



## DEPARTMENT OF EDUCATION

### FRAUD PREVENTION POLICY

**Version 4**

**February 2017**



The [\*\*Fraud Prevention Policy\*\*](#) provides full details of Departmental, line manager and individual staff responsibilities in the prevention of fraud.

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## **1. INTRODUCTION**

- 1.1 Fraud is an ever-present threat, has many forms and is always damaging. It takes away valuable resources that could be used elsewhere. Fraud is not only illegal but it also creates a very real threat to the resources available to the Department of Education and its Education Partners.
- 1.2 By identifying areas where the risk of fraud exists, detecting fraud which has already occurred, taking firm action against the perpetrators and designing systems to prevent the occurrence of fraud in all its forms, this Fraud Prevention Policy Statement aims to develop a culture across the Department and its partners which raises the awareness of the risks and consequences of fraud. It provides a framework for promoting the Department's policies and measures to prevent and detect fraud.
- 1.3 This Statement covers fraud and loss within the Department and applies to staff, members of the public and contractors.

## **2. PROMOTING AN ANTI-FRAUD CULTURE**

- 2.1 The Department requires all staff at all times to act honestly and with integrity, and to safeguard the public resources for which they are responsible. Members of staff at all levels are encouraged to actively participate in protecting public money and property.
- 2.2 The Department takes a **zero tolerance** approach to fraud. All suspected frauds and allegations (including anonymous ones) will be thoroughly investigated and the appropriate legal and / or disciplinary action will be taken, where it would be justified.

- 2.3 The Department handles all incidents of suspected fraud consistently without regard to the position held by the member of staff or the length of their service. It will also consider if supervisory failures contributed to the occurrence of the fraud; if it is established line managers were negligent in discharging their duties, they could face disciplinary action as well as the member of staff responsible for committing the fraud.
- 2.3 The Department is also committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk and will make the necessary system and procedural changes where the potential for fraud has been identified or has occurred.
- 2.4 As a deterrent to those intending to commit fraud and as a means of highlighting key issues regarding fraud cases, the Department publishes an Annual Fraud Report which reviews the incidences of fraud reported within the Education Sector during the year and provides details on the categories of fraud, the perpetrators, the cost, causes and action taken to recover losses.

### **3. DEFINITION OF FRAUD**

- 3.1 The Fraud Act 2006 introduced a general offence of Fraud with three possible ways of committing it: fraud by false representation; fraud by failing to disclose information; and fraud by abuse of position <http://www.legislation.gov.uk/ukpga/2006/35/contents>.
- 3.2 For the purposes of this statement fraud is defined as the use of deception with the intention of gaining an advantage, avoiding an obligation or causing loss to another party. For practical purposes fraud may include such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. The

criminal act is the attempt to deceive; attempted fraud is therefore treated as seriously as accomplished fraud.

- 3.3 Fraud can be committed in an infinite number of ways including: travel and other expenses irregularities; misappropriation of funds; deliberate falsification of time or other records; altering, concealing or destroying manual or computer records; the misuse of computer facilities or changing computer programs. The suspicion that any of these acts has taken place should be regarded as potentially fraudulent and dealt with as such. A more comprehensive list of the ways fraud can be committed can be found in [Appendix C](#).

#### **4. THE DEPARTMENT'S RESPONSIBILITIES**

- 4.1 The Department's full range of responsibilities in relation to fraud is set out in Annex 4.7 of Managing Public Money, Northern Ireland (MPMNI) <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/a.4.7-fraud.pdf>. Its main responsibilities are:

- The development and maintenance of effective controls to prevent and detect fraud;
- To carry out vigorous and prompt investigations if fraud occurs. This will include ensuring that staff who carry out fraud investigations are properly trained;
- To take appropriate legal and / or disciplinary action against perpetrators of fraud;
- To consider disciplinary action where supervisory failures have contributed to the commission of fraud; and
- To establish and maintain systems for recording and subsequently monitoring all discovered cases of fraud.

- 4.2 In the formulation of policy, legislation and related guidance, and in the design of working systems, the Department must ensure that:

- The prevention of loss and fraud is taken into account;
  - The risk of fraud and loss are assessed when changes are being considered; and
  - Weaknesses are identified and rectified when the opportunity arises.
- 4.3 The Department must also regularly review its policies, legislation and related guidance to ensure that appropriate measures for combating fraud are maintained.

## **5. THE ACCOUNTING OFFICER**

The Accounting Officer is responsible for establishing and maintaining a sound system of internal control that supports the achievement of Departmental policies, aims and objectives. The system of internal control is designed to respond to and manage the whole range of risks that the Department 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.

## **6. THE DEPARTMENT'S FINANCE DIRECTOR**

Overall responsibility for managing the risk of fraud has been delegated to the Department's Finance Director. Their responsibilities (many of which are executed on their behalf by Internal Audit) include:

- Ensuring that a fraud risk profile is developed by management and that regular review of the fraud risks associated with each of the key

organisational objectives is undertaken in order to keep the profile current;

- Establishing an effective Fraud Prevention Policy and Fraud Response Plan, commensurate to the level of fraud risk identified in the fraud risk profile;
- Developing appropriate fraud targets – in the Business Plan, Public Service Agreement and / or Priorities for Action;
- Ensuring that management design an effective control environment to prevent fraud commensurate with the fraud risk profile;
- Establishing appropriate mechanisms for:
  - (i) Reporting fraud risk issues;
  - (ii) Reporting significant incidents of fraud to the Accounting Officer;
  - (iii) Reporting to DoF and Comptroller and Auditor General (C&AG) in accordance with MPMNI, Annex 4.7; and,
  - (iv) Coordinating assurances about the effectiveness of fraud prevention policies to support the Governance Statement.
- Liaising with the Departmental Audit and Risk Management Committee;
- Ensuring that all staff are aware of the organisation's Fraud Prevention Policy and know what their responsibilities are in relation to combating fraud;
- Developing skill and experience competency frameworks in relation to fraud investigation;
- Ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected; and
- Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.

