

# **EBRWC POLICY REGARDING IMPROPER CONDUCT**

## **1. Introduction**

In this policy, improper conduct means: fraud; attempted fraud; theft; attempted theft; misuse of equipment; abuse of position; financial irregularities and any other form of dishonesty in relation to East Beaches Recreation and Wellness Coalition Inc. (“EBRWC”).

This document sets out the policy and procedures of EBRWC in respect of actual or suspected improper conduct.

## **2. Application**

The policy applies to Directors, members, volunteers and persons who provide services to EBRWC pursuant to a contract (collectively “Associates”).

## **3. Statement of intent**

EBRWC will continually strive to ensure that all of its financial and administrative processes are carried out and reported honestly, accurately, transparently and accountably and that all decisions are made objectively and free of personal interest. EBRWC will neither accept nor condone any behaviour that falls short of these principles.

## **4. Responsibilities of Associates**

All Associates must:

- familiarize themselves with this policy;
- act with propriety in the use of EBRWC’S resources and the handling and use of funds whether cash, receipts, payments or dealing with suppliers;
- conduct themselves with honesty and integrity in an open and accountable manner;

- be alert to the possibility that unusual events or transactions could be indicators of improper behaviour;
- take steps to prevent or detect improper behaviour;
- promptly report suspected improper behaviour:
  - to the Chair of the Board; or
  - to a Director other than the Chair if it is the Chair who is suspected of improper conduct; or
  - to the EBRWC's auditor if, for any reason, the Associate does not feel comfortable reporting to the Chair or another Director;
- cooperate fully with whoever is conducting internal checks or reviews or investigations into improper conduct.

In addition, Directors must:

- assess the types of risks involved both in the area for which they are responsible and for the organization as a whole;
- establish and maintain a sound system of internal control that supports the achievement of the organization's policies, aims and objectives;
- ensure that the system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively;
- ensure that all non-Director Associates are familiar with this policy; and
- deal promptly, firmly and fairly with suspicions and allegations of improper conduct.

## **5. Handling reports of improper conduct**

Not all reports of improper conduct will be handled in the same way.

Some reports may be frivolous and vexatious. Some reports may be without foundation, albeit not frivolous and vexatious. Some reports may be of improper conduct that is, objectively, not serious. Other reports may be of improper conduct that is, objectively, very serious.

A frivolous and vexatious report is a report made by someone who knows the report to be false or makes the report without a reasonable basis for doing so. A report of improper conduct which does not ultimately lead to a finding of improper conduct is not necessarily frivolous and vexatious.

An example of improper conduct that is, objectively, not serious is the personal use by an Associate of a postage stamp belonging to the EBRWC.

An example of improper conduct that is, objectively, serious is the falsification of financial records for the purpose of diverting monies of the EBRWC to the person's own use.

The manner in which a report of improper conduct is handled will depend on the type of improper conduct that is reported and the basis upon which the report is made.

When suspected improper conduct is reported to the Chair, another Director or the auditor of the EBRWC as the case may be (referred to as the "Authority"), the Authority will make an initial determination regarding whether the improper conduct has likely occurred. This determination will be based, amongst other things, on the reasons for the reporter believing that the improper conduct has occurred.

If the Authority determines that the improper conduct has not likely occurred, no further action will be taken.

If the Authority determines that improper conduct has likely occurred, he or she will make an initial determination regarding the severity of the alleged improper conduct. If the alleged improper conduct is relatively

minor, he or she will speak directly to the person accused of improper conduct to seek his or her input.

If speaking to the person accused of the improper conduct does not lead to a resolution of the matter, the Authority will decide whether the matter is serious enough to warrant an investigation or whether no further action will be taken.

If the Authority determines that the improper conduct has likely occurred and is objectively serious, the Authority will appoint the auditor of the EBRWC, or other external person, to investigate the matter. If the Authority is the auditor, he or she may investigate the matter himself or herself.

The investigator will:

- Promptly begin the investigation and bring it to a conclusion as quickly as possible;
- Advise the people who are interviewed in connection with the investigation that the confidentiality of the information that they give will be maintained to the extent possible, but that the investigation may require the disclosure of the information, and the source of the information, to the person being investigated;
- Ensure the security of the evidence;
- Record the evidence received as accurately as possible;
- Report at the conclusion of the investigation, or sooner if requested, to the Directors;
- If the investigation confirms improper conduct, make a recommendation to the Directors regarding sanctions including referral to the police.