

## FRAUD AND CORRUPTION CONTROL POLICY

Policy #	AD-020	Revision #	01
Accessibility level	A	Effective date	Jan 20, 2021

### 1. Purpose

The University considers that its fraud and corruption control program is an integral component of its overall risk management framework and will plan for and resource activities accordingly.

Governance and Risk Management manages the Fraud and Corruption Control Plan, which is reviewed and amended regularly. The Fraud and Corruption Control Plan outlines the key strategies, actions and accountability for the planning and resourcing measures that address fraud and corruption control.

### 2. Definitions

**Corruption** is dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity. The concept of 'corruption' can also involve corrupt conduct by the entity or a person purporting to act on behalf of and in the interests of the entity, in order to secure some form of improper advantage for the entity either directly or indirectly.

Common examples of corrupt conduct include fraud and theft, extortion, unauthorized release of information, obtaining or offering a secret commission and nepotism.

### 3. Policy

#### 3.1. Prevention

- A) The University has a sound and sustainable ethical culture through a process of awareness training, benchmarking and monitoring.
- B) Senior management demonstrate a high level of commitment to controlling the risk of fraud and corruption within and by the University.
- C) Every employee and officer of the University has a general awareness of fraud and corruption and how they should respond if this type of activity is detected or suspected.
- D) As fraud and corruption can occur at various levels, appropriate preventive techniques - such as policies, procedures, training, and communication that stop fraud from occurring - are established and maintained.

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### 3.2. Detection

- A) FBSU has implemented systems aimed at assisting with the detection of fraud and corrupt conduct as soon as possible after it has occurred, in the event that the University's preventative systems fail.
- B) The source of the activity may be:
- internal (perpetrated by an employee or contractor);
  - external (perpetrated by a customer or an external service provider); or
  - complex (for example, involve collaboration between employees, contractors, and external service providers).
- C) Detection controls are managed by each Organizational Unit and recorded in the University's Fraud and Corruption Control Plan.
- D) Mechanisms for reporting suspected fraud and corruption incidents.
- E) All staff are expected to report instances of suspected fraudulent and/or corrupt behavior by the University's Staff Code of Conduct.
- F) Suspected fraud or corrupt conduct can be reported either verbally or in writing to various internal personnel. External personnel/bodies are also listed as an alternative mechanism to promote reporting. While there is a preference for reports where the discloser is known, due to the increased likelihood of successful investigations, anonymous disclosures are permitted.
- G) Suspected fraud and corruption incidents may be reported to:
- the Director, Human Resources;
  - the Chancellor or assistant Chancellors;
  - the staff member's manager, supervisor or other senior University officer;
  - external bodies as applicable.

### 3.3. Anonymous complaints

Anonymous complaints relating to suspected fraud and corruption will be accepted and considered by the University. However, the action taken will be dependent on whether sufficient information is provided to warrant further enquiries.

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### 3.4. Response

- A) FBSU needs to be responsive and vigilant in undertaking preliminary investigations to determine whether allegations have sufficient grounds to be taken further.
- B) In some situations, this may be straightforward. Other possible fraudulent behavior may not be as clear to identify and some preliminary work will need to be undertaken to form an opinion by senior management.

### 3.5. Procedures for investigating detected or suspected incidents

- A) The University's response to fraud and corruption allegations or matters will vary according to the nature and seriousness of the alleged conduct. The response to instances of Student Academic Misconduct are managed through the Student Academic Misconduct – Procedures, while instances of Research Misconduct are managed in accordance with the Managing and Investigating Breaches of Responsible Research Conduct – Procedures.
- B) In all other instances the Chancellor and President has appointed the Director of Human Resources to be responsible for the management of the alleged conduct under these Procedures. If the suspected incident involves the Director of Human Resources, the Chancellor and President will assume this responsibility. An appropriate investigator will be appointed to deal with the matter and will be subject to any monitoring or direction. The investigations outcomes will then be reviewed to determine appropriate action such as disciplinary action and/or a review of internal controls and processes.

### 3.6. Internal reporting and escalation

Significant instances of fraud and corruption are maintained in a register within Human Resources. All records will be captured in an approved management system in accordance with the University's Information Management procedures. Records are classified as 'restricted'. All incidents of these types will be reported to the Chancellor/President. As part of the investigation into the incident, a review of the control environment is undertaken to continually improve risk management practices in relation to the management of fraud and corruption risk.

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### 3.7. Disciplinary procedures

- A) For staff covered by the University contracts, any disciplinary action will be dealt with in accordance with the contract provisions and rules of the government of Saudi Arabia.
- B) Disciplinary action relating to student academic misconduct will be managed in accordance with the Student Academic Misconduct – Procedures and the Student Academic Integrity – Governing Policy.

### 3.8. Civil proceedings to recover the proceeds of fraud or corruption

In the event of an instance of fraud or corruption that has resulted in monetary loss to the University, FBSU will take action to recover any lost funds. The recovery process will be initiated in instances where the likely benefits of recovery are expected to exceed the funds and resources invested in the recovery action.