## **7. THE STRATEGIC BUSINESS PARTNER FOR DE RESPONSIBILITIES**

The Strategic Business Partner for DE is responsible for ensuring:

- Staff adhere to the NICS Code of Ethics and the NICS Standards of Conduct and that the appropriate action is taken against members of staff in the event of suspected breaches;
- Development of Departmental guidance concerning the acceptance of gifts and hospitality;
- Anti-fraud awareness training is provided within the Department as identified in Personal Development Plans;
- The appropriate legal and / or disciplinary action is taken against perpetrators of fraud;
- Where appropriate, disciplinary action is taken against supervisors where supervisory failures have contributed to the commission of fraud;
- Where appropriate, disciplinary action is taken against staff who fail to report fraud; and
- The appropriate action is taken to recover assets.

## **8. LINE MANAGEMENT RESPONSIBILITIES**

8.1 Line Managers are responsible for ensuring that an adequate system of internal controls exists within their areas of responsibility and that controls operate effectively. Responsibility for the prevention and detection of fraud, therefore, rests primarily with management and they need to:

- Assess the types and scale of risk involved in the business area for which they are responsible;

- Ensure that adequate systems of internal control exist within their areas of responsibility, taking into account the scale of the risk in the particular business area;
  - Ensure that controls are being complied with - this will include testing the controls and maintaining a record of all such tests;
  - When new systems are introduced, or amendments made to existing systems, risks are re-assessed and good controls are built in to manage the risk of fraud; and
  - Where a fraud has occurred, or has been attempted, controls are reviewed and new controls are implemented as necessary to reduce the risk of fraud re-occurring.
- 8.2 Line managers must ensure that the opportunities for staff to commit fraud are minimised. In terms of establishing and maintaining effective controls it is desirable that:
- There is regular rotation of staff, particularly in key posts;
  - Wherever possible there is a separation of duties so that control of a key function does not rest with one individual;
  - Backlogs are not allowed to accumulate; and
  - In designing a new system, consideration is given to building safeguards to prevent and / or detect internal and external fraud.

## **9. STAFF RESPONSIBILITIES**

- 9.1 Every member of staff has a duty to ensure that public funds are safeguarded and is responsible for:
- a) Acting with propriety in the use of official resources and the handling and use of public funds in all instances;
  - b) Conducting themselves in accordance with the Nolan Committee Standards in Public Life [Appendix A](#), i.e. selflessness, integrity, objectivity, accountability, openness, honesty and leadership; and

- c) Being vigilant to the possibility that unusual events or transactions could be indicators of fraud and altering their line manager where they believe the opportunity for fraud exists. [Appendix B](#) provides examples of indicators of fraud. Common methods and types of fraud are detailed in [Appendix C](#).
- 9.2 It is the responsibility of every member of staff to report details to their line manager or Internal Audit if they suspect that a fraud has been attempted, committed or see any suspicious acts or events. The Public Interest Disclosure (NI) Order 1998  
<http://www.legislation.gov.uk/nisi/1998/1763/contents/made> protects the rights of staff who report wrongdoing. The Department has implemented a Raising Concerns at Work Policy to reassure members of staff that it is safe and acceptable to speak up and to help ensure that concerns are raised at an early stage and in the right way. The Raising Concerns at Work Policy is available via the following link <https://www.education-ni.gov.uk/publications/raising-concerns-work-whistleblowing-policy> .
- 9.3 It is also essential that members of staff:
- Assist any investigations by making available all relevant information, by cooperating in interviews and if appropriate provide a witness statement;
  - Inform line management of any outside interest which might impinge on their discharge of duties; and
  - Do not accept gifts from a third party, which might be seen to compromise their integrity. Departmental guidance on gifts and hospitality is detailed in DE Office Circular 1 of 2016 which can be found in [TRIM Ref: ED1/16/153037](#).

## **10. INTERNAL AUDIT'S RESPONSIBILITES**

- 10.1 Internal Audit is responsible for discharging many of the functions in [Section 6](#) on behalf of the Finance Director. It is also responsible for the provision of an independent and objective opinion to the Accounting Officer on risk management, control and governance. The adequacy of arrangements for managing the risk of fraud and ensuring the Department promotes and anti-fraud culture is a fundamental element in arriving at that overall opinion.
- 10.2 Internal Audit is not responsible for the prevention or detection of fraud as this responsibility primarily lies with line managers. However, Internal Auditors are alert in all their work to risks and exposures that could allow fraud. Individual audit assignments, therefore, are planned and prioritised to assist in deterring and preventing fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure / risk. Risk and Control Frameworks are also reviewed as a constituent part of each audit assignment to ensure that management have reviewed their risk exposures and, where appropriate, identified the possibility of fraud as a business risk.

## **11. DISCIPLINARY AND PROSECUTION POLICY, AND THE RECOVERY OF LOSSES**

- 11.1 After proper investigation the Department will take disciplinary and / or legal action in all cases where it is appropriate to do so. Departmental policy is that:
- Proven Frauds, whether perpetrated by staff or persons external to the organisation, will generally be referred to the Police Service of Northern Ireland (PSNI) at the earliest possible juncture. A Memorandum of Understanding (MOU) has been developed between the Northern Ireland Public Sector and the PSNI. The

MOU sets out the framework for the working relationship between the NI Public Sector and the PSNI in respect of the investigation and prosecution of suspected Fraud cases and can be accessed via the following link: <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/mou-public-sector-and-psni.pdf>.

- The Department will co-operate fully with Police enquiries, which may result in the member of staff being prosecuted;
- Fraud investigations will also consider whether there has been any failure of supervision. Where this has occurred, disciplinary action may be initiated against those responsible;
- The Department will seek to recover losses resulting from fraud, if necessary through civil action; and
- There will be consistent handling of cases without regard to position held or length of service.

