



Lahore University of Management Sciences

Fraud, Bribery & Whistleblowing

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1. Purpose of Policy

The purpose of this policy is to provide comprehensive guidelines to LUMS community about fraudulent and bribery activities. Moreover, it also set forth instructions for whistle blowing, conducting investigation and protecting LUMS community's rights where they may be at the risk of victimization because of reporting, or being a witness to fraudulent activities.

2. Scope of Policy

This policy is applicable on all our dealings within LUMS or with public/private officials outside LUMS. All the LUMS community members including faculty, staff & students are obligated to comply with this policy.

3. Definitions

3.1.1 Fraud

Fraud is defined as:

"Theft or misuse of resources, with the intention of gaining an advantage or avoiding an obligation, which may or may not result in financial loss to LUMS."

The term fraud is also referred as false representation, forgery, deception, corruption, theft, embezzlement or extortion.

3.1.2 Bribery

Bribery is defined as:

"Bribery is offering / promising of an improper advantage to someone who has the ability to influence a decision. This inducement for an illegal, unethical action can be in the form of money, loans, fees, gifts, rewards, donations or other advantage."

4. Policy Statement

LUMS is committed to establish highest possible standards of transparency, accountability and integrity in all its dealings and intends to promote the culture of fairness and honesty. Therefore, LUMS maintains a zero-tolerance policy towards fraud and bribery.

4.1 Fraud

LUMS values the integrity of its faculty, staff and students, and relies upon them to act at all times in an ethical and honest manner. LUMS will not tolerate fraud, concealment of fraud, impropriety or dishonesty and will investigate all instances of suspected fraud.

Fraud includes but is not limited to following activities:

- Forgery or alteration of documents;



- Falsification of costs/expenses (Dishonestly concealing, falsifying, destroying any official record, account, or any other document required for accounting purpose, with the intent of personal gains or to cause loss to the LUMS);
- Blackmail/extortion;
- Misappropriation, misuse, theft, removal, or destruction of LUMS resources (including funds, supplies, inventory, furniture, fixtures, equipment, intellectual property or any other asset);
- Misuse of LUMS facilities (including telephones, computers and e-mail system);
- Personal use of LUMS property in commercial business activities;
- Abuse of designation;
- Accepting or offering anything with the intention of getting personal benefits;
- Misrepresentation of facts; or,
- Any similar or related irregularity

4.2 Bribery

A benefit will be considered as bribery when a person or institution receives a benefit that may influence an important decision that they would not receive in free competition.

The benefit does not only include cash or payment exchanging hands. It can take variety of forms including but not limited to:

- Money (or cash equivalent);
- Lavish Gifts;
- Entertainment or Hospitality;
- Access to assets/ uncompensated use of a company service or facilities;
- Loans;
- Fees;
- Donations;
- Rewards;
- Favor to family, friend etc.;
- Excessive commissions;
- Facilitation Payments;
- And Anything else of value.

4.2.1 Gifts

Members of LUMS must not solicit personal gifts and favors from a vendor, contractor, party organization, student, parent, or subordinate. Accepting gifts is also prohibited in most circumstances. Gifts or gratuities valued in excess of PKR 1,000 or of undetermined value, if not applied for LUMS purpose or shared widely, should be returned immediately. Gifts of promotional items without vendors to clients routinely distribute significant value and that may be accepted. Ordinary business courtesies, such as payment for a modest lunch or dinner or courtesy copies of professional printed matter, are also acceptable.



4.2.2 Facilitation Payments

Facilitation Payments are the payments given to expedite the performance of duties of a non-discretionary nature. These are normally small, unofficial payments made to secure or expedite any action/activity to a government or private company's official. If a staff member is asked to make a payment on behalf of LUMS, it must be ensured that the amount requested is proportionate to the good/service provided and receipt is given detailing the reason for payment.

4.2.3 Anti-Bribery

Offering, giving, promising, receiving bribery is strictly prohibited in LUMS in all circumstances, including but not limited to student's admissions & grading, hiring / firing / promotion of employee, shortlisting / selection of vendor, getting consultancy/research project etc.

All faculty/staff members involved in grant submission and management are prohibited to offer, promise, give, accept or authorize the giving of money or anything else of value to anyone, directly or indirectly (through third party) in connection with donor, in order to obtain a grant or any improper advantage for LUMS or himself/herself.

Bidders, suppliers, consultant's contractors and their agents (whether declared or not), shall observe the highest standard of ethics during the procurement and execution of contracts. It is also prohibited to request, agree to receive or accept anything that may affect independent judgement in procurement process. LUMS shall not award contract if it is determined that the bidder, or any of its personnel, or its agents, or its consultants, service providers, suppliers and/or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question.

It is important that faculty/staff/students must inform their department head or School Dean if they are offered a bribe by third party, or are asked to give bribe, or they suspect this action in future. Any member may approach LUMS' Disciplinary Committee directly in case they are uncomfortable raising the concern with the department head or School Dean.

