



**DfC**

Department  
for Communities

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# Fraud Response Plan

May 2019

# Document Management

## (1) Summary

The purpose of this section is to provide details of the officials, versions and controls relating to the management of the **Fraud Response Plan** document.

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**Guidance – Corporate Investigations Unit – Current Policies and Procedures – 2016–18**

## (2) Key Personnel

Role	Name	Grade	Responsibility
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Owner	Jennifer McBride	G7	Approval

## (3) Document Status History

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# 1. Introduction

1.1 As outlined in the Department's Fraud Policy, all staff at all times are required to act honestly and with integrity and to safeguard the public resources for which they are responsible. The Department will not accept any level of fraud or corruption; consequently, any case of suspected fraud will be thoroughly investigated and dealt with appropriately. The Department has prepared this Fraud Response Plan to act as a procedural guide for required actions, which **must** be followed, in the event of a suspicion of fraud either actual or attempted.

1.2 It is important that managers and others know what to do in the event of a fraud or suspected fraud so that appropriate action can be taken without delay. The objective of this Fraud Response Plan is to ensure that all suspicions of fraud are reported and that timely and effective action is taken to prevent loss of funds or other assets, identify the person(s) responsible and maximise the Department's ability to take successful disciplinary and/or legal action. This plan forms part of the Department's Fraud Policy.

# 2. Scope

2.1 This plan should be invoked immediately where suspicions of fraud have been raised. Benefit fraud is outside the scope of this plan as the Department has separate arrangements in place for dealing with benefit fraud. These are detailed in the Benefit Fraud Response Plan.

2.2 If in doubt, advice should be sought from the Department's Governance Unit.

## 3. Initiating Action

3.1 In the event of an act of fraud being suspected, departmental staff have a duty to immediately report the matter to a line manager, who should notify their Head of Branch. If there is concern that line management may be involved, the matter should be reported to the next appropriate level. If a member of staff is unable to approach management, matters may be reported directly to the Departmental Nominated Officer in line with the Department's Raising Concerns (Whistleblowing) guidance.

3.2 After a suspicion has been raised, prompt action is essential. Line management, normally the Head of Branch, must undertake discreet preliminary enquiries to enable them to determine if further investigation is necessary. **It is imperative that such enquiries do not prejudice subsequent investigations or corrupt evidence, therefore, IF IN DOUBT, ASK FOR ADVICE.** Governance Unit can be

contacted for advice on how to proceed at the preliminary enquiry stage and on what further enquiries, if any, are necessary.

3.3 If, on examination of the information gathered during the discreet preliminary enquiries, it is determined that fraud is not suspected, the Head of Branch should record their preliminary enquiries and conclusions and notify Governance Unit.

3.4 If the Head of Branch is satisfied that there is a possibility that fraud may have occurred or may have been attempted, this must be referred to the Department's Governance Unit for full investigation. A referral form (**Appendix 1**) is attached; this must be completed as soon as possible, forwarded to the Department's Head of Governance.

## 4. Management Responsibility

4.1 When a case has been referred to Governance Unit, local management must consider if the circumstances pose an increased risk to their business. They must consider what action they deem necessary to minimise the risks, which may include moving a member of staff to other duties or restricting access to departmental computer systems.

4.2 In making such decisions, local management must liaise with Governance Unit to ensure that any actions being considered do not impede the investigation.

4.3 Local management may also wish to liaise with NICS HR.

## 5. Responsibility for Investigation

5.1 On receipt of a referral under the provisions of paragraph 3.4, the Head of Governance Unit will assess the referral to ensure that (a) it is appropriate to the Department and (b) the nature of the allegation constitutes fraud. If it is determined that a **prima facie** case of fraud exists, the case will be accepted for full investigation. The Department's Head of Governance will decide the most appropriate means of investigation and maintain oversight of the progress of investigations.

5.2 In general, most cases will be passed to the Group Fraud Investigation Service (GFIS) for investigation, however in some cases, Governance Unit will support business areas to undertake their own investigations. All cases relating to staff will be passed to NICS HR for investigation.

## 6. Notification of Fraud

6.1 Managing Public Money Northern Ireland (MPMNI) Annex A.4.7.8 requires Departments to report immediately, to the Department of Finance (DoF) and the Comptroller & Auditor General (C&AG), all frauds (proven or suspected), including attempted fraud. Governance Unit will report on behalf of the Department and its Arm's-length Bodies

(ALBs) with the exception of benefit fraud which is reported by the Department's Benefit Security Fraud and Compliance Operations and tenancy fraud which is reported by the Northern Ireland Housing Executive (NIHE). The report should be made by completing the fraud notification template (**Appendix 2**).

## 7. Conducting Investigations

7.1 Governance Unit will decide the scope of the investigation, determine the way forward and monitor progress. A Terms of Reference will be drawn up for each investigation. In taking forward an investigation, Governance Unit may engage additional expertise if required and consult with the Police Service of Northern Ireland (PSNI), as required.

7.2 All staff have a responsibility to co-operate with requests for assistance during the course of an investigation. Investigations will take account of good practice guidance which is available on the DoF Accountability and Financial Management Division [website](#).

7.3 Cases where potential criminality is uncovered will be referred to the PSNI. All PSNI referrals will comply with the guidance set out in the Acceptance Criteria and Evidence Pack, which forms part of the Memorandum of Understanding between the Northern Ireland Public Sector and the PSNI.