## **12. FRAUD RESPONSE PLAN**

- 12.1 The Department's [Fraud Response Plan](#) sets out how to report suspicions and how investigations will be conducted and concluded. This plan forms part of the Department's Fraud Prevention Policy.

## **13. ARRANGEMENTS WITHIN ARMS LENGTH BODIES AND OTHER AGENCIES**

- 13.1 Where the Department is responsible for the disbursement of funds to outside bodies, which operate autonomously, it is the responsibility of Sponsoring Branches to ensure that those bodies have in place suitable control systems which comply with the principles contained in this statement.

- 13.2 Each Arms Length Body (ALB) is required to have its own Fraud Prevention Policy and Fraud Response Plan, which should comply with Treasury guidance.
- 13.3 ALB's are required to report immediately all suspected or proven frauds to the Department. The report should be made to the Head of Internal Audit (HIA) who will send to the C&AG and copy the information to the appropriate Sponsor Branch.
- 13.4 The suspected or proven fraud should be reported to the Department using the Fraud Report Proforma, which can be found at [Appendix D](#).
- 13.5 Voluntary Grammar Schools and Grant Maintained Integrated Schools are required to report all suspected or proven frauds to the Department in accordance with the guidance contained in the Financial and Audit Arrangements Manual. The responsibility for reporting frauds rests with the Board of Governors for each school.

## **14. NATIONAL FRAUD INITIATIVE**

- 14.1 The Department participates in the National Fraud Initiative (NFI) data matching exercise which is carried out by the Audit Commission (on behalf of the C&AG) on a 2 year cycle. The purpose of the exercise is to prevent and help detect instances of fraud, over or underpayments and other errors.
- 14.2 As a participant in the exercise the Department is required to issue 'fair processing' notices which inform individuals that their data will be processed and prepare and upload data relating to payroll, pensions and trade creditor payments in a format suitable for data matching. The data matching compares this information against other records held by the Department and those held by other participating bodies. On completion of the exercise the Department receives a number of

reports detailing the matches identified; these matches are then reviewed and investigated by the Department.

- 14.3 The exercise is coordinated by Internal Audit on behalf of the Finance Director and there are nominated officers in Finance, HR and Teachers Pay & Pensions who are responsible for uploading the information and investigation of matches. Regular updates on progress made in investigating data matches and details of any fraud, overpayments identified are provided to the Department's Audit and Risk Assurance Committee.
- 14.4 Any actual, attempted and suspected fraud that is identified via NFI matches is dealt with in line with the [Fraud Response Plan](#).

## **15. REPORTING FRAUD TO DoF AND THE C&AG**

- 15.1 As set out in MPMNI Appendix 4.7.8, the Department is required to report immediately, to DoF and the C&AG, all suspected or proven frauds (including attempted fraud) which affects the Department, its ALBs or other agents such as Voluntary Bodies and Intermediary Funding Bodies.
- 15.2 The HIA is responsible for notifying DoF and the C&AG. The arrangements for reporting are set out in FD (DoF) 04/12 <https://www.finance-ni.gov.uk/sites/default/files/publications/dfp/fddfp0412.pdf>

## **16. CONCLUSION**

- 16.1 Successful fraud prevention involves creating an environment which inhibits fraud. It is the responsibility of all staff to ensure that such an environment is created.

- 16.2 The circumstances of individual frauds will vary, however it is important that all are vigorously and promptly investigated and that appropriate action is taken.
- 16.3 A manager who is alert to the possibility of fraud and who acts accordingly is a powerful deterrent against fraud.

# Appendices

### The Seven Principles of Public Life

<i>Selflessness</i>	Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.
<i>Integrity</i>	Holders of public office should not place themselves under any financial or other obligations to outside individuals or organisations that might influence them in the performance of their official duties.
<i>Objectivity</i>	In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
<i>Accountability</i>	Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
<i>Openness</i>	Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
<i>Honesty</i>	Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
<i>Leadership</i>	Holders of public office should promote and support these principles by leadership and example.

## Indicators of Fraud

- ◆ Missing expenditure vouchers and unavailable official records
- ◆ Crisis management coupled with a pressured business climate
- ◆ Profitability declining
- ◆ Excessive variations to budgets or contracts
- ◆ Refusals to produce files, minutes or other records
- ◆ Related party transactions
- ◆ Increased employee absences
- ◆ Borrowing from fellow employees
- ◆ An easily led personality
- ◆ Covering up inefficiencies
- ◆ Lack of Board oversight
- ◆ No supervision
- ◆ Staff turnover is excessive
- ◆ Figures, trends or results which do not accord with expectations
- ◆ Bank reconciliations are not maintained or can't be balanced
- ◆ Excessive movement of cash funds
- ◆ Multiple cash collection points
- ◆ Remote locations
- ◆ Unauthorised changes to systems or work practices
- ◆ Employees with outside business interests or other jobs
- ◆ Large outstanding bad or doubtful debts
- ◆ Poor morale
- ◆ Excessive control of all records by one officer
- ◆ Poor security checking processes over staff being hired
- ◆ Unusual working hours on a regular basis
- ◆ Refusal to comply with normal rules and practices
- ◆ Personal creditors appearing at the workplace
- ◆ Non taking of leave
- ◆ Excessive overtime
- ◆ Large backlogs in high risk areas
- ◆ Lost assets
- ◆ Offices with excessively flamboyant characteristics
- ◆ Employees suffering financial hardships
- ◆ Placing undated/post-dated personal cheques in petty cash
- ◆ Employees apparently living beyond their means
- ◆ Heavy gambling debts
- ◆ Signs of drinking or drug abuse problems
- ◆ Conflicts of interest
- ◆ Lowest tenders or quotes passed over with scant explanations recorded
- ◆ Employees with an apparently excessive work situation for their position
- ◆ Managers bypassing subordinates
- ◆ Subordinates bypassing managers
- ◆ Excessive generosity
- ◆ Large sums of unclaimed money
- ◆ Large sums held in petty cash
- ◆ Lack of clear financial delegations
- ◆ Secretiveness
- ◆ Apparent personal problems
- ◆ Marked character changes
- ◆ Excessive ambition
- ◆ Apparent lack of ambition
- ◆ Unwarranted organisation structure
- ◆ Absence of controls and audit trails.
- ◆ Socialising with clients – meals, drinks, holidays
- ◆ Seeking work for clients
- ◆ Favourable treatment of clients – eg allocation of work
- ◆ Altering contract specifications
- ◆ Contract not completed to specification
- ◆ Contractor paid for work not done.
- ◆ Grants not used for specified purpose – eg Leasing capital equipment instead of purchasing them