4.2.4 Protection of Rights

Faculty/Staff/Students who refuse to accept or offer a bribe are sometimes concerned about possible consequences. LUMS is committed to providing protection to LUMS community and ensuring that no one suffers any negative treatment because of refusing to take part in bribery.

4.3 Whistle blowing

Whistleblowing is an act of raising a genuine concern or making a disclosure related to fraud, corruption, bribery or unethical conduct. The disclosure comes under whistleblowing if the reasonable belief of the person making the disclosure is in the public interest i.e. the disclosure has an impact beyond the individual making a disclosure. If the concerns are of personal nature, then it comes under "Grievance".



4.3.1 Concerns to be raised

This policy is designed to raise serious concerns in the public interest. These concerns include but are not limited to following:

- Criminal offense being committed or likely to be committed;
- Fraud/ Corruption/Bribery;
- Failure to comply with legal or regulatory obligation of LUMS;
- Damage to environment;
- Improper conduct or unethical behavior;
- Evidence of academic or professional malpractice;
- Unauthorized disclosure of confidential information;
- Failure of an individual to disclose a serious conflict of interest;
- Endangered health or safety of an individual.

Faculty, staff members or students of LUMS could raise these concerns.

4.3.2 How to raise a Concern?

LUMS community members who become aware of any suspected activity shall promptly report the activity to LUMS Disciplinary Committee. If someone is unsure whether a particular activity comes under fraud or bribery, these queries could be raised with line managers or Disciplinary Committee.

Disclosures should be made in writing making it clear that the concern raised is as per the given policy. Disclosure should include nature of concern, all necessary evidence and the reason why it is believed malpractice. The individual raising the concern shall be kept informed of the progress and may be given the opportunity to comment or share evidence.

4.3.3 Investigation

LUMS Disciplinary Committee will conduct the investigations regarding any allegations as per their defined procedures and reach a decision on the matter. Any investigation under this policy will be conducted as sensitively and speedily as possible. Disciplinary Committee will review the findings of the investigation and they will decide what action should be taken as per policy. The Disciplinary Committee should aim to keep the Whistleblower informed of the progress of any investigation under this policy and its likely timescale.

4.3.4 Confidentiality

LUMS Disciplinary Committee will treat all disclosures made in line with this policy in a confidential and sensitive manner. The identity of individual raising a concern or making the allegation (i.e. whistle blower) will be kept confidential as long as possible during investigation. The investigation process may require that the source of the information and the individual making the disclosure provide a statement as part of the evidence required or to assist in further investigations.



4.3.5 Protection of Whistleblower’s Rights

It is understandable that individuals are concerned about the possible repercussions of raising a Whistleblowing Concern. LUMS aims to encourage openness and will respect & support community members who raise genuine concerns under this policy.

An individual who raises a genuine concern (“whistleblower”) should be taken seriously and must be supported. A disclosure made in good faith, which is not confirmed by subsequent investigation, should not lead to any action against the person making the disclosure. They must not suffer any detriment because of whistle blowing. This detriment can be in the form of termination, threats, unfavorable treatment or any disciplinary action connected with raising a concern. If a whistleblower feels they are facing any such treatment, they can raise their concerns with Disciplinary Committee.

