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<b>SUBJECT</b>	Recommended Policy Amendment Financial Investigations Policy (SC15)
<b>SUBMITTED TO</b>	Audit Committee
<b>MEETING DATE</b>	September 16, 2025
<b>SESSION CLASSIFICATION</b>	Recommended session criteria from Board Meetings Policy: OPEN
<b>REQUEST</b>	Action requested - Recommendation to Board for approval  IT IS HEREBY RESOLVED that the Audit Committee recommends to the Board of Governors approval of the amendment of the Financial Investigations Policy (SC15) in the form set out in Appendix 1 attached to the briefing, effective September 26, 2025.
<b>LEAD EXECUTIVE</b>	Hubert Lai, K.C., University Counsel
<b>SUPPORTED BY</b>	Frank Laezza, Vice-President, Finance & Operations Karen Choi, Legal Counsel, Chair of Policy Development Committee Erika Brimacombe, Legal Counsel, Secretary to Policy Development Committee

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**PRIOR SUBMISSIONS**

The subject matter of this submission has been considered previously by the Audit Committee on:

1. [November 26, 2024](#) (OPEN SESSION)  
Action/Follow up: Gather, consolidate, and consider feedback from the community consultation.

The following Executive Summary assumes familiarity with the prior submissions and provides a status update from the date of the most recent submission.

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**EXECUTIVE SUMMARY**

Following the Audit Committee’s consideration of the proposed amendments to the Financial Investigations Policy (SC15) (the “**Policy**”) during its meeting on November 26, 2024, the Office of the University Counsel published a notice of the proposed amendments and invited community feedback on the amended Policy proposal. The comment period remained open from November 26, 2024 until February 19, 2025.

Calls for comments were also published in the December 3, 2024, and February 4, 2025 editions of UBC Today, the weekly newsletter published on UBC’s publicly-facing web site and which is also distributed by e-mail to all UBC faculty members and staff. Email notices were also sent out to everyone on the subscription service maintained by the Office of the University Counsel.

The Office of the University Counsel received feedback from Enterprise Risk and Assurance, suggesting minor clarification and reordering of provisions related to the audit and investigation mandates, and updating of the title “Chief Assurance and Risk Officer” with “Chief Enterprise Risk and Assurance Officer”. No other community feedback was received. The Policy Development Committee also reconsidered legal and privacy restrictions on Internal Assurance’s investigation powers, adjusting the language to ensure appropriate consultation with the Office of the University Counsel and Human Resources.

On April 7, 2025, UBC's new Chief Enterprise Risk and Assurance Officer ("CERAO") commenced her appointment. The Policy Development Committee sought feedback on the proposed amendments to the Policy from the new CERAO, who requested updates to UBC's Internal Audit Charter together with the Policy to align with recent changes to global internal audit standards. The Policy Development Committee reconvened and endorsed Enterprise Risk and Assurance's recommendation to transfer provisions related to UBC's internal audit function out of the Policy and into the Internal Assurance Charter. As a result, the proposed amended Policy focuses exclusively on the framework for reporting, investigating, and responding to financial misconduct. The long title of the Policy has been adjusted accordingly.

A clean copy of the proposed amended Policy is attached as Appendix 1. A blacklined version showing changes relative to the current Policy is included in Supplemental Materials 1.


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## APPENDIX

1. Proposed amended Financial Investigations Policy

## SUPPLEMENTAL MATERIAL (optional reading for Governors)

1. Blackline showing proposed amendments to the Policy
2. Hyperlink to current [Financial Investigations Policy \(SC15\)](https://universitycounsel.ubc.ca/policies/financial-investigations-policy/):  
<https://universitycounsel.ubc.ca/policies/financial-investigations-policy/>

 <b>The University of British Columbia Board of Governors</b>	<b>Policy No.:</b>  <b>SC15</b>
<b>Long Title:</b>  Financial Misconduct Investigations Policy	
<b>Short Title:</b>  <b>Financial Investigations Policy</b>	

### Background & Purposes:

The University of British Columbia (“**UBC**”) administers large volumes of funds for research, teaching, operations, and other UBC related purposes. UBC is committed to maintaining sound, responsible, and ethical management of its financial and other resources, operating with integrity, transparency, and accountability. Financial Misconduct (as defined below) undermines these values, damages UBC’s reputation, and can severely impact UBC’s ability to carry out its mission. Therefore, UBC has established a robust system of internal controls, risk management, and checks and balances to safeguard its assets and ensure the responsible handling of funds entrusted to it.

The purposes of this Policy are to:

- a. define Financial Misconduct and establish the reporting duties and procedures UBC Members must follow when Financial Misconduct is known or suspected, ensuring that appropriate steps are taken to investigate and address allegations;
- b. reinforce UBC’s commitment to the prevention, detection, and management of Financial Misconduct;
- c. outline the process for establishing rules regarding the prevention and detection of Financial Misconduct; and
- d. outline the roles and responsibilities of UBC Members and key stakeholders, including Internal Assurance, in upholding ethical financial practices;
- e. provide clarity on the authority and scope of Internal Assurance in conducting financial investigations, while promoting a culture of accountability and ethical conduct in all financial matters.

## 1. Scope

- 1.1 This Policy applies to all UBC students and learners (including persons registered in non-credit educational activities at UBC); all UBC employees and appointees, including staff members, student employees, faculty members, temporary or sessional instructors, clinical or honorary professors, and adjunct professors; all individuals holding UBC emeritus status; all volunteers engaged in a UBC activity; all service providers, contractors, or persons acting for or on behalf of UBC or under the auspices of UBC; and anyone contractually obligated to comply with this Policy (“**UBC Member**”).

## 2. Financial Misconduct

- 2.1 UBC will not tolerate improper financial acts or omissions involving money, assets, or resources that belong to UBC or that are administered by UBC on behalf of third parties (such as research funds, student loans, and trust funds), whether or not those acts or omissions are expressly forbidden by one or more of UBC's policies and procedures or applicable laws ("**Financial Misconduct**"). In assessing whether a UBC Member has committed Financial Misconduct, the reasonable person test will be applied. The reasonable person test refers to an assessment of responsibility that takes into account what a reasonable person in the same circumstances would have experienced, known, or understood, as opposed to what the UBC Member actually experienced, knew, or understood. It is recognized that the line between incompetence, carelessness and negligence, on the one hand, and intentional misconduct, on the other, may be very narrow. Acts of Financial Misconduct may be committed with varying degrees of intent. The result is Financial Misconduct in any case, although the degree of intent may be a factor in determining the appropriate consequences.
- 2.2 Regardless of their position, past performance, or length of service, any UBC Member found to have been involved in Financial Misconduct may be subject to legal and/or disciplinary action, up to and including termination of employment or appointment, student discipline, or civil and/or criminal proceedings. Law enforcement may be contacted where criminal charges may be warranted.
- 2.3 Regardless of their rank, title, or position, all UBC Members have stewardship responsibilities with regards to UBC's funds and assets and will not, either directly or indirectly, permit or participate in Financial Misconduct.
- 2.4 All UBC Members have a duty to report known or suspected Financial Misconduct in accordance with the Procedures.

## 3. Financial Misconduct Investigations

- 3.1 During any investigation under this Policy or its Procedures, all UBC Members are expected to cooperate with Internal Assurance and/or the investigator and, subject to section 5.1 of this Policy, are expected to disclose any credible evidence of any Financial Misconduct. Discipline and/or adverse inferences may be drawn from a failure to cooperate.
- 3.2 UBC will not tolerate any retaliation, as defined in the Retaliation Policy (SC18), direct or indirect, against anyone making, or involved in, a report of or an investigation into Financial Misconduct. Allegations of retaliation will be addressed pursuant to the Retaliation Policy (SC18).
- 3.3 Any UBC Member found to have made a frivolous, vexatious, or bad faith allegation of Financial Misconduct may be subject to disciplinary action.

