

POLICY DOCUMENT – FN-12

Fraud Policy - Effective date: June 17, 2019

PURPOSE:

The Chartered Professional Accountants of Canada (“CPA Canada”) is committed to the highest ethical standards and conducts its business with honesty and integrity. As employees of CPA Canada, we create trust by living our values: Respect others, Work Collaboratively, Be Accountable, Act with Integrity and Foster Excellence. We conduct our business in accordance with all applicable laws, CPA Canada’s bylaws and our code of conduct.

The purpose of this policy is to provide employees, volunteers, contractors, consultants, and other stakeholders with information and guidelines on how to report wrongdoing and inappropriate conduct. The policy is intended to enable and encourage employees and others to raise concerns about questionable activity and provide reasonable protection from retaliation.

SCOPE:

This policy applies to any questionable activity or illegal, unethical or inappropriate behaviour involving full-time or part-time employees, volunteers, vendors, contractors, consultants, and other stakeholders of CPA Canada. For greater clarity, this policy also applies to the Board of Directors of CPA Canada and its committees.

This policy covers illegal or unethical conduct, inappropriate behavior and/or irregularities or suspected irregularities. This may include:

- Accounting, auditing, or other financial reporting fraud or misrepresentation.
- Violation of CPA Canada’s policies, procedures and Code of Conduct.
- Violation of applicable federal or provincial laws.
- Ethics violations.
- Misappropriation or misuse of CPA Canada resources, such as funds, supplies, or other assets including the unauthorized copying of software.
- Disclosing confidential information to outside parties.
- Accepting or seeking anything of material value from organizations or individuals that CPA Canada does business with. Exception: Gifts less than \$150 in value.
- Pursuit of a benefit or advantage in violation of the conflict of interest policy.
- Destruction, removal, or inappropriate use of records, furniture, fixtures and equipment.
- Any type of fraud or theft.

OUT OF SCOPE:

This policy does not apply to employment-related matters or issues relating to human resources such as harassment, discrimination, workplace violence, performance evaluations, health and safety issues. These issues should be brought to the attention of CPA Canada’s Human Resources department. Refer to the [Workplace Violence, Harassment and Sexual Harassment Policy – C 02](#).

DEFINITIONS:

Whistleblower – a person connected with CPA Canada activities who reports, in good faith, that wrongdoing has occurred, in accordance with this policy.

Fraud – a deliberate and intentional act to misrepresent or deceive for financial or personal gain.

POLICY DOCUMENT – FN-12

File Manager – a person selected under the ConfidenceLine reporting protocol to review reports of questionable activity or illegal, unethical or inappropriate behaviour and to bring about a resolution in a timely manner

Designate – a person assigned a case file by a File Manager.

External Designate – a person, independent of the organization, notified of any report that implicates any or all File Managers and/or Designate.

REPORTING PROCEDURE:

Every full or part-time employee, volunteer, contractor, consultant and other stakeholder of CPA Canada has a responsibility to report, in accordance with this policy, any suspected wrongdoing, fraudulent acts, questionable behavior and/or violations of CPA Canada's Code of Conduct. ConfidenceLine has been selected by CPA Canada as its authorized external service provider for the purpose of reporting questionable activity or behaviours covered under the SCOPE section of this policy. This service is open to all employees and other stakeholders of CPA Canada. Any person making a report within this policy may remain anonymous. (Refer to Section 8. CONFIDENTIALITY AND NON-RETALIATION).

By Phone

A person may report a concern or submit a complaint by phone using the confidential toll-free phone line: 1-800-661-9675. The phone line is available 24 hours a day, 365 days a year. The caller will receive a Caller ID Number that will be used for any future communication on the reported activity. The call assistant will listen to your report and ask questions to clarify facts.

Online

A person can also file a report online using the secure website at <http://www.cpa.ConfidenceLine.net/>. The instructions on screen will ask you to create a login username and password. This log in information will be used for subsequent follow up, feedback or updates. The system generates a report sent directly to CPA Canada for investigation.

All stakeholders can send a 'Private and Confidential' email to one of the contacts in Appendix A.

By Mail

A person may send a 'Private and Confidential' letter addressed to one of the contacts in Appendix

A. Such letters should be marked with "to be opened by addressee only".

All individuals must exercise sound judgment to avoid baseless allegations

CONFIDENCELINE REPORTING PROTOCOL:

ConfidenceLine has established reporting protocols for bringing the concern back to CPA Canada for resolution. These protocols ensure that the appropriate level of responsibility reviews the report and is accountable for resolving the allegation of fraud in a timely manner. Certain roles in the organization have full access to the reports given their accountabilities within the organization. Please be reminded that if the ConfidenceLine protocols do not meet your needs, you may approach the contacts listed in Appendix A.

