

AU4000 – THEFT, FRAUD, CORRUPTION, AND EXTORTION

Interior Health would like to recognize and acknowledge the traditional, ancestral, and unceded territories of the Dākelh Dené, Ktunaxa, Nlaka’pamux, Secwépemc, St’át’imc, syilx, and Tšilhqot’in Nations, where we live, learn, collaborate and work together.

Interior Health recognizes that diversity in the workplace shapes values, attitudes, expectations, perception of self and others and in turn impacts behaviors in the workplace. The dimensions of a diverse workplace includes the protected characteristics under the human rights code of: race, color, ancestry, place of origin, political belief, religion, marital status, family status, physical disability, mental disability, sex, sexual orientation, gender identity or expression, age, criminal or summary conviction unrelated to employment.

1.0 PURPOSE

Interior Health (IH) is committed to fostering integrity in our workplace and to minimizing risk of all forms of Theft, Fraud, Corruption, Extortion and non-compliant activity.

2.0 DEFINITIONS

TERM	DEFINITION
<i>Corruption</i>	<i>The offering, giving, soliciting or acceptance of an improper inducement or reward, which may influence the decision, decision-making process, or action of any person.</i>
<i>Extortion</i>	<i>The practice of obtaining benefit through force or coercion. Extortion may be in the form of threats, blackmail and cyber extortion. Cyber extortion is an offensive maneuver that targets computer information systems, networks or infrastructure for the purpose of disrupting, disabling, destroying, or maliciously controlling a computing environment; or destroying the integrity of the data or stealing controlled information</i>
<i>Fraud</i>	<i>The intentional deception/misrepresentation with the intention of attaining an advantage, avoiding an obligation, or causing loss to another party.</i>
<i>Irregularity</i>	<i>An allegation of Theft, Fraud, Corruption, Extortion or non-compliant activity. Until a formal investigation has been conducted, all findings, reports and suspicions are termed Irregularities (See Appendix A)</i>

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Loss	<i>The detrimental effect or disadvantage that results from being deprived of a resource of right to participate in an opportunity that would have otherwise legitimately benefitted IH.</i>
Reprisal	<i>Any action taken by management, peers or any other person which negatively impacts an employee’s employment or working conditions where that action was taken because an employee sought advice about making a report, reported Wrongdoing or cooperated with an investigation under the law.</i>
Theft	<i>The act of stealing, taking or removing corporate or personal property, either tangible or intangible in nature, including intellectual property, monetary or other physical goods, without appropriate authorization.</i>
Wrongdoing	<i>Behavior that is unlawful or unethical; and/or is against organizational policy, contracts or other obligatory standards.</i>

3.0 POLICY

- IH expects all individuals to act honestly with integrity, in good faith, and in a manner that safeguards the IH resources for which they share responsibility.
- IH does not tolerate participation in, or concealment of, illegal activities, including those that might appear to benefit the organization.
- IH commits to minimizing opportunities for Irregularities outlined in [Appendix A](#).

3.1 Policy Scope

This Policy applies equally to all persons associated with IH including but not limited to:

- Members of the Board of Directors;
- Employees, including those on contract;
- Volunteers;
- Providers of goods and services; including vendors, contractors, sub-contractors and their employees;
- Medical Staff, post-graduate residents and clinical trainees;
- University faculty and support staff who work at IH facilities;
- Students gaining practice experience in IH sites or programs;

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- Researchers and members of their staff who conduct research at or under the auspices of any IH facility, program or service; and
- Individuals authorized to access IH’s information or IH information systems.

Obligations outlined in this Policy apply to all IH services, programs and agencies as well as information in any format, including but not limited to, conversational, paper, or electronic.

This Policy applies while working and conducting business for or on behalf of IH, including when off-duty.

The Policy applies to occurrences during the employment or business relationship, extending beyond the completion of the employment or business relationship with IH.

3.2 Exclusions

This Policy does not cover matters for which there are other established processes for the reporting and investigation of alleged improper conduct or violations, including:

- Individual employment or contract disputes per the applicable collective agreement, terms and conditions of employment, and/or [Standards of Conduct for IH Employees](#);
- Reports on safety hazards and unsafe conditions made in accordance with the provisions of the WorkSafe BC’s Occupational Health and Safety Regulations;
- Allegations of Wrongdoing and violations of workplace behaviour, as set out in IH’s Standards of Conduct;
- Violations of IH’s Workplace Environment Policy, the Human Rights Code and the Workers’ Compensation Act and associated regulations and policies;
- Wrongdoing as defined in [AU0150 - Public Interest Disclosure Act Policy](#) which would be addressed through the reporting mechanism described in that policy;
- Actual or potential claims related to the loss of patient/visitor property which are reported to Risk Management; and
- Privacy breaches.