### **Corporate Fraud**

- ◆ Lack of thorough investigations of alleged wrongdoing
- ◆ Pecuniary gain to organisation – but no personal gain

## **Common Methods and Types of Fraud**

- ◆ Payment for work not performed
- ◆ Forged endorsements
- ◆ Altering amounts and details on documents
- ◆ Collusive bidding
- ◆ Overcharging
- ◆ Writing off recoverable assets or debts
- ◆ Unauthorised transactions
- ◆ Selling information
- ◆ Altering stock records
- ◆ Altering sales records
- ◆ Cheques made out to false persons
- ◆ False persons on payroll
- ◆ Theft of official purchasing authorities such as order books
- ◆ Unrecorded transactions
- ◆ Transactions (expenditure/receipts/deposits) recorded for incorrect sums
- ◆ Cash stolen
- ◆ Supplies not recorded at all
- ◆ False official identification used
- ◆ Damaging or destroying documentation
- ◆ Using copies of records and receipts
- ◆ Using imaging and desktop publishing technology to produce apparent original invoices
- ◆ Charging incorrect amounts with amounts stolen
- ◆ Transferring amounts between accounts frequently
- ◆ Delayed terminations from payroll
- ◆ Bribes
- ◆ Over claiming expenses
- ◆ Skimming odd pence and rounding
- ◆ Running a private business with official assets
- ◆ Using facsimile signatures
- ◆ False compensation and insurance claims
- ◆ Stealing of discounts
- ◆ Selling waste and scrap.

## FRAUD REPORT

### Fraud Notification

The information below is required if known at the date of reporting.

1.	Departmental fraud reference number (DE will provide this ref.)	
2.	Department	<b><i>Education</i></b>
3.	Name of body (eg specific Board, Trust, ALB, Agency etc)	
4.	Specific location of fraud (eg name of school, name of depot etc)	
5.	Date fraud or suspected fraud discovered	
6.	Is the case being reported as actual, suspected or attempted fraud?	
7.	Type of fraud? <i>State as per options listed in notes 1</i>	
8.	What was the cause of the fraud? <i>State as per options listed in notes 2</i>	
9.	Brief outline of case	
10.	Amount of lost or estimated value?	
11.	How was the fraud discovered? <i>State as per options listed in notes 3</i>	
12.	Who perpetrated the fraud? <i>State as per options listed in notes 4</i>	
13.	Has PSNI been notified? Yes/No	
14.	Any other action taken so far? <i>State as per options listed in notes 5</i>	
15.	Disciplinary Action Taken?	

## Appendix D

16.	Recovery of Loss	
15.	Please give contact details for this fraud in case follow-up is required	<b>Name:</b> <b>Telephone:</b> <b>Email:</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