POLICY DOCUMENT – FN-12

The Senior Vice President, Operations & Business Optimization and Vice President, People and Culture are “File Managers”. They have full access capabilities to ConfidenceLine notifications, access to case files as well as statistical reporting.

The President & CEO is a “Designate” and can be assigned a file by a File Manager. The Engagement Partner with Hilborn LLP, our external auditor, is an “External Designate” and is notified of any report that implicates any/all File Managers and/or Designate.

If the Senior Vice President, Operations & Business Optimization is reported on, the notification goes to the CPA Canada President & CEO and our external auditor’s Engagement Partner; and

If the President & CEO is reported on, the notification goes to our external auditor’s Engagement Partner.

In addition, our Audit Committee Chair is notified in the above situations.

Quarterly the Vice President, Finance and Business Performance receives confirmation of usage of the ConfidenceLine from the Vice President, People and Culture and a statistical report on any activity to the end of the quarter. This report is included in the Compliance Certificate that is provided quarterly to the Audit Committee.

INVESTIGATIVE PROCEDURE:

All reports of suspected fraud will be investigated in an open-minded, independent and professional manner. All interests will be protected to ensure that suspicion is not seen as guilt until proven. The investigation procedure will vary depending on the nature of the suspected fraud, monetary value of the suspected fraud, impact on CPA Canada and the person(s) involved.

The Audit Committee has overall responsibility for the investigation of any and all suspected fraud at CPA Canada.

Investigations will be handled by appointed third parties, external auditor and/or appropriately experienced independent CPA Canada staff members, depending on the nature of the suspected fraud.

The person(s) that reported the suspected fraud will be notified of the outcome of the investigation once the report has been finalized and proposed course of action is determined.

CONFIDENTIALITY AND NON-RETALIATION:

The identity of any person who, in good faith, has reported a concern or complaint will remain confidential recognizing that in rare circumstances, identification may be necessary to facilitate investigations undertaken by the organization or law enforcement officials.

CPA Canada will not, using reasonable efforts, retaliate against a whistleblower with the intent or effect of adversely affecting the individual’s employment (such as threats of physical harm, loss of job, punitive work assignments, unjustified performance evaluations, impact on salary or loss of job).

POLICY DOCUMENT – FN-12

Whistleblowers who believe they have been retaliated against may file a written complaint with the President & CEO or the Audit Committee Chair. Anyone found guilty of retaliation against a whistleblower is subject to disciplinary action up to and including dismissal. An employee affected by the retaliation may seek redress, if appropriate.

COMPLAINTS MADE IN BAD FAITH (DISCIPLINARY ACTION):

Employees, volunteers, contractors, consultants and other stakeholders are expected to act with integrity and honesty. Employees who report complaints that are found to be made in bad faith may be subject to disciplinary action up to and including dismissal. CPA Canada may sever the relationships with volunteers, contractors, consultants, and other service providers for complaints made in bad faith, or where appropriate, be subject to legal proceedings.

WHERE TO GET SUPPORT:

If you have questions, please contact Paul Havey, Vice President, Finance and Business Performance, PHavey@cpacanada.ca.

VERSION CONTROL:

Effective Date (First Version)	Version 1 – June 17, 2019
Amended Date (Current Version)	Version 2 – June 15, 2020
Owner	Finance and Administration

DOCUMENT REVIEW AND SIGN OFF:

Approver Name	CPA Canada Audit Committee
Signature	
Date	June 15, 2020

POLICY DOCUMENT – FN-12

APPENDIX A

Contact Information

President & CEO

“ConfidenceLine Designate”

Charles-Antoine St- Jean

613-751-3725

charles-antoine.st-jean@cpacanada.ca

Senior Vice President, Operations & Business Optimization

“ConfidenceLine File Manager”

Patricia Li

416-204-3232

PLi@cpacanada.ca

Vice President, Finance and Business Performance

Paul Havey

613-701-1697

PHavey@cpacanada.ca

Vice President, People and Culture

“ConfidenceLine File Manager”

Christine Wood

416-204-3394

CWood@cpacanada.ca

Board Chair

Richard Olfert

rolfert@deloitte.ca

Audit Committee Chair

Daneal Little

Dan.Little@ca.gt.com

All the above contacts can be reached care of Chartered Professional Accountants of Canada through CPA Canada’s Executive Office. Any correspondence should be marked ‘Private – to be opened by addressee only’ and mailed to:

Chartered Professional Accountants of Canada

277 Wellington St. West

Toronto, ON

M5V 3H2

(416) 977-3222

POLICY DOCUMENT – FN-12

External Auditor –
Engagement Partner

Blair MacKenzie
Hilborn LLP

bmackenzie@hilbornca.com

“ConfidenceLine External
Designate”

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