This Policy does not cover the private and personal activities of individuals, provided that no IH assets or operations are implicated in the actual or suspected Irregularity.

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3.3 Reporting Irregularities

Any Individual with specific knowledge or reasonable suspicion of an Irregularity must immediately report that Irregularity as outlined in Appendix B.

- 3.3.1 Any Extortion resulting from cyber-attacks including ransomware must be immediately reported to, and escalated by, Information Security up to and including the President & Chief Executive Officer and investigated immediately. Staff shall not respond to any ransom, extortion requests or demands without approval from the President & Chief Executive Officer.
- 3.3.2 IH will not take, or allow, any reprisal against any individual(s) who, in good faith, report an Irregularity.
- 3.3.3 Where an investigation determines that the report of an Irregularity was made in bad faith or with malicious intent, appropriate action will be taken up to and including termination of employment or contractual relationships.
- 3.3.4 All reported Irregularities are investigated and addressed in accordance with Appendix B.

3.4 Confidentiality

Individuals reporting an Irregularity must maintain strict confidentiality to prevent communication of unfounded accusations or alert suspected perpetrators to an impending investigation.

IH protects confidentiality of information by employing Safe Reporting processes that are specifically and carefully designed to ensure that Investigation results and the identity of individuals who report Irregularities are not disclosed or discussed with anyone other than those who have a legitimate need to know.

Individuals who fail to respect the highly confidential nature of the investigative process, including individuals who report the Irregularity, respondents to the report, or witnesses involved in the investigation, are subject to disciplinary or administrative measures, up to and including termination of employment or contractual relationships.

3.5 Rights of Accused Individuals

Individuals accused of an Irregularity are entitled to rights of representation, disclosure of the allegations against them and are given a full and fair

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opportunity to respond, subject to the need to withhold information under applicable laws and regulations.

3.6 Consequences

Where an investigation substantiates the Irregularity, IH will take corrective action as promptly as possible. The specific action taken in any given case will depend on the nature and gravity of the overall circumstances. The person(s) responsible for the breach of this Policy may be disciplined, up to and including termination of their employment or termination of their relationship/association with IH.

3.9 Restitution

- IH will seek restitution for misappropriated resources, using all legal avenues available;
- The Chief Financial Officer (CFO) will approve all restitution arrangements and settlements; and
- Human Resources will coordinate the recovery of such losses where they involve employees.

3.10 Reporting Out

The President & CEO or an individual authorized by them will make all decisions related to referring the investigation to the appropriate law enforcement and/or regulatory agencies for independent investigation or commencing an action in a civil court.

A report summarizing confirmed incidences of theft, fraud, and asset losses will be prepared annually for the President & CEO, the Senior Executive Team and the Board Audit & Finance Committee.

4.0 ROLES AND RESPONSIBILITIES

Individuals

- Report irregularities promptly and in good faith.
- Maintain strict confidentiality of reports made.
- Understand the importance of their own contribution to the internal control environment, recognizing the symptoms of failing control procedures, and being aware of the consequences that may result if control procedures are not maintained.
- Cooperate fully with all internal and external investigators, and/or law enforcement and other regulators regarding matters covered under this Policy.

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Management

- Receives reports of Irregularities, assesses the merit of the reports, and recommends appropriate investigation procedures as described in Appendix B
- Establishes and maintains an effective internal control system at a reasonable cost;
- Develops and maintains internal controls to prevent and detect Irregularities;
- Acts promptly and according to the procedures as set out in this Policy when information concerning Irregularities is brought to their attention;
- Informs all employees of the reporting mechanisms available;
- Ensures that employees understand their responsibilities under the Code of Ethics, Standards of Conduct and Conflict of Interest;
- Acts accordingly to ensure employees who disclose information are treated fairly and protected from Reprisal; and
- Ensures that appropriate administrative and disciplinary measures are in place to correct instances of Irregularities.

Human Resources and Legal

- Provides guidance and/or direction regarding:
 - communication with employees and their representative for matters arising from this policy
 - Advise management on appropriate disciplinary action arising from breaching this policy
- Leads, assists, or advises on investigations as required; and,
- Receives and reviews reports on Irregularities and investigations as part of an ongoing evaluation of internal controls.