## 8. Action on Conclusion of an Investigation

8.1 On conclusion of an investigation a written report will be prepared. Where appropriate the report will cover:

- quantification of losses;
- any control issues identified;
- if the report is being referred to NICS HR for consideration of disciplinary action;
- if the report is being referred to the PSNI for consideration of prosecution; and
- any follow up report to Internal Audit in respect of control matters identified

8.2 Where appropriate, control issues identified should be used by management to review and enhance controls and procedures.

8.3 Where an act of fraud has been perpetrated or attempted, or where it is likely that a criminal act has taken place, Governance Unit will refer the case to the PSNI in line with the Memorandum of Understanding between the Northern Ireland Public Sector and the PSNI.

## 9. Statement of Complaint

9.1 Following referral to the PSNI, as outlined in paragraph 8.3, it may be necessary at a later time to provide a Statement of Complaint to the PSNI.

## 10. Disciplinary Procedures and the Recovery of Losses

10.1 Where an irregularity has been committed by a member of staff NICS HR will consider disciplinary procedures against the individual(s) involved.

10.2 Recovering losses is a major objective of any investigation. Governance Unit will ensure that, where possible, the amount of any loss is quantified.

10.3 Recovery of losses should be sought in all cases. NICS HR will seek repayment of losses in the case of fraud perpetrated by members of staff. The relevant business area

will take any action necessary in respect of other losses. This may include pursuing recovery through appropriate legal channels where the loss is considered substantial and further legal action may be necessary. The Department would normally expect to recover costs in addition to losses.

10.4 Any offence which generates proceeds is capable of attracting criminal confiscation. Assets recovery will be considered, where appropriate, either through the criminal process or civil courts.

## 11. Review of Fraud Response Plan

11.1 The Department will conduct a review of this Fraud Response Plan biennially or more frequently if required, to ensure that it reflects changes which may be necessary to strengthen future responses by the Department

to fraud and to ensure that the procedures reflect current best practice. The plan will be updated accordingly and where any changes are to be made, these will be brought to the Departmental Board for endorsement.

## Appendix 1

# Referral Form for Suspected Fraud

Please e-mail the completed referral to

[andrea.orr@communities-ni.gov.uk](mailto:andrea.orr@communities-ni.gov.uk)

Copy to:

[gary.millar@communities-ni.gov.uk](mailto:gary.millar@communities-ni.gov.uk)

Date:

### For the urgent attention of:

Andrea Orr  
Governance Unit  
5th Floor  
NINE Lanyon Place  
Lanyon Quay  
Belfast, BT1 3LP

Details of Officer referring case:	
Name:	
Grade:	
Location:	
Telephone:	
Email:	

**If the suspected fraud is thought to involve a member of Departmental staff, please provide the following staff information:**

Name	
Payroll Number	
Grade	
Location	
Job Role	

**Is the referral as a result of allegations made a Whistleblower?** Yes No

**What is the background to the case? Please provide details of the allegation / irregularity**

**Please provide details of discreet preliminaries enquiries undertaken**

**If the case is related to grant funding, please provide details of all current funding by the Department and other sources (if known)**

**Detail any hard copy documents / attachments to be forwarded in support of this referral**

## Appendix 2

# Initial Fraud Notifications to Department of Finance (DoF) and Northern Ireland Audit Office (NIAO)

The information below is required if known at the date of reporting. Where such details are not known at the time of reporting “not known” should be entered in the relevant section.

Departmental fraud reference number (unique identifier)	
Reporting Department	
Reporting ALB	
Name of body (e.g. specific Board, Trust, NDPB, ALB, Agency etc) with suspected fraud.	
Is this body a charitable organisation? i.e. listed on the Charities Commission NI website	
Is the body a community and voluntary group? i.e. is it recorded on the Government Funded database	
Details of funding on the GFD	
Specific location of fraud (eg name of school, name of depot etc)	

<b>Date fraud or suspected fraud discovered</b>	
<b>Is the case being reported as actual, suspected or attempted fraud?</b>	
<b>Type of fraud?</b>	
<b>What was the cause of the fraud?</b>	
<b>Brief outline of case</b>	
<b>Amount of lost or estimated value?</b>	
<b>How was the fraud discovered?</b>	
<b>Who perpetrated the fraud?</b>	
<b>Has PSNI been notified?</b>	
<b>Any other action taken so far?</b>	
<b>Please give contact details for this fraud in case follow-up is required and for contact details reporting on the Government Funding Database</b>	

## Notes

1. Types of fraud
Grant related
Theft of assets (please state type of asset eg cash, laptop, oil, tools, camera)
Payment process related
Income related
Pay or pay related allowances
Travel and subsistence
Pension fraud
Contractor fraud
Procurement fraud
False representation
Failure to disclose information
Abuse of position
Other (please specify)

2. Causes of fraud
Absence of proper controls
Failure to observe existing controls
Opportunistic
Unknown

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### 3. Means of discovery of fraud

Normal operation of control procedures

Whistleblowing (internal or external)

Internal Audit

External

Computer analysis/National Fraud Initiative

Other means (please specify)

### 4. Perpetrators of Fraud

Internal staff member

Contractor

Funded body/grant applicant

Other third party (please specify)

Collusion between internal and external parties

Too early to determine

Unknown

### 5. Other actions taken

Controls improved

Control improvements being considered

Too early to determine

No action possible

Disciplinary action

Prosecution

Available in alternative formats.