#### 4. Internal Assurance's Role and Authority

- 4.1 Internal Assurance operates in accordance with the UBC Board of Governor's approved Internal Assurance Charter to support UBC in accomplishing its objectives. The Charter establishes Internal Assurance's purpose, mandate, authority and full scope of services.
- 4.2 Internal Assurance plays a key role in conducting Financial Misconduct investigations. Specifically, Internal Assurance:
  - 4.2.1 investigates allegations of Financial Misconduct;
  - 4.2.2 provides effective reporting mechanisms for allegations of Financial Misconduct; and
  - 4.2.3 assists in the prevention of Financial Misconduct and promotion of ethical financial conduct by UBC Members.
- 4.3 To fulfil its role, Internal Assurance has the authority, subject to UBC's policies, legal privilege, and any applicable legal, contractual, and privacy obligations, to:
  - 4.3.1 access any relevant UBC records or information to conduct investigations into Financial Misconduct; and
  - 4.3.2 interview UBC Members and other individuals as necessary to gather evidence.
- 4.4 In cases where access to information may be restricted, Internal Assurance will seek direction from the Office of the University Counsel, which will consult with Human Resources as appropriate.
- 4.5 If an employee is the subject of an investigation, or, during an interview of a UBC employee, Internal Assurance becomes aware of potential Financial Misconduct by that employee, they will pause the interview and consult Human Resources.

#### 5. Rules

- 5.1 The Responsible Executive may issue and maintain mandatory rules ("**Rules**") regarding the subject matter of the Policy and its associated Procedures, provided that such Rules must be consistent with the Policy or its associated Procedures. The creation of Rules is at the discretion of the Responsible Executive where the Responsible Executive believes there is benefit to enumerate detailed processes and requirements for the UBC community. The Rules may vary depending on the needs of different UBC units or types of financial activity. The Responsible Executive, Internal Assurance and the Chief Enterprise Risk & Assurance Officer ("**CERAO**") do not require the existence of a Rule to exercise their authority with respect to the subject matter of the Policy and its associated Procedures.

- 5.2 Prior to creating or substantively revising the Rules, the Responsible Executive will establish an advisory committee which will consist of representatives from Internal Assurance, Finance, the Office of the University Counsel, Human Resources, and of persons from the applicable campus who are representative of the academic and administrative units responsible for the subject matter of the Rules and the primary UBC constituencies that would be impacted by the Rules. Any proposed new Rules or substantive amendments to existing Rules must be published publicly for a period of at least two weeks on a UBC website designated by the Responsible Executive with a request for feedback to the advisory committee. The advisory committee, upon receipt and consideration of such feedback, will provide advice to the Responsible Executive on the form and content of the new Rule or amended Rule.
- 5.3 Exceptions or variations to the Rules may be made in certain circumstances if the exception or variation is approved in writing by the Responsible Executive.
- 5.4 Each Administrative Head of Unit is responsible for ensuring compliance with the Rules within their respective areas of responsibility.
- 5.5 Internal Assurance will monitor compliance with the Rules and report on the status of their implementation to the Audit Committee of the Board of Governors.



## PROCEDURES ASSOCIATED WITH THE FINANCIAL INVESTIGATIONS POLICY

*Pursuant to the Regulatory Framework Policy, the President may approve Procedures or the amendment or repeal of Procedures. Such approvals must be reported at the next meeting of the UBC Board of Governors or as soon thereafter as practicable.*

*Capitalized terms used in these Procedures that are not otherwise defined herein shall have the meanings given to such terms in the accompanying Policy, being the Financial Investigations Policy.*

### 1. Definitions

- 1.1 **"Administrative Head of Unit"** means a Director of a service unit, a Head of an academic department, a Director of a centre, institute or school, a Principal of a college, a Dean, an Associate Vice-President, the Registrar, the University Librarian, a Vice-President, the President, or the equivalent.
- 1.2 **"Financial Misconduct"** is defined in section 3.1 of the Policy.

### 2. Examples of Financial Misconduct

- 2.1 Examples of Financial Misconduct include but are not limited to:
  - 2.1.1 Misappropriation, misapplication, or theft of UBC's funds, securities, supplies, inventory, furniture, fixtures, equipment, trade secrets, intellectual property, or services.
  - 2.1.2 Breach of a finance-related fiduciary duty or a finance-related obligation of confidentiality.
  - 2.1.3 Forgery, falsification, or alteration of finance-related documents (e.g., cheques, bank drafts, promissory notes, work/employment records, travel expense reports, contractor agreements, purchase orders, electronic files, etc.).
  - 2.1.4 The failure to follow UBC's policies for handling or reporting of money, cash equivalents, or financial transactions (e.g., personal use of procurement cards, duplicate reimbursements, and fictitious purchases).
  - 2.1.5 The failure to follow UBC's purchasing or supply management procedures (e.g., authorizing payments for goods/services not received).
  - 2.1.6 Giving or receiving unauthorized benefits, (e.g., bribery, kickbacks, or commissions).
  - 2.1.7 Payroll manipulation (e.g., claims for hours not worked, unauthorized pay rate changes, or fictitious employees).

- 2.1.8 Financial statement fraud (e.g., intentional falsification causing a misstatement of revenue, expenses, or balance sheet amounts).
- 2.1.9 Unauthorized use of UBC inventory or assets.
- 2.1.10 Theft of petty cash or cash from registers.
- 2.1.11 Unauthorized expense reimbursement, including personal items or prohibited purchases.
- 2.1.12 Corruption (e.g., misuse of influence or position to the detriment of UBC, including bribery, procurement fraud, and inappropriate hiring practices).
- 2.1.13 Procurement fraud (e.g. selecting unqualified vendors for personal gain, bid rigging, and colluding to inflate pricing).
- 2.1.14 Concealing or abetting any Financial Misconduct.
- 2.1.15 Violation of financial provisions in UBC's policies or applicable laws/regulations.
- 2.1.16 Providing false information for personal financial gain (e.g., falsifying financial need).
- 2.1.17 Misuse of research grants or funds.

### 3. Reporting Suspected Financial Misconduct

- 3.1 A UBC Member who is aware of, or who suspects, Financial Misconduct must promptly report such activity to either their Administrative Head of Unit or to Internal Assurance.
- 3.2 Administrative Heads of Units must promptly notify Internal Assurance of any suspected or known Financial Misconduct disclosed to them, and consult with Internal Assurance prior to conducting their own investigation or review in relation to the reported activity.
- 3.3 A person who reports an allegation of Financial Misconduct (the "**Discloser**") as set out below, may make their report as follows (the "**Disclosure**"):
  - 3.3.1 to Internal Assurance: by emailing [financial.whistleblower@ubc.ca](mailto:financial.whistleblower@ubc.ca), by calling the whistleblower hotline at 604-827-1857, or by sending a letter to Room 105, Ponderosa Office Annex F, 2008 Lower Mall, Vancouver, BC V6T 1Z2; or
  - 3.3.2 to the Office of the University Counsel by emailing [university.counsel@ubc.ca](mailto:university.counsel@ubc.ca), or to such other person(s) as the University Counsel may specify in writing, if:
    - (a) the suspected Financial Misconduct involves the CERAO or the Responsible Executive; or
    - (b) the CERAO has a Conflict of Interest (as defined in the COI Policy).

- 3.4 The Discloser should provide the following information, to the extent of their knowledge:

- 3.4.1 the details of the suspected Financial Misconduct and the suspected parties involved;
  - 3.4.2 the UBC policies, rules, or law alleged to have been breached by the suspected Financial Misconduct; and
  - 3.4.3 any other relevant information.
- 3.5 A Disclosure may come from various sources inside or outside the University. For example, a Disclosure may come from a UBC Member, a granting agency, a member of the general public, a media report, or an anonymous source.
- 3.6 UBC's ability to investigate an allegation may be hampered if it is from an anonymous source, or if an allegation is not made in writing, and in some cases UBC may be unable to proceed with an investigation.
- 3.7 Where an allegation has been reported to the Office of the University Counsel under section 3.3.2 of these Procedures, the Office of the University Counsel will assume responsibility for the investigation, with consideration of these Procedures.