Protection Services

- Leads, assists, or advises on investigations as required;
- Create reports when alerted to loss events;
- Provides information to support investigations, including CCTV footage, access control records, and alarm history;
- Liaise with other departments and external law enforcement agencies;
- Provides guidance and/or direction regarding:
 - Investigative techniques
 - Potential sources of information to support investigations
 - Loss prevention strategies

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Risk Management

- Provides guidance and/or direction regarding insurance and restitution to cover loss.

Information Privacy

- Provides guidance and/or direction regarding any investigation activity that may require access to system audit logs, IH employee email and/or network folders, or require surveillance activities to be undertaken. Any surveillance must be a last resort and a privacy impact assessment must be conducted to ensure compliance with the BC Freedom of Information and Protection of Privacy Act.

Information Security

- Investigates irregularities pertaining to the use of technology within Interior Health including, but not limited to, lost or stolen Digital Health assets, and inappropriate system access;
- Assists with investigations that require access to system audit logs, IH employee email and/or network folders, and provides guidance and interpretation of information collected;
- Liaise with other departments and/or outside agencies, including the RCMP, as required during investigations;
- Leads, assists, or advises on other investigations as required.

Safe Reporting Office

- Receives reports of Irregularities, assesses the merit of the reports, and recommends appropriate investigation procedures as described in **Appendix B**;
- Leads, assists, or advises on investigations as required.

Internal Audit

- Receives reports of Irregularities, assesses the merit of the reports, and recommends appropriate investigation procedures as described in Appendix B
- Reviews reports on Irregularities and investigations as part of an ongoing evaluation of internal controls;
- Reviews the adequacy of fraud prevention and detection controls; and
- Leads, assists, or advises on investigations as required.

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5.0 REFERENCES

- [The Institute of Internal Auditors, The American Institute of Certified Public Accountants and the Association of Certified Fraud Examiners: **Managing the Business Risk of Fraud: A Practical Guide**, July 2008.](#)
- [Medical Staff Rules for Interior Health Authority – Part 1](#)
- [Board Policy 3.15 – Safe Reporting](#)
- [AU0150 – Public Interest Disclosure Act](#)
- [Board Policy 9.1 – Medical Staff By-Laws](#)
- [Policy AU0100 – Standards of Conduct for IHA Employees](#)
- [Policy AU1000 – Workplace Environment Policy](#)
- [Policy AU1000 – Workplace Environment Procedural Guide](#)
- [Auditor General of British Columbia Guidelines for Managing the Risk of Fraud in Government, \(August 2010\)](#)

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APPENDIX A: IRREGULARITY EXAMPLES

Irregularities include, but are not limited to:

- Misuse, theft, or destruction of equipment or other property;
- Theft of IH owned or administered intellectual property or monetary items including currency, cheques, drafts, patients’ trust funds, etc.;
- Unauthorized use, coercion, extortion or theft of property from (or by) IH staff, contractors, patients, residents, clients, visitors or others associated with IH;
- Misuse, destruction or unauthorized access to IH documents, databases, records, intellectual property, computer systems, recorded data or messages, and/or technology;
- Intentional false creation or alteration of documents, contracts, agreements, or any other record;
- An undisclosed financial interest between an employee or contractor of IH and another person or entity to which IH may in the course of business disburse or receive funds or services;
- Intentional misrepresentation of facts, including but not limited to:
 - Time worked or absent;
 - Personal expenses incurred on behalf of IH; or
 - Potential, perceived or actual conflicts of interest;
- An agreement or perceived agreement between two or more persons to commit an act that knowingly circumvents internal controls;
- Unusual, unauthorized compensation, benefits or rights received by IH employees, consultants or suppliers in exchange for actual or perceived goods, services, advantages or benefits;
- A contravention of a statute of law or regulation;
- Any similar or related improper activity;
- The intentional concealment of, or failure to report, Irregularities;
- Illicit acts, serious failure to act in accordance with legislation, regulation, internal controls and organizational policies.

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APPENDIX B: IRREGULARITY REPORTING AND INVESTIGATIVE PROCEDURES

Reporting Irregularities

If an Individual believes they identified an Irregularity, they may report their suspicion to their direct supervisor.

If the Irregularity involves an individual’s direct supervisor or another manager in the same management group, the matter may be reported to the Vice President responsible for the portfolio or the Corporate Director, Internal Audit.

