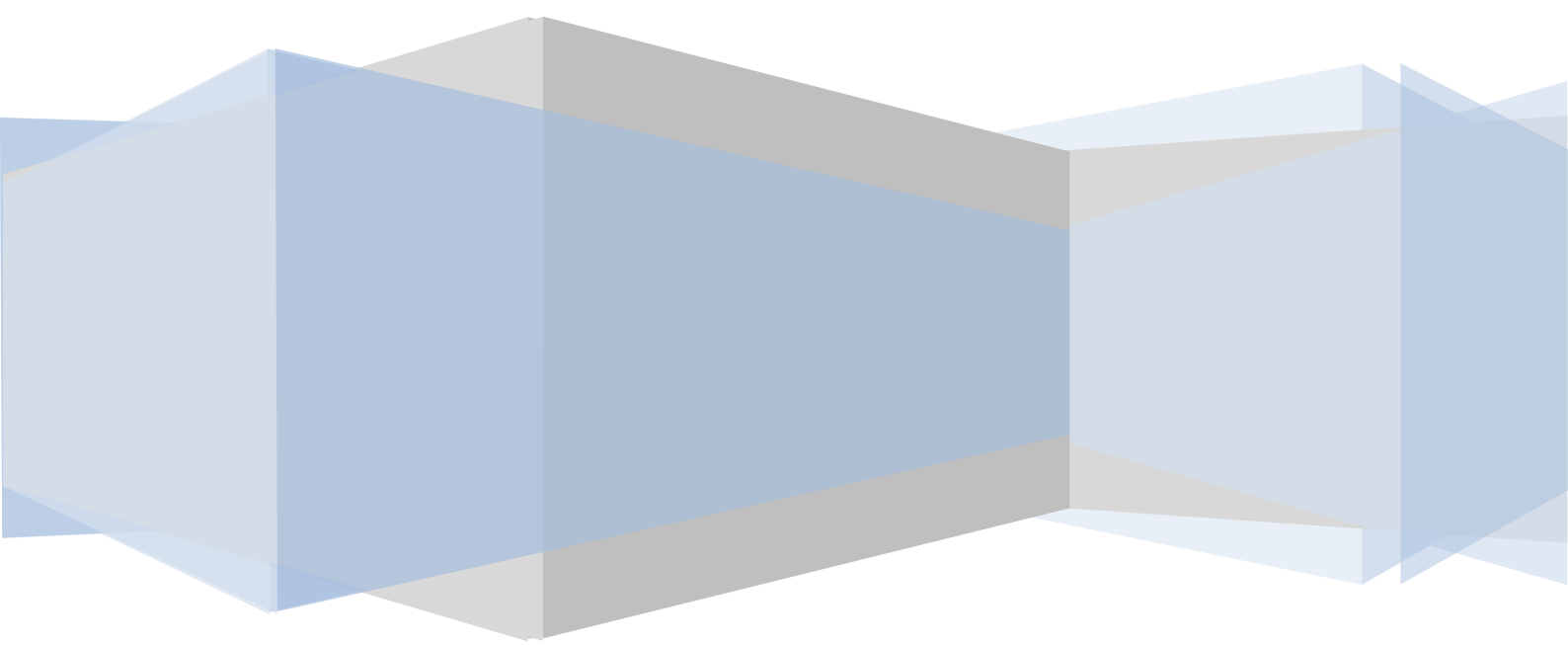


# Anti-Fraud Policy



**DOCUMENT CONTROL**

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Policy Author	Haitham Al-Sulmi, Senior IT Auditor & Fraud Manager
Point Of Contact	Fraud Manager
Enforcement Position Title(s)	Head of Internal Audit
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**Approval List**

Name	Role	Signature	Revision Date (DD-MMM-YYYY)	Remarks
Khaled Ismael	Chairman of Audit Committee			
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## **1.0 PURPOSE**

The purpose of this policy is to enable the company (MEDGULF) with proper controls that would deter, detect and mitigate fraudulent activities that impact the company.

It is also the intentions of this policy to encourage and instill within the employees fundamental values such as honesty, integrity and transparency.

## **2.0 SCOPE**

This policy applies but not limited to any activities associated with irregularities, or suspected irregularities, involving employees as well as shareholders, providers, brokers and agents, consultants, vendors, contractors, outside agencies, and/or any other parties with a business relationship with MEDGULF. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position or relationship to MEDGULF.

## **3.0 OBJECTIVE**

The main objective is to deter, detect and prevent fraud against MEDGULF as well as implementing controls, procedures and governance throughout all the lines of businesses within MEDGULF.

## **4.0 DEFINITIONS**

For the purpose of this policy, Fraud may be defined as the use of deception by an individual with the intention of obtaining an advantage for him/her self or for a third party or parties, avoiding an obligation, or causing loss to MEDGULF or another party.

Fraudulent behavior or fraud actions include but not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Embezzlement or theft.
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of company activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons securities activities engaged in or contemplated by the company
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the Company.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or any similar or related irregularity
- Any similar or related irregularity

## 5.0 POLICY STATEMENT

Fraudulent activities compromise MEDGULF in many ways, where it may be linked directly to a financial loss, have a severe impact towards its reputation and credibility within the market or may impair its capabilities to compete in the market.

The company shall promote high standards of fraud detection, prevention and observe zero tolerance to fraud as well as to ensure that relevant laws and regulations are applied including those internal controls designed to counter fraud.

