



Anti-fraud Policy

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1. Introduction

- 1.1. The Commission for Victims and Survivors for Northern Ireland (the Commission) requires all staff at all times to act honestly and with integrity and to safeguard the public resources for which they are responsible.
- 1.2. The Commission will not accept any level of fraud or corruption; consequently, any case will be thoroughly investigated and dealt with appropriately.
- 1.3. The Commission is committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk.

2. The Seven Principles of Public Life

- 2.1. The 7 principles of public life apply to anyone who works as a public office-holder. This includes people who are elected or appointed to public office, nationally and locally, and all people appointed to work in:
 - the civil service
 - local government
 - the police
 - the courts and probation services
 - non-departmental public bodies
 - health, education, social and care services
- 2.2. The Principles are;
 - Selflessness - Holders of public office should act solely in terms of the public interest.
 - Integrity - Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
 - Objectivity - Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias
 - Accountability - Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
 - Openness - Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
 - Honesty - Holders of public office should be truthful.
- 2.3. Leadership - Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs. The principles are the basis of the ethical standards expected of public office holders and Commission employees are expected to adhere to these principles..

3. What is Fraud?

- 3.1. Fraud is the obtaining of financial advantage or causing of loss by implicit or explicit deception: it is the mechanism through which the fraudster gains unlawful advantage or causes unlawful loss.
- 3.2. The term 'fraud' is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.
- 3.3. The Fraud Act 2006 includes three classes of fraud. In all three classes of fraud, the Act requires that for an offence to have occurred, the person must have acted dishonestly, and that they had to have acted with the intent of making a gain for themselves or anyone else, or inflicting a loss (or risk of a loss) on another. There are also offences of fraud specific to the particular activities of the Commission.
- 3.4. There are a number of criminal offences that relate to what we might commonly term as 'fraud' and are covered by the Theft Act (NI) 1969 and the Theft (NI) Order 1978.
- 3.5. However, the Fraud Act 2006 created a new general offence of fraud with three possible ways of committing it.
 - (i) Fraud by false representation i.e. if an individual dishonestly makes a false representation and intends by making the representation to make a gain for himself or another, or to cause loss to another or expose another to risk of loss.
 - (ii) Fraud by failing to disclose information i.e. if an individual dishonestly fails to disclose to another person information which he is under a legal duty to disclose and intends, by means of abuse of that position, to make a gain for himself or another, or to cause loss to another or expose another to risk of loss.
 - (iii) Fraud by abuse of position i.e. if an individual occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person, and he dishonestly abuses that position, and intends, by means of the abuse of that position, to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.
- 3.6. The Fraud Act 2006 supplements the Theft Act (NI) 1969 and the Theft (NI) Order 1978, which have traditionally been used to cover acts of fraud.

4. Responsibilities

- 4.1. Annex 4.7 of 'Managing Public Money Northern Ireland (MPMNI) sets out responsibilities in relation to fraud.
- 4.2. The Accounting Officer is responsible for establishing and maintaining a sound system of internal control that supports the achievement of the Commission's policies, aims and objectives.
- 4.3. The system of internal control is designed to respond to and manage the whole range of risks that an organisation faces. The system of internal control is based on an on-going

process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk will be seen in the context of the management of this wider range of risks.

- 4.4. The Accounting Officer within the Commission is the Secretary to the Commission.
- 4.5. Overall responsibility for managing the risk of fraud has been delegated to the Secretary to the Commission. Although the Secretary bears overall responsibility and is liable to be called to account for specific failures, these responsibilities fall directly on line management and may involve individual staff. Responsibilities include;
- (i) Developing a fraud risk profile and undertaking a regular review of the fraud risks associated with each of the key organisational objectives in order to keep the profile current
 - (ii) Establishing an effective anti-fraud policy and fraud response plan, commensurate to the level of fraud risk identified in the fraud risk profile
 - (iii) Designing an effective control environment to prevent fraud commensurate with the fraud risk profile
 - (iv) Establishing appropriate mechanisms for:
 - Reporting fraud risk issues
 - Reporting significant incidents of fraud to the office of the first minister and deputy first minister (OFMDFM)
 - Coordinating assurances about the effectiveness of anti-fraud policies to support the statement of internal control
 - (v) Liaising with the Audit and Risk Committee
 - (vi) Making sure that all staff are aware of the anti-fraud policy and know what their responsibilities are in relation to combating fraud
 - (vii) Ensuring that appropriate anti-fraud training and development opportunities are available to appropriate staff in order to meet the defined competency levels
 - (viii) In consultation with OFMDFM, ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected
 - (ix) In consultation with OFMDFM, taking appropriate legal and/or disciplinary action against perpetrators of fraud
 - (x) In consultation with OFMDFM, taking appropriate disciplinary action against supervisors where supervisory failures have contributed to the commission of fraud
 - (xi) Taking appropriate disciplinary action against staff who fail to report fraud
 - (xii) Taking appropriate action to recover assets
 - (xiii) Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.
- 4.6. Line managers are responsible for;
- (i) Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively
 - (ii) Preventing and detecting fraud
 - (iii) Assessing the types of risk involved in the operations for which they are responsible
 - (iv) Reviewing and testing the control systems for which they are responsible regularly
 - (v) Ensuring that controls are being complied with and their systems continue to operate effectively
 - (vi) Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

4.7. Internal audit is responsible for;

- (i) Delivering an opinion to the Accounting Officer on the adequacy of arrangements for managing the risk of fraud and ensuring that the Commission promotes an anti-fraud culture
- (ii) Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure/risk in the various segments of the department's operations
- (iii) Ensuring that management has reviewed its risk exposures and identified the possibility of fraud as a business risk
- (iv) Assisting management in conducting fraud investigations.