#### **4. Evaluation of Disclosures by Internal Assurance**

- 4.1 All Disclosures to Internal Assurance will be seriously considered in an objective, timely, and fair manner, in accordance with these Procedures.
- 4.2 The CERAO will assign a member from Internal Assurance to evaluate the Disclosure, based on criteria established by Internal Assurance, which may include, but are not limited to whether:
  - 4.2.1 the allegations, if true, would constitute Financial Misconduct;
  - 4.2.2 the allegations contain enough detail to be investigated;
  - 4.2.3 the allegations are within the authority of Internal Assurance to investigate; and
  - 4.2.4 the allegations appear credible.

Internal Assurance may request further information from the Discloser to assist in their evaluation of the Disclosure. Internal Assurance will make a recommendation to the CERAO to determine whether the allegation of Financial Misconduct warrants an investigation.

- 4.3 The CERAO will consider this recommendation and determine whether an investigation under the Financial Investigations Policy is required in a timely manner. In addition, the CERAO may independently initiate an investigation without a Disclosure, based on findings or observations that indicate potential Financial Misconduct. In accordance with the Investigations Policy (SC8), the CERAO will provide notification to Human Resources or the Office of the University Counsel prior to undertaking an investigation.

## 5. Investigations

- 5.1 If an investigation is required, Internal Assurance will conduct the investigation, unless the CERAO and the relevant Administrative Head of Unit agree that the Administrative Head of Unit will conduct the investigation. Where an investigation is conducted by the Administrative Head of Unit, the Administrative Head of Unit is accountable to Internal Assurance for conducting the investigation in a timely and responsible manner and must provide Internal Assurance with regular updates throughout the investigation.
- 5.2 The individual who conducts the investigation (the “**Investigator**”) will collaborate with relevant UBC units, such as Human Resources, the Office of the University Counsel, and Safety and Risk Services, and those units will provide advice and support as appropriate.
- 5.3 The Investigator may contact and interview any individuals that the Investigator determines are necessary for the purposes of the investigation, including those alleged to have engaged in the Financial Misconduct (the “**Respondents**”), and witnesses.
- 5.4 All investigations must be conducted in accordance with the following principles:
  - 5.4.1 **Fairness:** Investigations must be conducted in accordance with the principles of procedural fairness in the university context and, where the Respondent is a UBC employee, in accordance with employment law and any applicable agreements with unions and employee associations. Respondents have a right to know the nature of the allegations against them, to have an opportunity to respond to those allegations, to have those allegations investigated in an unbiased manner, and to receive reasons for any decision that impacts their privileges, entitlements, rights, or obligations.
  - 5.4.2 **Timeliness:** Investigations must be concluded in a timely manner.
  - 5.4.3 **Confidentiality:** Investigations are confidential, and personal information must only be disclosed in accordance with these Procedures.
- 5.5 All UBC Members are required to cooperate with the Investigator. Respondents are expected to participate in the investigation outlined above in a timely manner. In cases where a Respondent fails to participate within a reasonable time without appropriate justification, the process may proceed without their participation and an adverse inference may be drawn as a result of their failure to participate, and may also be considered a further breach of the Financial Investigations Policy.
- 5.6 At the conclusion of an investigation, a written report will be prepared by the Investigator (“**Investigative Report**”) that will normally include the following information:
  - 5.6.1 a summary of the evidence considered;
  - 5.6.2 any assessment of credibility that is required to render a determination; and
  - 5.6.3 the findings of facts, and a determination as to whether, on a balance of probabilities, Financial Misconduct has occurred.

## 6. Outcome and Disciplinary Measures

- 6.1 Internal Assurance does not determine the outcome or disciplinary measures to be imposed on a Respondent in response to a finding of Financial Misconduct.
- 6.2 The CERAO will provide a copy of the Investigative Report to the appropriate UBC authority, or authorities if a Respondent has more than one relationship to UBC, responsible for making a final decision on outcome or disciplinary measures as follows:
  - 6.2.1 in the case of a student Respondent, to the President;
  - 6.2.2 in the case of a registrant Respondent, to the Administrative Head of Unit in whose educational activity the Respondent is registered;
  - 6.2.3 in the case of a faculty member Respondent, to the faculty member's Dean or, in the case of a librarian, to the University Librarian;
  - 6.2.4 in the case of a staff member Respondent, to the staff member's Administrative Head of Unit or as set out in the applicable collective or employment agreement;
  - 6.2.5 in the case of an emeritus Respondent, to the appropriate Dean who will make a recommendation to the UBC Vancouver Senate Tributes Committee or the UBC Okanagan Learning and Research Committee, as appropriate. A final decision with respect to the emeritus appointment will be made by the relevant Senate;
  - 6.2.6 in the case of a Respondent who is serving on a UBC committee, to the chair of the committee.
- 6.3 Where there is a determination that an employee Respondent has engaged in Financial Misconduct, the appropriate UBC authority or authorities must consult with Human Resources before issuing a decision regarding the disciplinary or other measures to be imposed on the employee Respondent.
- 6.4 Once the appropriate UBC authority has made a decision regarding the disciplinary or other measures to be imposed on a Respondent, that decision will be communicated in writing to the Respondent. A copy of the decision will also be provided to Internal Assurance.
- 6.5 If the Investigative Report determines that Financial Misconduct has occurred, Internal Assurance will provide a copy of the Investigative Report to Administrative Heads of Unit whom the CERAO determines ought to know under the circumstances, for example:
  - 6.5.1 the UBC authority charged with addressing concerns under a Faculty's or school's standards of professional conduct, if the Respondent is a student subject to those standards;
  - 6.5.2 the Office of Vice-President, Research and Innovation, where there has been a misuse of research funds;
  - 6.5.3 Insurance & Loss Prevention, where there are insurance considerations; and

6.5.4 Campus Security, where engagement with law enforcement is recommended or required.

6.6 Whether or not the Investigative Report includes a determination that Financial Misconduct has occurred, if the CERAO is satisfied that an Investigative Report discloses other misconduct or information that UBC may need to act on under another UBC policy or process, the CERAO may refer the Investigative Report, or the relevant portions of the Investigative Report, to the appropriate UBC authority.

6.7 Internal Assurance will conclude the investigatory process by ensuring all necessary communications are made to those responsible for implementing decisions, providing or adjusting support services and assistance, providing education, or conducting administrative transactions.

## **7. Notification to Third Parties Outside of UBC**

7.1 If, at any time, the CERAO becomes aware of activity or losses that may be covered under UBC's insurance policies, the CERAO will notify UBC Risk Management Services immediately. UBC Risk Management Services will notify UBC's insurers as appropriate.

7.2 If the Office of Vice-President, Research and Innovation has received an Investigation Report that finds there has been Financial Misconduct relating to research funds, the Office of Vice-President and Innovation will notify relevant external parties as required, such as funding agencies, the Secretariat on Responsible Conduct of Research, affected research partners, and affected donors.

7.3 If, at any time, the CERAO believes that an activity should be reported to law enforcement, as it may constitute an offence under the *Criminal Code of Canada*, the CERAO will consult with the Office of the University Counsel and, if an employee is involved, with Human Resources. The CERAO will prepare a recommendation for the Responsible Executive. If the Responsible Executive agrees that law enforcement should be notified, they will appoint a designated individual to act as UBC's representative in liaising with law enforcement agencies, through or in consultation with Campus Security.

7.4 In the event that Financial Misconduct leads to an insurance claim or involves legal proceedings or law enforcement, Internal Assurance must be informed of the results.

7.5 The Office of the University Counsel should be consulted where appropriate regarding any privacy considerations with respect to third party notifications.


## **8. Confidentiality and Privacy in Investigations**

8.1 In order to protect the integrity, fairness, and effectiveness of the process under the Policy and Procedures and to ensure compliance with the *Freedom of Information and Protection of Privacy Act* ("FIPPA"), all participants in the investigation must act in accordance with the requirements set out below.