If the Irregularity involves a member of the Senior Executive Team, the Irregularity should be reported to the President & Chief Executive Officer.

If the Irregularity involves the President & Chief Executive Officer or a Board member other than the Board Chair, the Irregularity should be reported to the Board Chair.

If the Irregularity involves the Board Chair, the Irregularity should be reported to the Minister of Health.

If the Irregularity involves external or third parties, the Individual should report it to the Corporate Director, Internal Audit who will consult with the relevant advisory department.

If the Individual requires assistance in determining who to report the Irregularity to, they should consult with the Corporate Director, Internal Audit.

The Individual may also report an Irregularity to the Safe Reporting Office as per [Board Policy 3.15 Safe Reporting](#).

Reports of Irregularities may be made verbally, in person, via telephone, or in writing. Reports made in writing should be addressed by name to the Recipient marked “Private and Confidential” in the subject line if by e-mail or on the face of a sealed envelope if by mail. Individuals are encouraged to include their name and contact information, and their will only be shared upon approval by the Individual.

Reports may also be made anonymously; however, it may be difficult to fully investigate a concern if the contact information of the Individual is not known.

Reports should be made in a timely manner and should contain as much detail as possible about the nature of the Irregularity, the name(s) of the person(s) involved and any other pertinent information of which the Individual is aware.

The Recipient of the reported Irregularity should have the authority and skills required to

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investigate the Irregularity or should assign the investigation to an appropriate person while maintaining the confidentiality of the Individual.

Investigating Irregularities

The Recipient of the Irregularity report will conduct a preliminary assessment to determine:

- The nature of the Irregularity;
- Whether sufficient information has been supplied to enable an investigation;
- Whether another policy or process may apply to the situation; and
- Whether a recommendation should go to the President & CEO pursuant to Section 3.1 Reporting Out to refer the matter to the appropriate law enforcement agency and/or regulatory agency for an independent investigation or commence an action in civil court.

If the Recipient of the report determines that another established policy or process clearly applies, the recipient will so advise the reporting individual and no further action will be taken under this Policy.

Where there is any doubt as to whether an Irregularity is covered, or where it is clearly covered and the preliminary assessment suggests further investigation is warranted, the recipient shall escalate the report and any information collected or created during the preliminary assessment to one of the following departments.

The department that receives the Irregularity report will be responsible for initiating and overseeing the investigation and requesting for an investigator where required:

- **Internal Audit**, if the Irregularity report involves the theft or misuse of intellectual property, financial records, expenses, or monetary items;
- **Protection Services**, if the Irregularity report involves the theft or misuse of IH property, facilities or services other than intellectual property or monetary items;
- **Vice President Digital Health**, if the Irregularity report involves IH documents, databases, records, computer systems, recorded data, or messages and/or technology;
- **Vice President Human Resources**, if the Irregularity report involves false claims of time worked, overtime, vacation, sick leave, special leave, or a breach of statute or law.

Where the Board Chair or President & CEO is a direct recipient of a reported Irregularity, the Board Chair or President & CEO shall determine the nature and manner of the investigation required. The Board Chair or President & CEO shall then be responsible for initiating and overseeing the investigation.

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Reports submitted under this Policy will be reviewed promptly. Within thirty (30) days of receipt of a reported Irregularity, the appointed investigator in consultation with appropriate internal and/or external resource will conduct an investigation to determine if there are sufficient grounds for further action.

If the Irregularity is substantiated, within forty-five (45) days, it is expected that the appointed investigator will conclude their investigation, prepare a report of their findings and recommended course of action to the appropriate member of management or the Board.

On receipt of a report substantiating an Irregularity, management and/or the Board as applicable shall, in consultation with the relevant advisory departments (i.e. Human Resources, finance, Internal Audit, Protection Services, Risk Management, Medical Affairs, etc.) determine:

- The appropriate disciplinary and/or administrative measures to be applied to any individual who is responsible for or has contributed to the Irregularity;
- Whether the findings of the investigation should or must be reported to an external agency (i.e. law enforcement, etc.) or to a professional regulatory body;
- Whether restitution or insurance coverage should be pursued; and
- Whether further review and/or revision of existing internal controls is required to prevent future similar occurrences.

Interior Health will retain a confidential copy of the investigator’s report and recommendations within the designated IH Database for a period of not less than twenty-four (24) months (see IH’s [Records Policy – AL0700](#)).

The Individual who reported the Irregularity will be advised on a high-level basis by the Recipient when the investigation is completed.

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