#### **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)

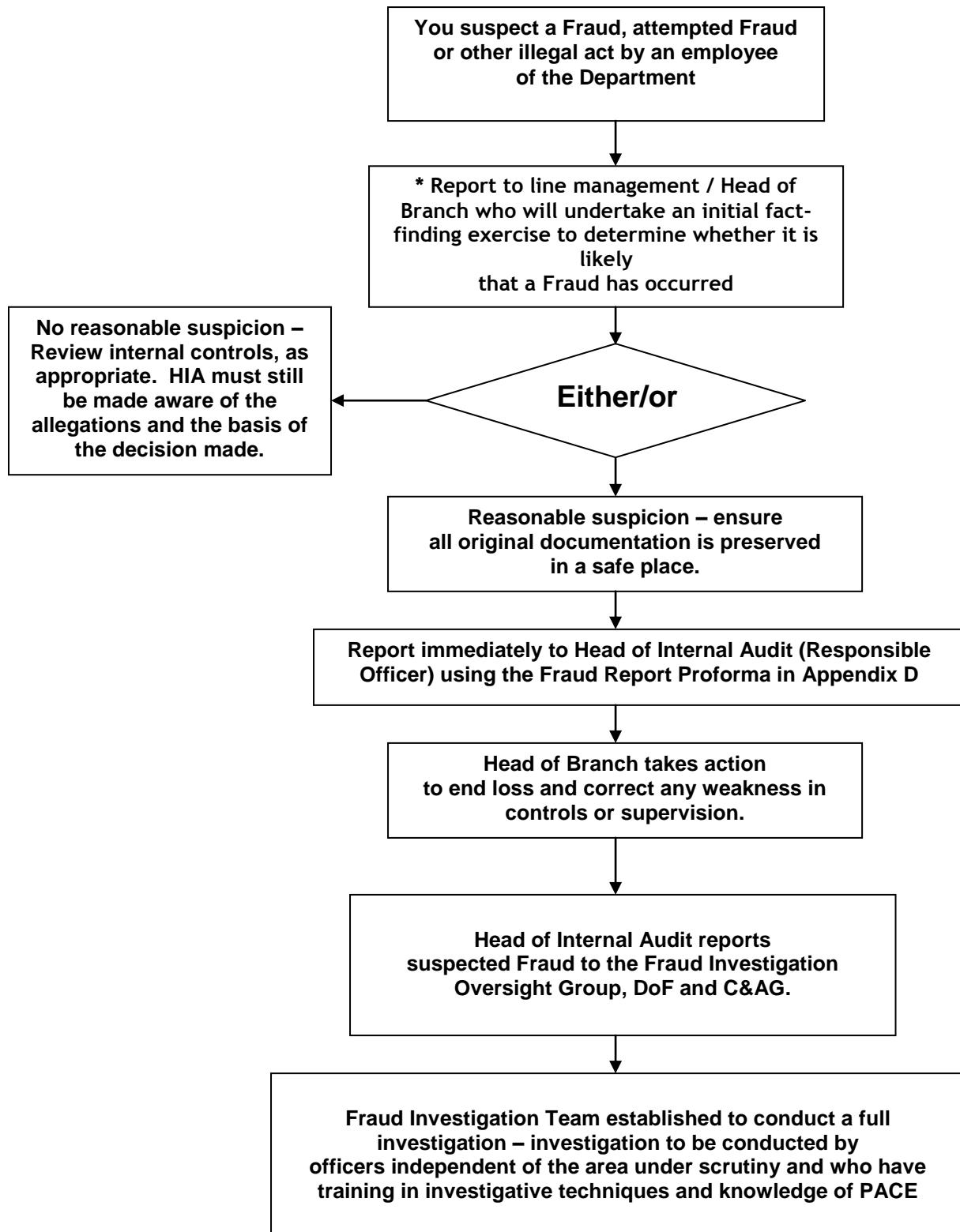
#### **4. Perpetrators of Fraud**

- 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**

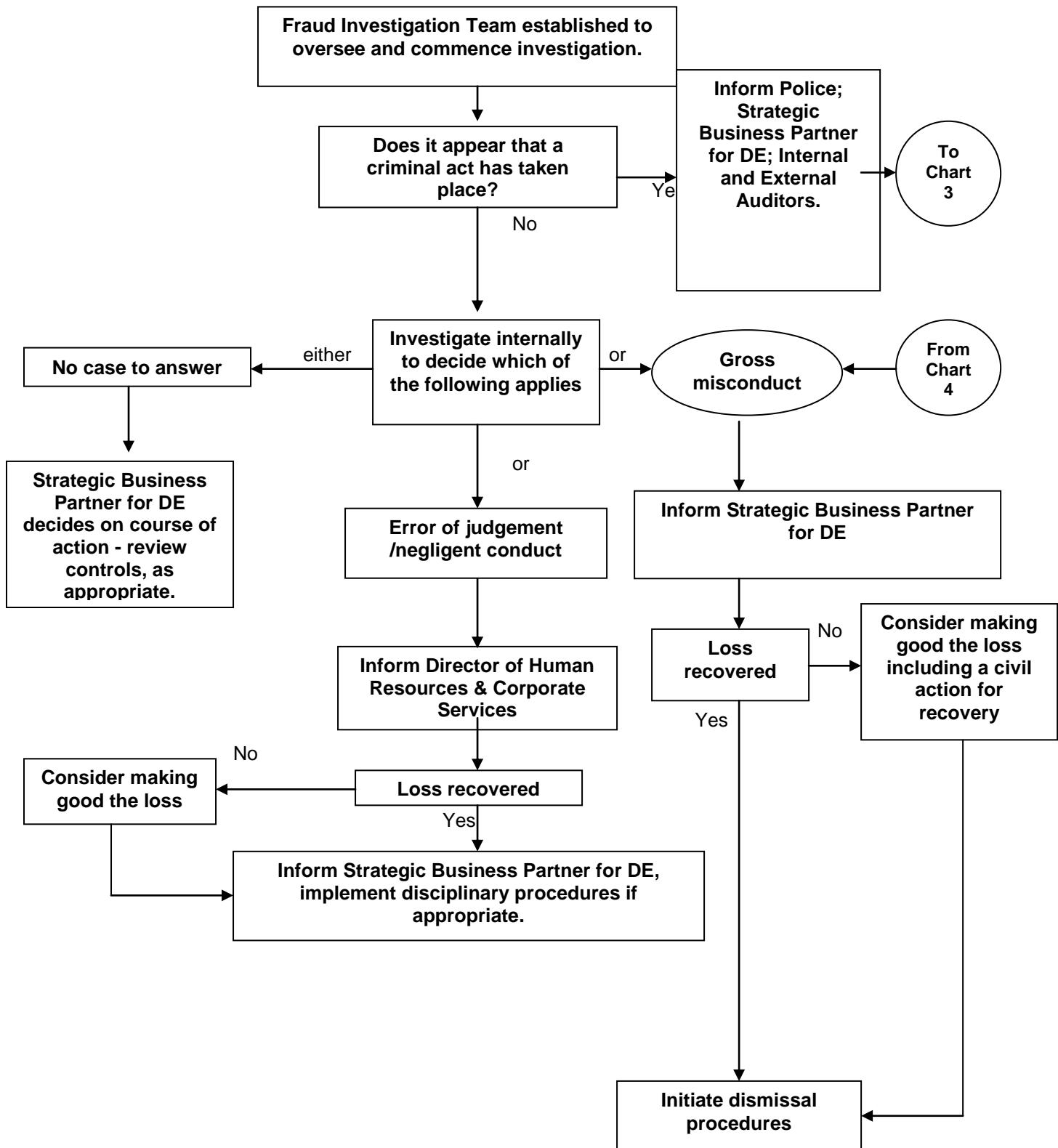
- Controls improved
- Control improvements being considered
- Too early to determine
- No action possible
- Disciplinary action
- Prosecution