- 8.2 Individuals who have obtained information about an identifiable individual (“**Personal Information**”) through their participation in the investigation must not disclose this information to anybody except their own personal advisors or representatives, or as required by law. However, this section does not prevent any participants in the process from disclosing information about themselves, or information they have obtained outside the investigation.
- 8.3 UBC will not disclose any Personal Information related to an investigation except to the extent such disclosure is:
- 8.3.1 expressly authorized by the affected individual;
  - 8.3.2 to a UBC employee, contractor, or volunteer, if necessary for the performance of that individual’s duties;
  - 8.3.3 to a Respondent, witness, or other participant in the investigation, if necessary for the conduct of the investigation;
  - 8.3.4 to a Respondent in accordance with section 8.4;
  - 8.3.5 authorized by the University Counsel for compelling health or safety reasons;
  - 8.3.6 authorized by the University Counsel to correct misleading or inaccurate information if necessary to protect the integrity of the investigation or UBC’s investigatory processes;
  - 8.3.7 authorized or required under law; or
  - 8.3.8 in accordance with any applicable agreements with unions and employee associations.
- 8.4 To maintain the integrity of the investigation process, UBC must ensure that Respondents know the investigation findings and the evidence upon which these findings are based. Respondents are entitled to a copy of the Investigation Report. FIPPA may require UBC to remove Personal Information that is irrelevant to the investigation findings, or that identifies third parties. If there are multiple Respondents, each will only receive the portions of the Investigation Report that are relevant to them. The Office of the University Counsel should be consulted on necessary redactions to the Investigation Report.
- 8.5 Disclosers and witnesses are not entitled to know the investigation findings or outcomes, unless otherwise provided under these Procedures.
- 8.6 Section 8.2 does not prevent Respondents from disclosing the information received under section 8.4. However, Respondents who choose to disclose such information should keep in mind that the disclosure of such information may result in a legal claim being made against them by other parties or other individuals (including, for example, a defamation or breach of privacy claim), and may wish to seek advice before doing so.

## 9. Internal Controls Report

- 9.1 Following an investigation, the CERAO may make written recommendations as deemed appropriate in the circumstances (the “**Internal Controls Report**”). Such recommendations may include, but are not limited to, the following:
  - 9.1.1 Remedial measures to address the effects of Financial Misconduct and restore affected units to effective functioning;
  - 9.1.2 Steps to strengthen internal controls and prevent future Financial Misconduct, such as policy revisions, enhanced oversight, or staff training; and
  - 9.1.3 Suggestions for improving internal processes to resolve any systemic issues identified during the investigation.
- 9.2 The Internal Controls Report may include anonymized information about any Financial Misconduct that has been investigated, but will not include Personal Information related to investigations.
- 9.3 The Internal Controls Report will be shared with any UBC Members as deemed appropriate by the CERAO.
- 9.4 The CERAO will at least annually provide a summary of Disclosures, Investigative Reports, and Internal Controls Reports to the Audit Committee of the Board of Governors.

 <p>The University of British Columbia Board of Governors</p>	<p><b>Policy No.:</b> <b>SC15</b></p>
<p><b>Long Title:</b> <del>Internal Audit, Financial Misconduct Investigations, and Financial Whistleblower</del> <u>Policy</u></p>	
<p><b>Short Title:</b> <b>Financial Investigations Policy</b></p>	

### Background & Purposes:

The University of British Columbia (“**UBC**”) administers large volumes of funds for research, teaching, operations, and other UBC related purposes ~~and~~. UBC is committed to maintaining sound, responsible, and ethical management of its financial and other resources, operating with integrity, transparency, and honesty accountability. ~~Improper Financial Activity Misconduct~~ (as ~~herein~~ defined ~~below~~) ~~is contrary to UBC’s undermines these~~ values, ~~and~~ damages UBC’s reputation, ~~and can severely impact UBC’s~~ ability to carry out its mission. Therefore, UBC has ~~in place~~ established a strong robust system of internal ~~control~~ controls, risk management, and ~~other~~ checks and balances, ~~and continually strives for transparency and accountability throughout its operations to safeguard its assets and ensure the responsible handling of funds entrusted to it.~~

~~The purpose of this Policy is to define the mandate of Internal Audit’s audit and investigation responsibilities; and to communicate the process that should be followed by any UBC Member (as herein defined) who has a good faith concern regarding Improper Financial Activity.~~

### ~~1. General~~

~~1.1 UBC demonstrates its commitment to promoting and maintaining a fiscally responsible and ethical university environment by:~~ purposes of this Policy are to:

- a. define Financial Misconduct and establish the reporting duties and procedures UBC Members must follow when Financial Misconduct is known or suspected, ensuring that appropriate steps are taken to investigate and address allegations;
- b. reinforce UBC’s commitment to the prevention, detection, and management of Financial Misconduct;

~~1.1.1 affirming its expectation that all UBC Members act in the best interest of UBC with respect to their financial and operational responsibilities, as set forth herein;~~

~~1.1.2 fostering an atmosphere where UBC Members are confident that UBC will not tolerate any acts of intimidation, harassment, discipline, or retaliation against a UBC Member, including without limitation any demotion, suspension, termination, or any action, whether actual or threatened, that adversely affects~~

the employment or the learning environment of any UBC Member at UBC (collectively, referred to herein as an “**Act of Retaliation**”), as a result of such UBC Member reporting a good faith concern in accordance with Section 4 of this Policy; and outline the process for establishing rules regarding the prevention and detection of Financial Misconduct; and

- c. outline the roles and responsibilities of UBC Members and key stakeholders, including Internal Assurance, in upholding ethical financial practices;
- d. 1.1.3 establishing and adhering to the appropriate procedures for audits and investigations by Internal Audit in order to provide independent and objective assurances of UBC’s operations; to identify and prevent Improper Financial Activity; and including without limitation, to support both the Internal Audit Mandate and the Internal Investigation Mandate as set forth herein; provide clarity on the authority and scope of Internal Assurance in conducting financial investigations, while promoting a culture of accountability and ethical conduct in all financial matters.

## 1. ~~2~~ Scope

1.1 ~~2.1~~ This Policy applies to all ~~of UBC’s full-time and part-time faculty, staff, and~~ students and learners (including, ~~without limitation~~ persons registered in non-credit educational activities at UBC); all UBC employees and appointees, including staff members, student employees, faculty members, temporary or sessional instructors, clinical ~~faculty, visiting or honorary~~ professors, and any person enrolled in any degree, non-degree, diploma, certificate granting or residency programs at UBC), or any person who teaches, conducts research, or works at, adjunct professors; all individuals holding UBC emeritus status; all volunteers engaged in a UBC activity; all service providers, contractors, or persons acting for or on behalf of UBC or under the auspices of UBC (~~collectively referred to herein as a~~; and anyone contractually obligated to comply with this Policy (“UBC Member”)).

2. ~~2.2~~ Any provision contained herein which is intended to protect against any Act of Retaliation, will only apply to UBC Members reporting any Improper Financial Activity in good faith and in accordance with this Policy. This Policy is subject to any laws or regulations, collective agreements, or other policies and procedures applicable to UBC. Financial Misconduct

## **3. Improper Financial Activity**

2.1 ~~3.1~~ UBC will not tolerate ~~Improper Financial Activity~~. All UBC Members, regardless of rank, title, or position, have stewardship responsibilities with regards to UBC’s funds or assets and will not, either directly or indirectly, permit or participate in any improper financial acts or omissions, by deception or fraud, whether or not in contravention omissions involving money, assets, or resources that belong to UBC or that are administered by UBC on behalf of third parties (such as research funds, student loans, and trust funds), whether or not those acts or omissions are expressly forbidden by one or more of UBC’s policies and procedures or applicable laws (~~“Improper Financial Activity”~~).

