

1. PURPOSE

The purpose of this procedure is to document the protocol regarding incidents of suspected Fraud and Irregularity that:

- (a) facilitates a timely and professional response to any suspicion or suggestion of Fraud or Irregularity;
- (b) provides for the assignment of responsibility for investigating the incident;
- (c) establishes a review process that helps ensure appropriate and consistent action is taken;
- (d) provides for review of the circumstances of the incident, addresses measures to prevent a recurrence, and implements any action needed to strengthen future responses to Fraud or Irregularity;
- (e) provides for the determination and securing of evidence necessary for disciplinary and/or criminal action;
- (f) establishes a basis on which external specialist(s) should be involved; and
- (g) keeps all relevant personnel suitably informed while respecting requirements for confidentiality.

2. PROCEDURE

2.1. Reporting Procedures

2.1.1. Suspected instances of Fraud or Irregularity must be reported as follows:

- 1. Employees should report suspected instances of Fraud or Irregularity to their immediate supervisor or the next appropriate management level. It is the responsibility of a supervisor or relevant manager/executive to ensure that the suspicion of Fraud or Irregularity is reported, in writing, to Banff Centre's Chief Financial Officer.
- 2. If an individual discloses a suspected instance of financial impropriety to a Governor, the Governor is to report the incident to Banff Centre's President and Chief Executive Officer who will inform the Chief Financial Officer and the General Counsel.
- 3. If the allegation of Fraud or Irregularity involves Banff Centre's financial department, the following protocol will apply:

- 3.1. For a disclosure of suspected impropriety involving an employee of the financial department, reporting will be to the Chief Financial Officer.
- 3.2. For a disclosure of suspected impropriety involving the Chief Financial Officer, reporting will be to the President and Chief Executive Officer and the General Counsel.
- 3.3. For a disclosure of suspected impropriety involving the Chief Financial Officer and the President and Chief Executive Officer, reporting will be to the Chair of the Board of Governor's Audit and Risk Committee and the General Counsel.
4. Reports must be made in writing and can be made openly, confidentially or anonymously. Reporting an allegation anonymously may affect Banff Centre's ability to conduct a competent investigation.
5. Any person(s) suspected of Fraud or Irregularity should not be confronted prior to commencement of the investigation process. Records related to the activity may need to be seized before the suspected person(s) becomes aware of any investigation.

2.2. Reporting Content

2.2.1. Reports of suspected Fraud or Irregularity should be as specific as possible and should include:

- (a) description of the nature of the suspected impropriety;
- (b) the name of the person(s) believed to have engaged in the impropriety;
- (c) the location/organizational unit where the incident occurred;
- (d) the dates of the incidents, if known;
- (e) dates when management was previously informed of the concern, if applicable;
- (f) outline how the concern was discovered;
- (g) include any documentation that may support the allegation;
- (h) include a detailed description of the incidents and any other relevant information, including any supporting documentation; and
- (i) provide contact information, if the allegation is not anonymous.

2.3. Responding to Reports

2.3.1. For all allegations of Fraud or Irregularity other than those involving the Chief Financial Officer and/or the President and Chief Executive Officer, Banff Centre's finance department has the primary responsibility for coordinating investigations of allegations of Fraud or Irregularity in consultation with the human resources department.

2.3.2. When a report is received, Banff Centre's Chief Financial Officer, in consultation with the General Counsel, will consider whether:

6. the allegations or suspicions, if true, constitute a Fraud or a serious or substantial violation under Banff Centre policy;
7. the information provided is specific enough to be investigated;
8. the subject matter is within Banff Centre's authority to investigate (i.e. the financial irregularity is within the jurisdiction of the institution to audit); and
9. the allegation contains directly, or points to, corroborating evidence that can give the allegation credibility.

2.3.3. If the above criteria are not met, the Chief Financial Officer shall provide a written decision to the Chair of the Audit and Risk Committee explaining why a review will not be undertaken and what alternative means of addressing the allegation are required (if any).

2.3.4. If the above criteria are met, a preliminary review into allegations of Fraud or Irregularity will be conducted by Banff Centre's finance department to determine if there are reasonable and probable grounds to warrant further investigation. The preliminary review will be conducted in a timely and confidential manner.

2.3.5. If Banff Centre's finance department confirms that there is sufficient cause or reason to continue, the Vice President, Talent Management and Culture will be informed of the incident. Should the incident involve the Vice President, Talent Management and Culture, or an employee reporting directly to the Vice President, Talent Management and Culture, the President and Chief Executive Officer will also be informed.

2.3.6. All parties to an investigation shall be treated fairly and in compliance with the Collective Agreement and applicable law.

2.3.7. All employees are required to be truthful and cooperative in investigations of allegations.

2.3.8. Requests for confidentiality, by those required to participate in an investigation, will be honoured to the extent reasonably possible.