## Chart 1 - Reporting Fraud

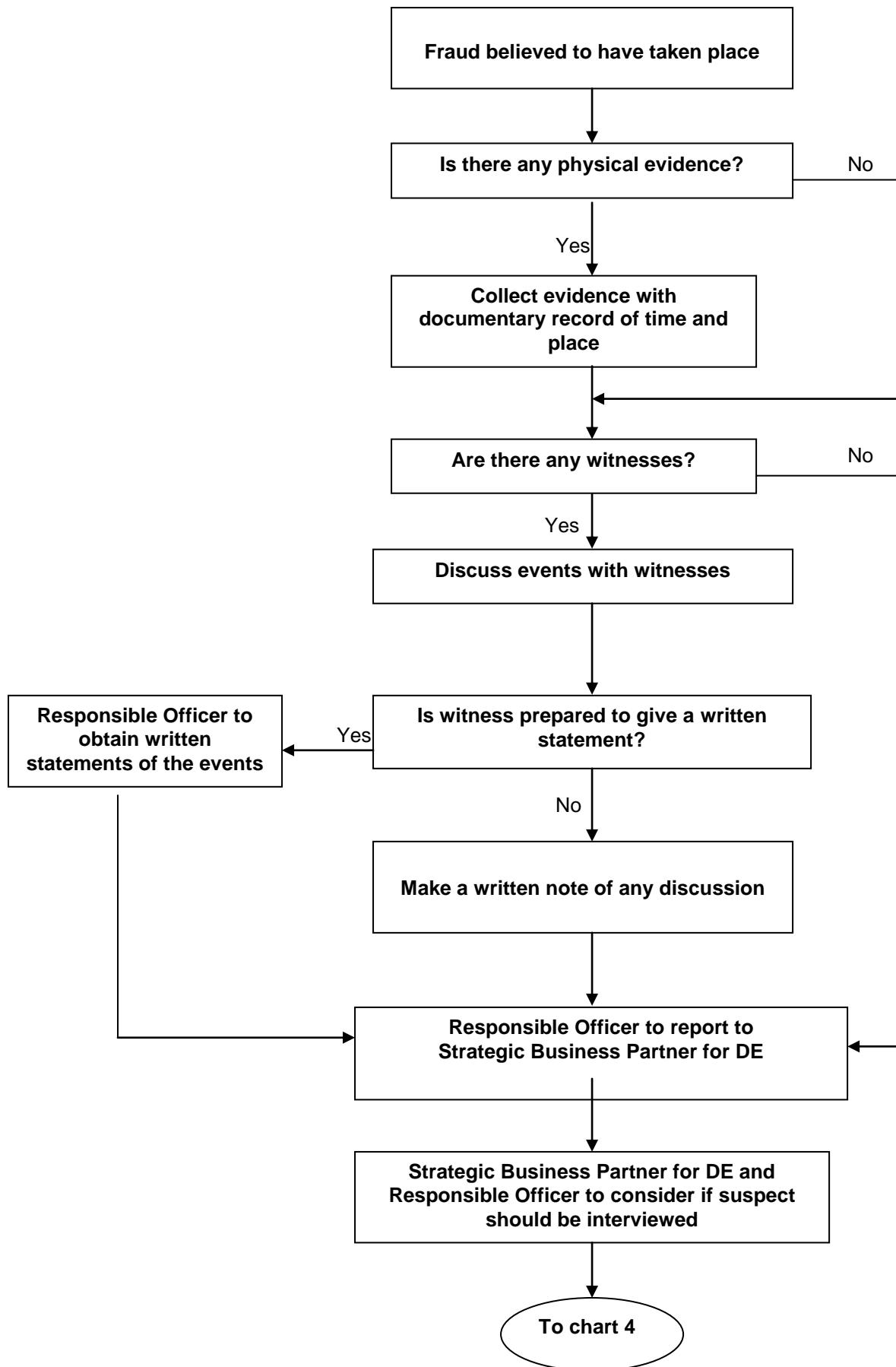


\* If you are concerned that line management may be involved in the suspected Fraud, you should report it to the next appropriate level, i.e. Head of Branch. Alternatively, at any stage in the process, you can report suspicions directly to your Head of Division, the Finance Director or the Head of Internal Audit. The Head of Internal Audit can be contacted at any time for advice regarding Fraud on ext 59669.