~~3.2~~ Examples of Improper Financial Activity include but are not limited to the following:

~~3.2.1~~ misappropriation, misapplication or theft of UBC’s funds, securities, supplies, inventory, furniture, fixtures or equipment, trade secrets and intellectual property or services;

~~3.2.2 any breach of a finance-related fiduciary duty or obligation of confidentiality;~~

~~3.2.3 forgery, falsification, or alteration of any finance-related documents or records (e.g. cheques, bank drafts, promissory notes, work/employment records, travel expense reports, contractor agreements, purchase orders, electronic files, etc.);~~

~~3.2.4 deviations or violations from standards contained in UBC's policies and procedures in the handling or reporting of money, cash equivalents, or financial transactions, including procurement cards (e.g. making personal purchases using UBC credit cards or seeking multiple reimbursements for a single expenditure);~~

~~3.2.5 deviations or violations from standards contained in UBC's purchasing or supply management procedures and requirements (e.g. authorizing payment to vendors when it is known that the goods were not received by UBC, or services were not performed for UBC);~~

~~3.2.6 giving or receiving any form of unauthorized benefit, including but not limited to, bribery, kickbacks, or commissions; and~~

~~3.2.7 actions related to concealing or abetting any of the aforementioned activities.~~

#### **4. Reporting Improper Financial Activity**

~~4.1 All UBC Members, as a part of their stewardship responsibilities towards UBC's funds and assets, are expected to report any good faith concerns relating to Improper Financial Activity to their administrative head of unit (as defined in *Regulatory Framework Policy*). All administrative heads of units at UBC have a duty to promptly notify the director of the Internal Audit Department (the "**Director**") of any allegations of Improper Financial Activity disclosed to them under this Section 4, and to consult with Internal Audit prior to conducting their own investigation or review relating to the allegation of Improper Financial Activity. If for any reason, such UBC Member is uncomfortable reporting their concerns to their administrative head of unit, then the individual should contact the Director directly in accordance with Section 1 of the Procedures.~~

~~4.2 A report may be made either orally or in writing, and may be made openly, confidentially or anonymously, in accordance with Section 1 of the Procedures. If a report is confidential, the anonymity of the individual providing the information will be maintained, except to the extent allowable within the limitations of the law, collective agreements and UBC's policies and procedures.~~

~~4.3 All concerns disclosed in accordance with Section 1 of the Procedures will be seriously considered by Internal Audit in an objective, timely, and fair manner, respecting the rights of individuals in accordance with Section 2 of the Procedures.~~

~~4.4~~Any **Misconduct**). In assessing whether a UBC Member has committed Financial Misconduct, the reasonable person test will be applied. The reasonable person test refers to an assessment of responsibility that takes into account what a reasonable person in the same circumstances would have experienced, known, or understood, as opposed to what the UBC Member actually experienced, knew, or understood. It is recognized that the line between incompetence, carelessness and negligence, on the one hand, and intentional misconduct, on the other, may be very narrow. Acts of Financial Misconduct may be committed with varying degrees of intent. The result is Financial Misconduct in any case, although the degree of intent may be a factor in determining the appropriate consequences.

2.2 Regardless of their position, past performance, or length of service, any UBC ~~Members~~Member found to have been involved in ~~Improper~~ Financial ~~Activity~~, ~~Misconduct~~ may be subject to legal and/or disciplinary action, up to and including termination of employment or appointment, student discipline, or civil and/or criminal proceedings (~~collectively referred to herein as "Disciplinary Action"~~) regardless of ~~position, past performance or length of service~~. The RCMP, Law enforcement may be contacted where criminal charges may be warranted.

2.3 Regardless of their rank, title, or position, all UBC Members have stewardship responsibilities with regards to UBC's funds and assets and will not, either directly or indirectly, permit or participate in Financial Misconduct.

2.4 All UBC Members have a duty to report known or suspected Financial Misconduct in accordance with the Procedures.

### 3. Financial Misconduct Investigations

3.1 During any investigation under this Policy or its Procedures, all UBC Members are expected to cooperate with Internal Assurance and/or the investigator and, subject to section 5.1 of this Policy, are expected to disclose any credible evidence of any Financial Misconduct. Discipline and/or adverse inferences may be drawn from a failure to cooperate.

3.2 UBC will not tolerate any retaliation, as defined in the Retaliation Policy (SC18), direct or indirect, against anyone making, or involved in, a report of or an investigation into Financial Misconduct. Allegations of retaliation will be addressed pursuant to the Retaliation Policy (SC18).

3.3 ~~4.5~~Any UBC Member found to have made a frivolous, vexatious, or bad faith allegation of ~~an~~ ~~Improper~~ Financial ~~Activity~~ ~~Misconduct~~ may be subject to ~~Disciplinary Action~~ disciplinary action.

### **5. Acts of Retaliation**

#### 4. Internal Assurance's Role and Authority

~~5.1 UBC will not tolerate any Act of Retaliation directly or indirectly against any UBC Member who, in good faith, discloses an allegation of Improper Financial Activity in accordance with Section 1 of the Procedures. Any UBC Member who is subject to any Act of Retaliation is encouraged to report such concerns. If for any reason, such individual is uncomfortable reporting their concerns to their administrative head of unit, then the individual should contact the Director directly in accordance with Section 1 of the Procedures hereto.~~

~~5.2 Individuals found to have been involved in any Act of Retaliation directly or indirectly against any UBC Member, in contravention of Section 5.1 of this Policy, may be subject to Disciplinary Action.~~

~~5.3 Notwithstanding any provision herein to the contrary, any protection afforded under this Section 5 against any Act of Retaliation, does not apply, if after an Internal Audit investigation, it is determined that the individual reporting an allegation of Improper Financial Activity did not act in good faith or refuses to cooperate in any Internal Audit investigation relating to the individual's allegations of Improper Financial Activity.~~

6. Internal Assurance operates in accordance with the UBC Board of Governor's approved Internal Assurance Charter to support UBC in accomplishing its objectives. The Charter establishes Internal Assurance's purpose, mandate, authority and full scope of services.

##### 4.1 Internal ~~Investigation Mandate~~

~~6.1 Internal Audit's investigation mandate is to prevent Improper Financial Activity; to investigate~~ Assurance plays a key role in conducting Financial Misconduct investigations. Specifically, Internal Assurance:

4.1.1 investigates allegations of ~~Improper Financial Activity; to provide~~ Misconduct;

4.1.2 provides effective reporting mechanisms for allegations of ~~Improper Financial Activity~~ Misconduct; and ~~to promote~~

4.1.3 assists in the prevention of Financial Misconduct and promotion of ethical financial conduct by UBC Members ~~(the "~~

4.2 To fulfil its role, Internal ~~Investigation Mandate"~~), as set forth herein.

~~6.2 Internal Audit will ensure that any investigation of Improper Financial Activity is coordinated within UBC, particularly in circumstances where an Internal Audit investigation is being conducted in addition to any investigation or review undertaken by any other administrative unit at UBC, with respect to the same or similar circumstances of Improper Financial Activity.~~ Assurance has the authority, subject to UBC's policies, legal privilege, and any applicable legal, contractual, and privacy obligations, to:

4.2.1 access any relevant UBC records or information to conduct investigations into Financial Misconduct; and

4.2.2 ~~6.3 All~~ interview UBC Members are required to cooperate with Internal Audit and disclose any credible evidence of any Improper Financial Activity, during any investigation mandated under this Policy and other individuals as necessary to gather evidence.