4.8. Every member of staff is responsible for;

- (i) Acting with propriety in the use of official resources and the handling and use of public funds whether they are involved with cash or payments systems, receipts or dealing with suppliers
- (ii) Conducting themselves in accordance with the seven principles of public life set out in the first report of the Nolan Committee "Standards in Public Life". They are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership
- (iii) Being alert to the possibility that unusual events or transactions could be indicators of fraud
- (iv) Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events
- (v) Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

5. Internal Audit

5.1. Internal Audit is responsible for:

- (i) Delivering an opinion to the Accounting Officer on the adequacy of arrangements for managing the risk of fraud and ensuring that the organisation promotes an anti-fraud culture
- (ii) Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure/ risk in the organisation's various operations
- (iii) Ensuring that management has reviewed its risk exposures and identified the possibility of fraud as a business risk.

6. Audit and Risk Committee

6.1. The Audit and Risk Committee is responsible for advising the Accounting Officer and the Board on:

- (i) Management's assessment of the organisation's risk from fraud and the appropriateness of their response to it
- (ii) The organisation's anti-fraud policies and arrangements, whistleblowing procedures and arrangements for investigations.

7. Avenues for Reporting Fraud

- 7.1. The Commission has in place avenues for reporting suspicions of fraud.
- 7.2. Staff should report such suspicions to the Corporate Services Manager, the Head of Corporate Services, the Head of Policy, Development and Research or the Secretary to the Commission.
- 7.3. Alternatively, staff can report suspicions directly to the Commissioner, or to the Chair of the Audit and Risk Committee, the Head of Internal Audit or raise such matters through the Commission's whistleblowing arrangements (See Appendix A)
- 7.4. All matters will be dealt with in confidence and in strict accordance with the terms of the Public Interest Disclosure (Northern Ireland) Order 1998. This statute protects the legitimate personal interests of staff.
- 7.5. Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud discovered or reported.

8. Fraud Response Plan

- 8.1. The Commission's sponsorship department, OFMDFM, has a Fraud Response Plan that sets out how to report suspicions, how investigations will be conducted and concluded.
- 8.2. This plan forms part of the Commission's anti-fraud policy.
- 8.3. The Commission may avail of this plan. Appendix B outlines what should be covered in a Fraud Response Plan

9. Conclusion

- 9.1. The circumstances of individual frauds will vary. The Commission takes fraud very seriously. All cases of actual or suspected fraud will be vigorously and promptly investigated and appropriate action will be taken.

10. Variation

- 10.1. The Commission reserves the right to vary this Policy as it deems appropriate to include compliance with any legal requirements.

Appendix 1

Fraud Response Plans

A fraud response plan should cover the following areas;

- 1.1. Instructions on the action required at the point of discovery
- 1.2. To whom the fraud or suspicion of fraud should be reported in the first instance, for example this may be a line manager.
- 1.3. How the Commission should investigate the fraud and who will lead the investigation; depending on the nature of the fraud special investigators, internal auditors who have been trained in fraud investigation; techniques or a fraud unit may be used; the facts should be established quickly by the operational managers; any threat of further frauds or losses should be removed immediately, for example, by changing procedures or suspending payments
- 1.4. How to secure evidence without alerting suspects at the outset of the investigation
- 1.5. How to secure the evidence in a legally admissible form (e.g. evidence must be carefully preserved; it should not be handled and no marks made on original documents; a record should be kept of anyone handling evidence)
- 1.6. Guidance about dealing with employees under suspicion (e.g. prompt action must be taken; action to suspend or dismiss an employee should be taken in conjunction with the personnel department; employees under suspicion who are allowed to remain on the premises must be kept under constant surveillance; make an immediate search of the suspects work area, filing cabinets, computer files)
- 1.7. Guidance about interviewing (e.g. decisions about interviewing suspects must be made by senior management; if the Police are to be used they must be involved at an early stage; all interviews must be conducted properly controlled conditions in order to ensure that any statement taken and subsequently used as evidence in a court case will not be rejected as inadmissible; the guidelines and code of conduct for interviewing suspects issued under PACE should be applied)
- 1.8. When and how to contact the Police. Any decision about involving the Police must be taken by senior management. A record of police contacts should be recorded in this section
- 1.9. Guidance about recovering assets (e.g. action to trace and freeze assets; action to prevent the release of assets; obtaining search orders)
- 1.10. What experts to contact for advice (e.g. insurers, regulatory body, parent department, solicitors, accountants). There should be a list of these and contact details in this section. The right experts should be involved from the start
- 1.11. Advice about briefing those with responsibility for dealing with the media (e.g. must tell them precisely what information they can release, instruct them to maintain a record of what information was released and to whom)
- 1.12. How to mitigate the threat of future fraud by taking appropriate action to improve controls

- 1.13. How to disseminate the lessons learned from the experience in cases where there may be implications for the organisation as a whole.
- 1.14. An effective fraud response plan should be closely tailored to each organisation's circumstances. It should reflect the likely nature and scale of losses.