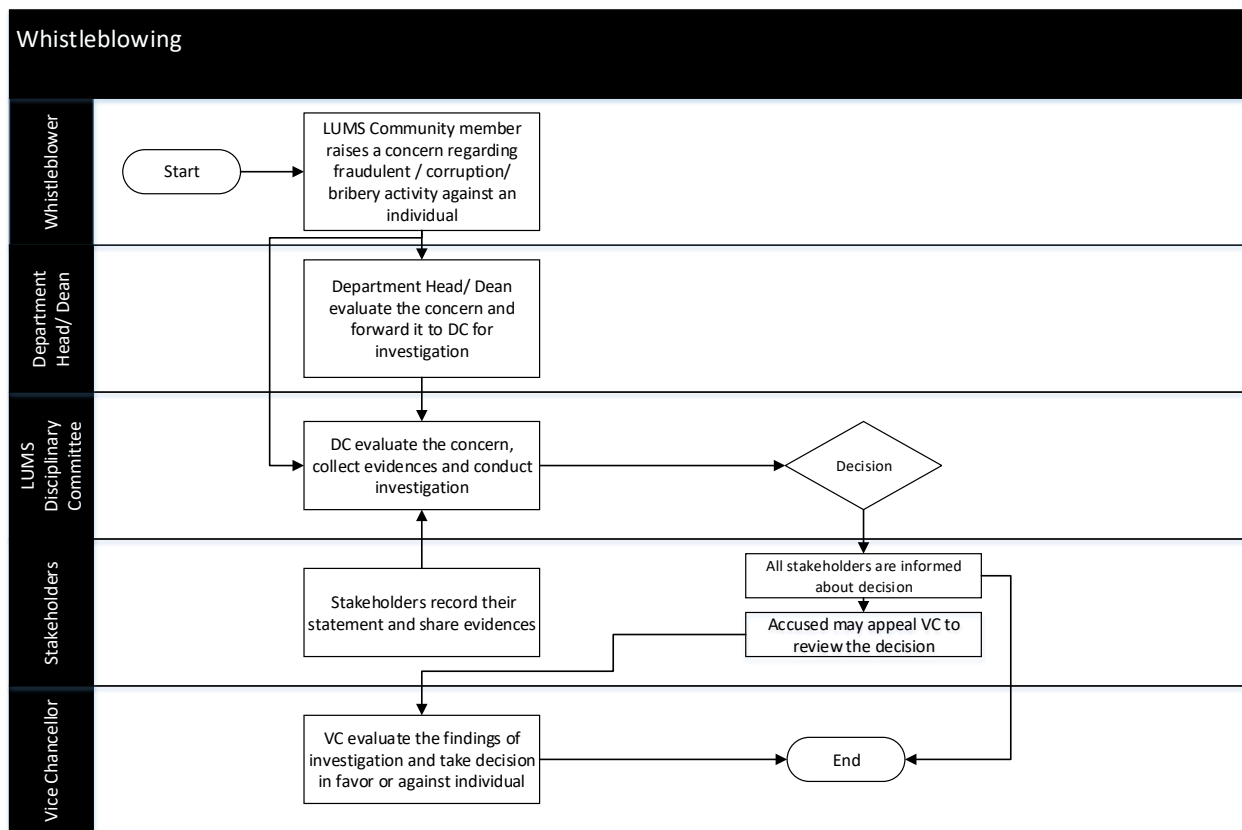
4.3.6 False Allegations

If an individual discloses information or raise a concern and later on during investigation phase, it is found that the allegations were malicious with a purpose of personal gain, LUMS Disciplinary Committee as per disciplinary procedure may take strict action.

4.3.7 Right to Appeal

If the accused person is not satisfied with the Disciplinary Committee decision, they may raise an appeal with the Vice Chancellor to reconsider the decision. In this situation, Vice Chancellor will review the findings of investigation and make the final decision.

5. Procedures



6. Waiver of Policy

In exceptional cases, and on a showing of good cause, the Vice Chancellor may waive a policy or procedural requirement. A waiver must be granted in writing and be specific to each case. The written waiver should be timely communicated to the Board of Trustees and the Faculty Council. Repeated waivers of any requirement shall prompt a policy review of that requirement under the LUMS governance structure. To show good cause, the written waiver shall provide reasonable justifications that:

1. The requirement being waived is impossible or impracticable;
2. The waiver does not violate any applicable law; and
3. The waiver is fair, in the best interest of the University, and narrowly tailored to address an exceptional case.

7. Special Circumstances/Exceptions

No special circumstances are identified in this policy. Each identified case of fraud/bribery/corruption will be reviewed on its own merit.



8. Roles and Responsibilities of Policy Implementation

The major responsibilities that each party has in connection with this policy are as follows:

Whistleblower including LUMS community is responsible for raising the concern regarding fraud, corruption, bribery or unethical conduct with relevant Dean / Head of Department or LUMS Disciplinary Committee (DC).

Dean / Head of Department is responsible for reviewing LUMS community member's concern and taking up the matter with LUMS Disciplinary Committee.

Disciplinary Committee (DC) is responsible for ensuring prevention of all fraudulent/bribery/corruption activities in LUMS. They will listen to whistleblower's concern, collect evidences, maintain confidentiality, fairly conduct investigation and take decision in favor or against the accused person.

VC is responsible for reviewing the appeal of accused person and takes the final decision regarding the matter.

9. Title of Position with Maintenance Responsibility

Compliance Manager will be responsible for maintenance of the policy including its periodic review and approval of any subsequent modifications to the said policy.

10. Non-Compliance with Policy

Any instances of non-compliance with this policy shall be dealt with in accordance with LUMS policy on Fraud, Bribery & Whistleblowing.

11. Related Documents / Policies

Disciplinary Committee Policy

12. Related Laws

It is imperative to abide by all laws and regulations as applicable in Pakistan.

13. Distribution & Physical Security

Access to these Policies & Procedures on the intranet portal shall be restricted and Director of OR shall provide access through following LUMS Access Management Process. For further information, refer Access Management Policies & Procedures. However, in case a hard copy is required, printing rights shall be granted to the respective stakeholder as part of standard Access Management Process. System shall track the number of hard copies printed against each Login ID and shall maintain log as well.

Where there is a change in responsibility of an employee, the copy / access that the employee has of policy document should be handed over to the new employee and this action shall be documented in the



previous employee's handing over notes. When an employee leaves the employment of LUMS, then the copy of/access to policy document should be returned to/ revoked by the Head of Department / IT Department prior to his departure.

14. Contacts

Contact	Designation	Phone
Office of Research (OR)	Director	8336, 8207, 8042