## **7. Internal Audit Mandate**

~~7.1 Internal Audit's audit mandate is to provide consulting services and an independent and objective assurance of UBC's operations by evaluating and improving the effectiveness of UBC's risk management, control, and governance processes (the "Internal Audit Mandate") in a manner that ensures that:~~

~~7.1.1 risks are appropriately identified and managed;~~

~~7.1.2 significant financial, managerial, and operating information is accurate, reliable, timely and secure;~~

~~7.1.3 activities are in compliance with policies, standards, procedures, and applicable laws and regulations;~~

~~7.1.4 resources are acquired economically, used efficiently, and adequately protected;~~

~~7.1.5 programs, operations and plans, are consistent with UBC's mission; and~~

~~7.1.6 quality and continuous improvement are fostered in UBC's control process.~~

## **8. Standards of Internal Audit Practice**

~~8.1 Internal Audit will be guided by the *International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors, in carrying out the Internal Audit Mandate.~~

## **9. Confidentiality of Internal Audit Records**

~~9.1 The Director will control access to all of Internal Audit's reports and working papers. The Director will consult with appropriate senior management and the Office of the University Counsel prior to releasing any of Internal Audit's records to external parties.~~

## **10. Internal Audit Independence**

~~10.1 The Director reports directly to the Audit Committee of the Board of Governors outside of UBC's management structure. Internal Audit is considered a department within the portfolio of the President's Office for administrative purposes only.~~

~~10.2 The Director will report to the Chair of the Audit Committee, and to any other appropriate member of the senior administration at UBC:~~

~~10.2.1 any significant issues related to the adequacy and effectiveness of UBC's processes for controlling its activities and managing its risks, including potential improvements to those processes, and provide information concerning such issues through to their resolution;~~

~~10.2.2 the status and results of the annual audit plan and the sufficiency of Internal Audit resources; and~~

~~10.2.3 the status and results of any good faith Improper Financial Activity allegations.~~

## **11. Internal Audit Authority**

~~11.1 The Director is authorized to:~~

~~11.1.1 have unrestricted access to all functions, records, property, and personnel, as necessary to competently perform the Internal Audit Mandate and Internal Investigation Mandate;~~

~~11.1.2 have full and free access to the Audit Committee and the President;~~

~~11.1.3 allocate resources within Internal Audit, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives;~~

~~11.1.4 obtain assistance of personnel or other services from within or outside UBC as is necessary to conduct audits or investigations as set forth herein; and~~

~~11.1.5 determine the contents of all Internal Audit reports or investigations summarizing the results of their work.~~

~~11.2 Without the approval of the Audit Committee, the Director and staff of Internal Audit are not authorized to:~~

~~11.2.1 perform any operational duties for UBC;~~

~~11.2.2 initiate or approve accounting transactions external to Internal Audit; and~~

~~11.2.3 direct the activities of any UBC Member not employed by Internal Audit, unless those activities are necessary to the conduct of an audit or investigation by Internal Audit, or to the extent such UBC Member has been assigned to assist Internal Audit.~~

## **12. Director's Responsibilities**

~~12.1 The Director will be responsible for:~~

~~12.1.1 developing a flexible annual Internal Audit plan using appropriate risk-based methodology, including any risks or control concerns identified by management, and annually submit that plan to the Audit Committee of the Board of Governors for review and approval;~~

~~12.1.2 implementing the annual Internal Audit plan, as approved, including, and as appropriate, any special tasks or projects requested by management and the Audit Committee;~~

~~12.1.3 maintaining a professional audit staff with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this Policy;~~

~~12.1.4 managing contracted resources, as necessary, to assist in the delivery of Internal Audit's services;~~

~~12.1.5 establishing a quality assurance program by which the Director assures the operation of auditing activities;~~

~~12.1.6 issuing periodic reports summarizing the results of Internal Audit's activities to the Audit Committee and any individual(s) specified by the President to be responsible for this Policy (the "Responsible Executive") or any person delegated~~

- 4.3 In cases where access to information may be restricted, Internal Assurance will seek direction from the Office of the University Counsel, which will consult with Human Resources as appropriate.
- 4.4 If an employee is the subject of an investigation, or, during an interview of a UBC employee, Internal Assurance becomes aware of potential Financial Misconduct by that employee, they will pause the interview and consult Human Resources.

## 5. Rules

- 5.1 The Responsible Executive may issue and maintain mandatory rules (“Rules”) regarding the subject matter of the Policy and its associated Procedures, provided that such Rules must be consistent with the Policy or its associated Procedures. The creation of Rules is at the discretion of the Responsible Executive where the Responsible Executive believes there is benefit to enumerate detailed processes and requirements for the UBC community. The Rules may vary depending on the needs of different UBC units or types of financial activity. The Responsible Executive, Internal Assurance and the Chief Enterprise Risk & Assurance Officer (“CERAO”) do not require the existence of a Rule to exercise their authority with respect to the subject matter of the Policy and its associated Procedures.
- 5.2 Prior to creating or substantively revising the Rules, the Responsible Executive will establish an advisory committee which will consist of representatives from Internal Assurance, Finance, the Office of the University Counsel, Human Resources, and of persons from the applicable campus who are representative of the academic and administrative units responsible for the subject matter of the Rules and the primary UBC constituencies that would be impacted by the Rules. Any proposed new Rules or substantive amendments to existing Rules must be published publicly for a period of at least two weeks on a UBC website designated by the Responsible Executive with a request for feedback to the advisory committee. The advisory committee, upon receipt and consideration of such feedback, will provide advice to the Responsible Executive on the form and content of the new Rule or amended Rule.
- 5.3 Exceptions or variations to the Rules may be made in certain circumstances if the exception or variation is approved in writing by the Responsible Executive; and  
~~12.1.7 Keeping the Audit Committee and the Vice-President, Finance and Operations informed of emerging trends and successful practices in internal auditing.~~
- 5.4 Each Administrative Head of Unit is responsible for ensuring compliance with the Rules within their respective areas of responsibility.
- 5.5 Internal Assurance will monitor compliance with the Rules and report on the status of their implementation to the Audit Committee of the Board of Governors.



## PROCEDURES ASSOCIATED WITH THE FINANCIAL INVESTIGATIONS POLICY

*Pursuant to the Regulatory Framework Policy, the President may approve Procedures or the amendment or repeal of Procedures. Such approvals must be reported at the next meeting of the UBC Board of Governors or as soon thereafter as practicable.*

*Capitalized terms used in these Procedures that are not otherwise defined herein shall have the meanings given to such terms in the accompanying Policy, being the Financial Investigations Policy.*

### **1. Reporting Procedure**

#### 1. Definitions

- 1.1 "Administrative Head of Unit" means a Director of a service unit, a Head of an academic department, a Director of a centre, institute or school, a Principal of a college, a Dean, an Associate Vice-President, the Registrar, the University Librarian, a Vice-President, the President, or the equivalent.
- 1.2 ~~1.1 Any individual wishing to report Improper Financial Activity to the Director under Section 4.1 of the Policy may use any of the following confidential reporting mechanisms: (1) call / leave a voice message at 604-827-1857, (2) e-mail "~~Financial Misconduct" is defined in section 3.1 of the Policy.

#### 2. Examples of Financial Misconduct

- 2.1 Examples of Financial Misconduct include but are not limited to:
- 2.1.1 Misappropriation, misapplication, or theft of UBC's funds, securities, supplies, inventory, furniture, fixtures, equipment, trade secrets, intellectual property, or services.
- 2.1.2 Breach of a finance-related fiduciary duty or a finance-related obligation of confidentiality.
- 2.1.3 Forgery, falsification, or alteration of finance-related documents (e.g., cheques, bank drafts, promissory notes, work/employment records, travel expense reports, contractor agreements, purchase orders, electronic files, etc.).
- 2.1.4 The failure to follow UBC's policies for handling or reporting of money, cash equivalents, or financial transactions (e.g., personal use of procurement cards, duplicate reimbursements, and fictitious purchases).