2.3.9. Participants are entitled to protection from Retaliation for having participated in an investigation.

2.3.10. If, in the opinion of the Chief Financial Officer, Fraud is probable, such determination will be communicated to the Vice President, Talent Management and Culture and the President and Chief Executive Officer who will decide whether the employees suspected of such impropriety should be suspended or placed on leave, with or without pay, pending investigation.

2.3.11. The Chief Financial Officer will prepare a report for review by General Counsel prior to dissemination. Reports will be addressed to the Vice President, Talent Management and Culture and the President and Chief Executive Officer. A summary of the report shall be provided to the Chair of the Audit and Risk Committee.

2.3.12. Recommendations for improvements to internal controls that will assist in the prevention or detection of similar events will be reported.

2.3.13. Any decision to refer the investigation results to a law enforcement agency will be made by the President and Chief Executive Officer in consultation with the General Counsel.

2.3.14. The Vice President, Talent Management and Culture, or a representative, will provide guidance related to action (disciplinary) required as a result of any response to or investigation of Fraud or Irregularity. Any disciplinary action initiated as a result of an investigation pursuant to this procedure will adhere to the Collective Agreement.

2.3.15. The details of an investigation conducted pursuant to this procedure may be shared with an investigator assigned to conduct related disciplinary investigations.

2.3.16. If an allegation of Fraud or Irregularity involves the Chief Financial Officer and/or the President and Chief Executive Officer, or the allegation or complaint cannot, for any reason, be satisfactorily examined and dealt with through these procedures, the Audit and Risk Committee of the Board of Governors has final responsibility for determining an alternative approach.

2.4. Confidentiality

2.4.1. Suspected Fraud or Irregularity may be reported in confidence. Confidentiality, however, is subject to the provisions of the *Freedom of Information*

and Protection of Privacy Act (Alberta), other legislation, and Banff Centre's policies and procedures.

2.4.2. All participants in a Fraud or Irregularity investigation shall keep the details and results of the investigation confidential. The details and results of investigations should not be disclosed or discussed with anyone other than those personnel associated with Banff Centre who have a legitimate need to know such results in order to perform their duties and responsibilities or as otherwise required by the Fraud and Irregularity Policy and these Procedures.

2.4.3. It is recognized that investigators of incidents will share information with senior management, the Audit and Risk Committee of the Board of Governors, the Board of Governors, Banff Centre solicitors and/or law enforcement agencies.

3. DEFINITIONS

Banff Centre Community. Includes those persons involved in or associated with, Banff Centre or its affairs including all artists, contractors, consultants, employees, faculty, participants, volunteers, members of the Board of Governors, and members of the Board of Directors of The Banff Centre Foundation, while they are: on or using Banff Centre property; participating in Banff Centre programs, events or activities (whether virtual or in person); or acting on behalf of Banff Centre.

Fraud. A deliberate and/or unlawful deception, misrepresentation or concealment of facts practiced to secure advantage, benefit or gain and/or to cause loss to another. Examples of fraud for the purposes of this policy include: misrepresentation of material facts; concealment of material facts; bribery; undeclared conflict of interest; theft of money or property; theft of intellectual property; theft of identity including inappropriately identifying as an indigenous person; breach of fiduciary duty; statutory offences.

Irregularity. An activity or potential activity that deliberately disregards Banff Centre policies or procedures including, but not limited to, the Code of Conduct: Employees or Code of Conduct: Board of Governors. Irregularity includes concerns regarding questionable accounting or auditing matters within Banff Centre.

Members of the Banff Centre Community. Those persons involved in conducting Banff Centre affairs including all registered participants, faculty, employees, volunteers, contractors, Directors and Governors.

Retaliation. Taking, threatening or attempting to take any adverse action against a Member of the Banff Centre Community because that person has made a disclosure, supported a disclosure, provided information to Banff Centre about a disclosure, participated in an investigation of a disclosure, or pursued their rights under this policy or applicable

legislation. Retaliation includes, but is not limited to, social aggression and physical and psychological violence.

4. ASSOCIATED POLICY / PROCEDURE

- Fraud and Irregularity Policy

5. RELATED POLICIES, FORMS, AND OTHER DOCUMENTS

- Codes of Conduct / Code of Ethics (Employees, Participants, and Boards)
- Ethical Conduct and Safe Disclosure Policy and Procedures

6. APPROVAL AUTHORITY

President and Chief Executive Officer

7. ACCOUNTABILITY

Chief Financial Officer

8. POLICY HISTORY

- 8.1. Approved:** May 13, 2024
- 8.2. Effective:** February 15, 2024
- 8.3. Review Frequency:** Three (3) Years
- 8.4. Next Review:** May 2027

8.5. Modification History

| Date | Modification |
|-------------------|----------------|
| February 15, 2024 | New Procedure. |