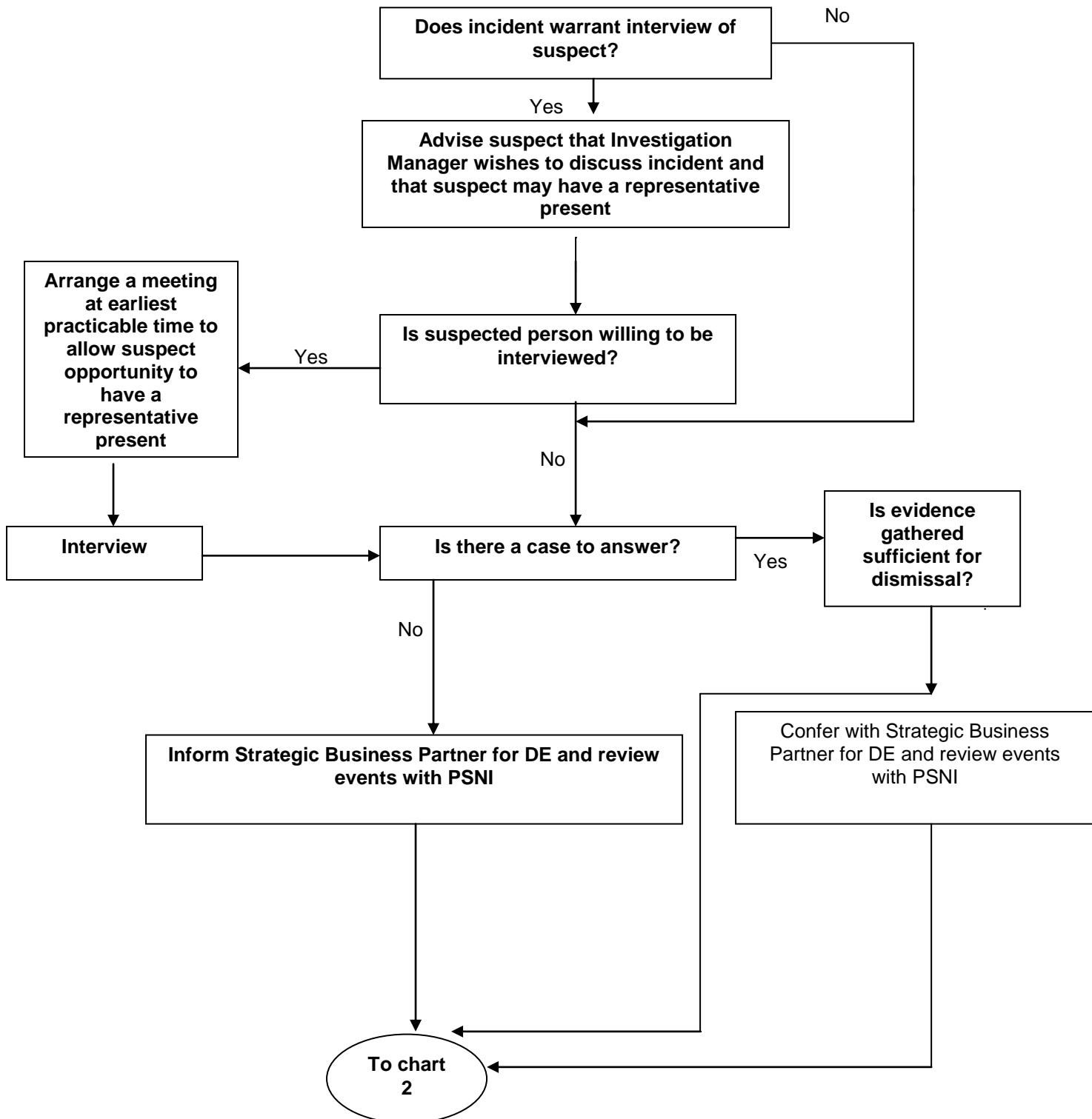
## Chart 2 – Managing the Investigation



### Chart 3 - Gathering Evidence - Internal



## Chart 4 - Interview Procedure





## CODE OF PRACTICE

**For the conduct of interviews with members of staff involved in fraud investigations or other serious irregularity in the Department of Education**

### 1. INTRODUCTION

1.1 This Code of Practice is designed to help Investigation Officers and members of staff involved in investigations relating to allegations of fraud or other serious irregularity understand the purpose of an investigative interview and the rights of those involved.

### 2. OBJECTIVES OF THE INTERVIEW

2.1 The objective of an investigative interview is to obtain accurate and reliable information from members of staff in order to discover the truth about the matters under investigation.

### 3. TYPES OF INTERVIEW

3.1 There are normally two types of interview conducted during fraud investigations:

- The interview with a member of staff who it is anticipated will be a helpful witness; and
- The interview with the member of staff suspected of wrongdoing / against whom allegations of wrongdoing have been made.

3.2 All members of staff in the Department have a duty to assist in the investigative process. A member of staff can choose to remain silent when interviewed; this however could lead to disciplinary action being considered. A decision on whether disciplinary action is appropriate will be made on a case by case basis and on the evidence available to the investigation team / Director of Human Resources & Corporate Services.

- 3.3 Members of staff also have the right to make a signed statement at the interview. They must be given a reasonable amount of time to review this statement at the interview before signing it.

#### **4. DECLARATION**

- 4.1 At least three working days before the interview, the member of staff will be provided with this Code of Practice and the document 'Rights at a Fact Finding Interview' (this can be found in [Appendix K](#)). The member of staff must sign the declaration in this document stating that they have understood their rights and make known whether or not they wish to have a Trades Union Official or colleague present at their interview.

#### **5. THE INTERVIEW**

- 5.1 Interviews are usually carried out by two investigation officers. One officer will lead the interview and ask the majority of the questions. The second officer will make the notes of the interview and may ask supplementary questions if necessary.

- 5.2 The member of staff being interviewed is entitled to know the purpose of the interview. This must be clearly stated at the outset of the interview by the lead interviewer.

- 5.3 When interviewing a member of staff suspected of wrongdoing / against whom allegations have been made, the lead interviewer must also remind them of this Code of Practice and advise as follows:

*"A copy of the investigation report will be issued to NICS HR Strategic Business Partnering Team DE who will decide on whether or not disciplinary action is appropriate. There are a range of disciplinary penalties that can be exercised which include dismissal."*

- 5.4 If during an interview a member of staff says something that could potentially implicate them as being involved in wrong doing / fraudulent activity, the lead interviewer must terminate the interview immediately and advise the member of staff as follows: -

*"I think that you may have just told us something that could potentially be a criminal offence and this will now have to be investigated further. It could also potentially constitute serious or gross misconduct and I need to remind you again that there is a range of disciplinary penalties that can be exercised by NICS HR Strategic Business Partnering Team DE which include dismissal. This interview is now being terminated and what you have just told us will be investigated further".*

## **6. REPRESENTATIVES AT INTERVIEWS**

- 6.1 If they wish, the member of staff being interviewed can be accompanied by a Trade Union Official or a work colleague. If the member of staff decides that they do not wish to have a representative this must be recorded in the interview record and the signed declaration in [Appendix K](#) completed to reflect this.
- 6.2 If a member of staff who has elected not to have a representative decides in the course of the interview that they would like to be accompanied the interview must be adjourned to allow for this to be arranged.
- 6.3 If at any stage during the interview it becomes apparent that a member of staff has failed to carry out their duties in a proper manner which could result in the consideration of formal disciplinary action, then a further opportunity will be given for the member of staff to have a Trade Union Official or a work colleague present at the interview.