- 2.1.5 The failure to follow UBC’s purchasing or supply management procedures (e.g., authorizing payments for goods/services not received).
- 2.1.6 Giving or receiving unauthorized benefits, (e.g., bribery, kickbacks, or commissions).
- 2.1.7 Payroll manipulation (e.g., claims for hours not worked, unauthorized pay rate changes, or fictitious employees).
- 2.1.8 Financial statement fraud (e.g., intentional falsification causing a misstatement of revenue, expenses, or balance sheet amounts).
- 2.1.9 Unauthorized use of UBC inventory or assets.
- 2.1.10 Theft of petty cash or cash from registers.
- 2.1.11 Unauthorized expense reimbursement, including personal items or prohibited purchases.
- 2.1.12 Corruption (e.g., misuse of influence or position to the detriment of UBC, including bribery, procurement fraud, and inappropriate hiring practices).
- 2.1.13 Procurement fraud (e.g. selecting unqualified vendors for personal gain, bid rigging, and colluding to inflate pricing).
- 2.1.14 Concealing or abetting any Financial Misconduct.
- 2.1.15 Violation of financial provisions in UBC’s policies or applicable laws/regulations.
- 2.1.16 Providing false information for personal financial gain (e.g., falsifying financial need).
- 2.1.17 Misuse of research grants or funds.

### 3. Reporting Suspected Financial Misconduct

- 3.1 A UBC Member who is aware of, or who suspects, Financial Misconduct must promptly report such activity to either their Administrative Head of Unit or to Internal Assurance.
- 3.2 Administrative Heads of Units must promptly notify Internal Assurance of any suspected or known Financial Misconduct disclosed to them, and consult with Internal Assurance prior to conducting their own investigation or review in relation to the reported activity.
- 3.3 A person who reports an allegation of Financial Misconduct (the “Discloser”) as set out below, may make their report as follows (the “Disclosure”):

3.3.1 to Internal Assurance: by emailing [financial.whistleblower@ubc.ca](mailto:financial.whistleblower@ubc.ca), by calling the whistleblower hotline at 604-827-1857, or ~~(3) send~~ by sending a letter ~~mail~~ to Room ~~102~~105, Ponderosa Office Annex F, 2008 Lower Mall, Vancouver, BC V6T 1Z2; or

3.3.2 ~~1.2~~In order for Internal Audit to undertake a competent investigation into an allegation of Improper Financial Activity, the reporting individual to the Office of the University Counsel by emailing [university.counsel@ubc.ca](mailto:university.counsel@ubc.ca), or to such other person(s) as the University Counsel may specify in writing, if:

(a) the suspected Financial Misconduct involves the CERAO or the Responsible Executive; or

(b) the CERAO has a Conflict of Interest (as defined in the COI Policy).

3.4 The Discloser should ~~be able to~~ provide the following information, to the extent of their knowledge:

3.4.1 ~~1.2.1~~the details of ~~such alleged Improper~~the suspected Financial ~~Activity being reported~~Misconduct and the suspected parties involved;

3.4.2 ~~1.2.2~~any the UBC policies, rules, or ~~applicable laws~~law alleged to have been breached by the ~~alleged Improper~~suspected Financial ~~Activity~~Misconduct; and

3.4.3 ~~1.2.3~~any other relevant information.

3.5 A Disclosure may come from various sources inside or outside the University. For example, a Disclosure may come from a UBC Member, a granting agency, a member of the general public, a media report, or an anonymous source.

3.6 UBC's ability to investigate an allegation may be hampered if it is from an anonymous source, or if an allegation is not made in writing, and in some cases UBC may be unable to proceed with an investigation.

3.7 Where an allegation has been reported to the Office of the University Counsel under section 3.3.2 of these Procedures, the Office of the University Counsel will assume responsibility for the investigation, with consideration of these Procedures.

#### 4. Evaluation of Disclosures by Internal Assurance

4.1 All Disclosures to Internal Assurance will be seriously considered in an objective, timely, and fair manner, in accordance with these Procedures.

4.2 The CERAO will assign a member from Internal Assurance to evaluate the Disclosure, based on criteria established by Internal Assurance, which may include, but are not limited to whether:

- 4.2.1 the allegations, if true, would constitute Financial Misconduct;
- 4.2.2 the allegations contain enough detail to be investigated;
- 4.2.3 the allegations are within the authority of Internal Assurance to investigate; and
- 4.2.4 the allegations appear credible.

Internal Assurance may request further information from the Discloser to assist in their evaluation of the Disclosure. Internal Assurance will make a recommendation to the CERAO to determine whether the allegation of Financial Misconduct warrants an investigation.

~~2.2 Internal Audit Investigations 2.1 In order for Internal Audit to undertake a competent investigation, all individuals involved in an Improper Financial Activity disclosure report or investigation must keep the details and results confidential, to the extent allowable within the limitation of the law, collective agreements, and UBC's policies and procedures.~~

~~2.2 The Director will evaluate the details of a report provided in accordance with Section 1 of the Procedures and determine, in his or her sole discretion, whether:~~

~~2.2.1 the allegation of Improper Financial Activity is false, unfounded, frivolous, vexatious, or disclosed in bad faith; or~~

~~2.2.2 further investigation~~ The CERAO will consider this recommendation and determine whether an investigation under the Financial Investigations Policy is required in a timely manner. In addition, the CERAO may independently initiate an investigation without a Disclosure, based on findings or observations that indicate potential Financial Misconduct. In accordance with the Investigations Policy (SC8), the CERAO will provide notification to Human Resources or the Office of the University Counsel prior to undertaking an investigation.

## 5. Investigations

- 5.1 If an investigation is required, Internal Assurance will conduct the investigation, unless the CERAO and the relevant Administrative Head of Unit agree that the Administrative Head of Unit will conduct the investigation. Where an investigation is conducted by the Administrative Head of Unit, the Administrative Head of Unit is accountable to Internal Assurance for conducting the investigation in a timely and responsible manner and must provide Internal Assurance with regular updates throughout the investigation.
- 5.2 The individual who conducts the investigation (the "Investigator") will collaborate with relevant UBC units, such as Human Resources, the Office of the University Counsel, and Safety and Risk Services, and those units will provide advice and support as appropriate.
- 5.3 The Investigator may contact and interview any individuals that the Investigator determines are necessary for the purposes of the investigation, including those alleged to have engaged in the Financial Misconduct (the "Respondents"), and witnesses.

5.4 All investigations must be conducted in accordance with the following principles:

5.4.1 **Fairness:** Investigations must be conducted in accordance with the principles of procedural fairness in the university context and, where the Respondent is a UBC employee, in accordance with employment law and any applicable agreements with unions and employee associations. Respondents have a right to know the nature of the allegations against them, to have an opportunity to respond to those allegations, to have those allegations investigated in an unbiased manner, and to receive reasons for any decision that impacts their privileges, entitlements, rights, or obligations.

5.4.2 **Timeliness:** Investigations must be concluded in a timely manner.

5.4.3 **Confidentiality:** Investigations are confidential, and personal information must only be disclosed in accordance with these Procedures.

5.5 All UBC Members are required to cooperate with the Investigator. Respondents are expected to participate in the investigation outlined above in a timely manner. In cases where a Respondent fails to participate within a reasonable time without appropriate justification, the process may proceed without their participation and an adverse inference may be drawn as a result of their failure to participate, and may also be considered a further breach of the Financial Investigations Policy.

5.6 At the conclusion of an investigation, a written report will be prepared by the Investigator ("**Investigative Report**") that will normally include the following information:

5.6.1 a summary of the evidence considered;

5.6.2 any assessment of credibility that is required by Internal Audit.

~~2.3~~If the Director deems further investigation is required in accordance with Section 2.2.2, then the Director may, in his or her sole discretion, proceed with one of the following actions:to render a determination; and

5.6.3 the findings of facts, and a determination as to whether, on a balance of probabilities, Financial Misconduct has occurred.

6. **Outcome and Disciplinary Measures**

6.1 Internal Assurance does not determine the outcome or disciplinary measures to be imposed on a Respondent in response to a finding of Financial Misconduct.