Therefore, it is critical that all related parties to MEDGULF either internally or externally are required to comply with the following responsibilities:

- All employees are obligated to comply with this policy.
- All employees are expected to act in an honest and ethical manner, comply with legal and compliance requirements, and to protect the reputation of MEDGULF.
- All employees are expected to be alert for signs of fraudulent activity as they carry out their duties.
- All employees, managers, Senior Management and Board of Directors are responsible for the detection and prevention of fraud, misappropriations, and other irregularities.
- All employees who become aware of suspected fraudulent conduct must report the matter in accordance with this policy.
- All managers of MEDGULF shall lead by example in complying with this Anti-Fraud Policy.
- All employees shall be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity in relevance to their experience and training.
- The company shall establish control procedures to reduce the potential occurrence of fraud within their functional area of responsibility.
- All managers of MEDGULF must uphold fraud prevention strategies and ensure the maintenance of supporting processes within their functional area of responsibility.
- All managers of MEDGULF shall ensure that their employees attend related trainings to work ethics, compliance and fraud.
- All managers of MEDGULF shall notify direct or indirect interest parties internally or externally (employees, customers, agents, brokers, etc...) regarding this policy and their need to comply with it.
- Medgulf Human Resources Department shall perform necessary trainings to work ethics, compliance and fraud.
- Medgulf Human Resources Department shall perform customary background checks (education, work experience and criminal records) for individuals being considered for employment or for promotion to positions of trust.

## 6.0 FRAUD REPORTING

- Any employee who discovers or suspects a fraudulent activity shall immediately contact or inform his/her direct manager. The manager shall report this suspicion to the Fraud Unit within the Internal Audit Department immediately and validate it within 48 hours from the time of discovery.
- In case the person suspected is a manager then the employee should report directly to the Fraud Unit within the Internal Audit Department.
- All fraud cases involving management will be reported directly to the board of directors, who is responsible for the compliance of the company's fraud management strategy.
- The reporting employee or individual shall not under any circumstances contact or alert the suspected individual for gathering of any information or confirming his suspicions.
- The reporting individual shall not disclose any information or discuss the suspected fraudulent activity with anyone other than his manager or the Fraud Unit unless specifically asked by the Legal Department. Absolute discretion is a must in such cases as these are still accusations under investigations.

All enquiries or documents regarding suspicious activities or suspected fraudulent activities shall be communicated to the Fraud Unit within Internal Audit Department through the following email address:

- Email: [antifraud@medgulf.com.sa](mailto:antifraud@medgulf.com.sa)

It must be noted that it is important to engage the Fraud Unit within the Internal Audit Department in all cases of suspicions of fraudulent activity, however, any allegation made and found to be false or malicious with bad faith or intention shall have a counter repercussions against the individual making such allegations.

## **7.0 CONFIDENTIALITY**

- The Fraud Unit must treat all information's received regarding a suspicious fraudulent activity confidentially and with absolute secrecy. Sharing such information shall be limited to the related parties such as (Head of Internal Audit, Audit Committee, Senior Management, Head of Legal Department, Human Resources Department, Authorities and Regulators).
- All investigation results will be communicated only on a legitimate need to know basis and will not be disclosed or discussed openly.
- The Fraud Unit will protect the reporting individual identity to the best of its efforts, however, this may be revealed as part of the investigation process. Also, a statement by the individual may be required as part of evidence.

## **8.0 INVESTIGATIONS & TERMINATION**

- The Fraud Unit is responsible for the investigation of all suspected fraudulent activities.
- The Fraud Unit is responsible for providing the reports related to any fraudulent activities to the Head of Internal Audit and the Audit Committee.
- The fraud manager may assemble a team as required for the investigation of fraud cases.
- Members of the Investigation Unit will have free and unrestricted access to all Company employees, records and premises, whether owned or rented.
- The Fraud Unit would have the authority to recommend any action deemed necessary in result of the investigations.
- If an investigation results in a recommendation of termination then it must be reviewed and approved by the Legal Department and if necessary the Human Resources, trusted outside parties or relevant government authorities.
- The Fraud Unit does not have the authority to terminate any employee but it holds the responsibility to recommend when needed. The responsibility and decision to terminate an employee will be the responsibility of the Human Resources Department, the Legal Department and the Executive Management.

## 9.0 ADMINISTRATION

Fraud Manager is responsible for the administration, revision, interpretation, and application of this policy. This policy should be reviewed annually and may be revised as a result of one or a combination of the following reasons:

- changes in laws and regulations
- changes in functions and activities of the company
- changes in business processes
- changes in company organizational structure
- changes to the job roles, duties, and descriptions
- any other regulatory, strategic or operational changes

## 10.0 POLICY NON-COMPLIANCE / VIOLATIONS

Any breaches of this policy should be brought to the attention of the Head of Department.

Breaches of this policy will be investigated and may result in the matter being treated as a disciplinary offence under MEDGULF disciplinary policy & procedure.

## 11.0 ASSOCIATED DOCUMENTS

Document Name	Document Type
Internal Audit Manual	Manual
Fraud Process	Process
Fraud Procedures	Procedure
SAMA Regulations	Standards
NAZAHA Regulations	Standards

## 12.0 ROLES AND RESPONSIBILITIES

Party / Parties	Roles and responsibilities
Policy Owner	Accountable for the timely review, updating, and dissemination of policies in their functional area.
Fraud Manager	Accountable for managing the activities of the fraud registration, investigation and reporting.