## **7. ROLE OF REPRESENTATIVES**

- 7.1 In line with current legislation<sup>1</sup>, a Trade Union Official or work colleague who accompanies a member of staff at an interview attends solely as the member of staff's adviser and may not answer for the member of staff being questioned. The member of staff may however consult with their Trade Union Official / work colleague during the interview.
- 7.2 The interviewers must not enter into any discussion during the interview with the member of staff's representative regarding the content of the interview, except to clarify the meaning of questions. The representative may however intervene on the member of staff's behalf if they consider that the interview is progressing in a manner which they consider to be unfair or unacceptable.

## **8. TRANSCRIPTS**

- 8.1 A photocopy of statements made and responses to questions asked during the interview will be provided to the member of staff being interviewed at the close of the interview. A typed copy of this transcript is issued to the member of staff to agree and sign subsequent to the interview.

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<sup>1</sup> The Employment Relations (Northern Ireland) Order 2004: <http://www.opsi.gov.uk/si/si2004/20043078.htm#18>

**9. GENERAL**

- 9.1 The oversight of fraud investigations and responsibility for decisions regarding further action to be taken lies with the Fraud Investigation Oversight Group which is established at the outset of the investigation. A final investigation report is sent to the Fraud Investigation Oversight Group and the Group will consider all the available evidence and decide what further action i.e. criminal / disciplinary is appropriate.
- 9.2 The investigation report highlights breakdowns in controls / procedures or negligence together with the name(s) of the officer(s) responsible and recommendations for improvement to the weaknesses identified.
- 9.3 After the investigation has been completed and the enquiry closed all members of staff who have been interviewed will be informed.
- 9.4 The contents of this Code have been agreed with Trade Union Side.

**RIGHTS AT A FACT-FINDING INTERVIEW****To:** \_\_\_\_\_

You are to be interviewed in connection with a Departmental Fraud Investigation. The purpose of the interview is to establish the facts of the matter under investigation.

You have the right to have a Trades Union Official or work colleague present during the interview. If you decide not to have a Trades Union Official or colleague present, but decide during the interview that you wish to be accompanied, you should inform the interviewer who will suspend the interview so you can make suitable arrangements.

If you choose to remain silent, a decision on whether disciplinary action is appropriate will be made in the light of the evidence available at the time.

You also have the right to make a written statement. In due course you will be provided with a copy of the report of the interview.

Following the interview and any other investigation that might be needed, the papers are passed to the Fraud Investigation Oversight Group who will decide whether disciplinary action is appropriate and/or referral to the PSNI who may instigate legal proceedings.

**DECLARATION**

I have been read and understand my rights with regard to this fact-finding interview. I do\*/do not\* wish to have a Trades Union Official or work colleague present. \*Delete as appropriate

**I have been issued with a copy of the Code of Practice for the Conduct of interviews with members of staff involved in fraud investigations or other serious irregularity in the Department of Education.**

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_  
(Printed in Block Capitals)

**Note: You should bring this declaration with you to the Fact Finding interview**

**REFERRAL TO PSNI: ACCEPTANCE CRITERIA**

1. These criteria set out the conditions necessary for a suspected Fraud case to be referred to the PSNI. **However, the decision to accept a case for investigation rests fully with the PSNI who will provide their decision in writing.**
  - It must be established that there are reasonable grounds to believe that a criminal offence has been committed.
  - Deliberate criminal intent needs to be clearly defined. The Fraud needs to be more than an error or omission.
  - The allegations should concern recent events and should not have become stale by reason of age. Incidents, which are over two years old before discovery, need to be judged individually on their merits, including availability of documentary evidence and the reliability of witness evidence.
  - To comply with the rules governing disclosure, the department/body will identify and preserve all original documents and other exhibits relating to any intended complaint.
  - The department/body should be prepared to supply all original relevant documents and exhibits to the police if an investigation is accepted and commenced. Such evidential material should be securely held, in accordance with PACE provisions, before formal hand over to the PSNI.

**PSNI AGREED FORMAT OF EVIDENCE PACK**

1. Evidential packages should contain a detailed summary of all relevant information surrounding the allegations made. This should include the nature of the allegations against the suspect, including the full name, address and date of birth of the suspect.
2. The package should also include: -
  - All available details of any other parties suspected of involvement in the alleged fraud, including the reasons for the suspicions;
  - A comprehensive report outlining the nature of the allegations including values and relevant dates;
  - A full description of any investigations already undertaken by the department / body or anyone acting on their behalf;
  - Copies of all relevant documents, each individually numbered and identified in the summary;
  - Names, dates of birth, addresses and any other contact details of all witnesses identified at the time of reporting to the police, including copies of any statements;
  - Copies of all statements obtained from witness and suspects (where more than three witness statements are provided, it is essential to list them on a schedule). The Schedule should:
    - Identify each witness;
    - Outline, in brief, the evidence in chief each witness has or will provide; and
    - Detail the Exhibits each witness has or will produce.

**UNDER NO CIRCUMSTANCES SHOULD ORIGINAL DOCUMENTS BE  
FORWARDED AT REFERRAL STAGE. In the event that the case is accepted by  
the PSNI for investigation arrangements will be made to obtain such  
documentation where required.**

- Any police reference numbers, which may already apply to any part of the case;  
and
- A name and contact point within the organisation.

**DEPARTMENT OF EDUCATION**  
**CONFLICT OF INTEREST DECLARATION**

I have reviewed the Terms of Reference for \* \_\_\_\_\_ and believe that a conflict of interests exists which could impair or be perceived to impair my independence and objectivity in the investigation / review.

\* insert as appropriate

Please record below the potential/ actual conflict of interest exists and provide details of the potential/ actual conflict:

Signed: \_\_\_\_\_

Grade: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

HIA Signature: \_\_\_\_\_