6.2 The CERAO will provide a copy of the Investigative Report to the appropriate UBC authority, or authorities if a Respondent has more than one relationship to UBC, responsible for making a final decision on outcome or disciplinary measures as follows:

6.2.1 ~~2.3.1~~direct the staff of Internal Audit to engage in an investigation or audit as contemplated in this Policy;in the case of a student Respondent, to the President;

- 6.2.2 in the case of a registrant Respondent, to the Administrative Head of Unit in whose educational activity the Respondent is registered;
- 6.2.3 in the case of a faculty member Respondent, to the faculty member's Dean or, in the case of a librarian, to the University Librarian;
- 6.2.4 in the case of a staff member Respondent, to the staff member's Administrative Head of Unit or as set out in the applicable collective or employment agreement;
- 6.2.5 in the case of an emeritus Respondent, to the appropriate Dean who will make a recommendation to the UBC Vancouver Senate Tributes Committee or the UBC Okanagan Learning and Research Committee, as appropriate. A final decision with respect to the emeritus appointment will be made by the relevant Senate;
- 6.2.6 in the case of a Respondent who is serving on a UBC committee, to the chair of the committee.

~~2.3.2 request further information from the individual reporting such Improper Financial Activity; or~~  
~~2.3.3 continue with any further actions as delegated to the Director by the Responsible Executive, which may be independent of any other investigations being undertaken at UBC relating to the same Improper Financial Activity.~~ Where there is a determination that an employee Respondent has engaged in Financial Misconduct, the appropriate UBC authority or authorities must consult with Human Resources before issuing a decision regarding the disciplinary or other measures to be imposed on the employee Respondent.

- 6.3 Once the appropriate UBC authority has made a decision regarding the disciplinary or other measures to be imposed on a Respondent, that decision will be communicated in writing to the Respondent. A copy of the decision will also be provided to Internal Assurance.
- 6.4 If the Investigative Report determines that Financial Misconduct has occurred, Internal Assurance will provide a copy of the Investigative Report to Administrative Heads of Unit whom the CERAO determines ought to know under the circumstances, for example:
  - 6.4.1 the UBC authority charged with addressing concerns under a Faculty's or school's standards of professional conduct, if the Respondent is a student subject to those standards;
  - 6.4.2 the Office of Vice-President, Research and Innovation, where there has been a misuse of research funds;
  - 6.4.3 Insurance & Loss Prevention, where there are insurance considerations; and
  - 6.4.4 Campus Security, where engagement with law enforcement is recommended or required.

6.5 Whether or not the Investigative Report includes a determination that Financial Misconduct has occurred, if the CERAO is satisfied that an Investigative Report discloses other misconduct or information that UBC may need to act on under another UBC policy or process, the CERAO may refer the Investigative Report, or the relevant portions of the Investigative Report, to the appropriate UBC authority.

6.6 Internal Assurance will conclude the investigatory process by ensuring all necessary communications are made to those responsible for implementing decisions, providing or adjusting support services and assistance, providing education, or conducting administrative transactions.

## 7. Notification to Third Parties Outside of UBC

7.1 If, at any time, the CERAO becomes aware of activity or losses that may be covered under UBC's insurance policies, the CERAO will notify UBC Risk Management Services immediately. UBC Risk Management Services will notify UBC's insurers as appropriate.

7.2 If the Office of Vice-President, Research and Innovation has received an Investigation Report that finds there has been Financial Misconduct relating to research funds, the Office of Vice-President and Innovation will notify relevant external parties as required, such as funding agencies, the Secretariat on Responsible Conduct of Research, affected research partners, and affected donors.

~~2.4 Upon completion of an investigation under Section 2.3, the Director may, in his or her sole discretion, determine whether to:~~

~~2.4.1 dismiss the allegation of Improper Financial Activity; or~~

~~2.4.2 recommend any Disciplinary Action against those involved in such Improper Financial Activity to the appropriate administrative head of unit.~~ If, at any time, the CERAO believes that an activity should be reported to law enforcement, as it may constitute an offence under the *Criminal Code of Canada*, the CERAO will consult with the Office of the University Counsel and, if an employee is involved, with Human Resources. The CERAO will prepare a recommendation for the Responsible Executive. If the Responsible Executive agrees that law enforcement should be notified, they will appoint a designated individual to act as UBC's representative in liaising with law enforcement agencies, through or in consultation with Campus Security.

7.3 In the event that Financial Misconduct leads to an insurance claim or involves legal proceedings or law enforcement, Internal Assurance must be informed of the results.

7.4 The Office of the University Counsel should be consulted where appropriate regarding any privacy considerations with respect to third party notifications.

## 8. Confidentiality and Privacy in Investigations

8.1 In order to protect the integrity, fairness, and effectiveness of the process under the Policy and Procedures and to ensure compliance with the *Freedom of Information and Protection of Privacy Act* ("**FIPPA**"), all participants in the investigation must act in accordance with the requirements set out below.

~~2.5 If the Director deems any allegation of Improper Financial Activity falls under Section 2.2.1 of the Procedures, then the Director may, in his or her sole discretion, determine whether to:~~

~~2.5.1 dismiss the allegation; or~~

~~2.5.2 further investigate whether to recommend any Disciplinary Action against the reporting individual to the appropriate administrative head of unit. Individuals who have obtained information about an identifiable individual (“Personal Information”) through their participation in the investigation must not disclose this information to anybody except their own personal advisors or representatives, or as required by law. However, this section does not prevent any participants in the process from disclosing information about themselves, or information they have obtained outside the investigation.~~

8.2 UBC will not disclose any Personal Information related to an investigation except to the extent such disclosure is:

8.2.1 expressly authorized by the affected individual;

8.2.2 to a UBC employee, contractor, or volunteer, if necessary for the performance of that individual’s duties;

8.2.3 to a Respondent, witness, or other participant in the investigation, if necessary for the conduct of the investigation;

8.2.4 to a Respondent in accordance with section 8.4;

8.2.5 authorized by the University Counsel for compelling health or safety reasons;

8.2.6 authorized by the University Counsel to correct misleading or inaccurate information if necessary to protect the integrity of the investigation or UBC’s investigatory processes;

8.2.7 authorized or required under law; or

8.2.8 in accordance with any applicable agreements with unions and employee associations.

8.3 To maintain the integrity of the investigation process, UBC must ensure that Respondents know the investigation findings and the evidence upon which these findings are based. Respondents are entitled to a copy of the Investigation Report. FIPPA may require UBC to remove Personal Information that is irrelevant to the investigation findings, or that identifies third parties. If there are multiple Respondents, each will only receive the portions of the Investigation Report that are relevant to them. The Office of the University Counsel should be consulted on necessary redactions to the Investigation Report.

8.4 Disclosers and witnesses are not entitled to know the investigation findings or outcomes, unless otherwise provided under these Procedures.

8.5 Section 8.2 does not prevent Respondents from disclosing the information received under section 8.4. However, Respondents who choose to disclose such information should keep in mind that the disclosure of such information may result in a legal claim being made against them by other parties or other individuals (including, for example, a defamation or breach of privacy claim), and may wish to seek advice before doing so.

## 9. Internal Controls Report

9.1 Following an investigation, the CERAO may make written recommendations as deemed appropriate in the circumstances (the “Internal Controls Report”). Such recommendations may include, but are not limited to, the following:

9.1.1 Remedial measures to address the effects of Financial Misconduct and restore affected units to effective functioning;

9.1.2 Steps to strengthen internal controls and prevent future Financial Misconduct, such as policy revisions, enhanced oversight, or staff training; and

9.1.3 Suggestions for improving internal processes to resolve any systemic issues identified during the investigation.

9.2 ~~2.6The Director may undertake any further actions as delegated to the Director by the Responsible Executive, Board of Governors or the Audit Committee Chair.~~The Internal Controls Report may include anonymized information about any Financial Misconduct that has been investigated, but will not include Personal Information related to investigations.

9.3 The Internal Controls Report will be shared with any UBC Members as deemed appropriate by the CERAO.

9.4 The CERAO will at least annually provide a summary of Disclosures, Investigative Reports, and Internal Controls Reports to the Audit Committee of the Board of Governors.