

DEPARTMENT OF CULTURE, ARTS AND LEISURE (DCAL)

FRAUD RESPONSE PLAN

December 2008
Updated February 2010
Revised May 2012
Revised July 2014
Revised November 2015
Revised December 2015

INTRODUCTION

1. The Department takes a zero tolerance approach to fraud.
2. The Department has prepared this Fraud Response Plan to act as a procedural guide and provide a checklist of the required actions which **must** be followed in the event of a fraud, or attempted fraud, being suspected.
3. Adherence to this plan will enable the Department and its Arm's Length Bodies to:
 - a. Take timely and effective action to prevent further losses;
 - b. Help to recover losses;
 - c. Establish and secure evidence necessary for possible criminal and disciplinary action;
 - d. Comply with the external reporting requirements set out in Managing Public Money NI (MPMNI); and
 - e. Highlight areas of weakness in the operating systems to prevent future losses.
4. The overarching theme of this plan is '**IF IN DOUBT, ASK FOR ADVICE**'. Contact details are provided in **Schedule IV**.
5. DCAL from 1 April 2015 uses the NICS Group Internal Audit and Fraud Investigation Service, which provides a professional fraud investigation service which complies with the necessary legislative framework (e.g. PACE/CPIA etc), professional standards and recognised best practice. A Service Level Agreement (SLA) has been signed by Accounting Officer on 12 November 2015 for the period 1

April 2015 – 31 March 2018. The SLA is attached at **Schedule I**. Full details of roles and responsibilities are contained in the document along with the template that should be used when seeking their advice Appendix III (RD1 Form).

6. A Memorandum of Understanding (MoU) has also been agreed with the Police Service of Northern Ireland (PSNI) for the Public Sector. The MoU provides a basic framework for the working relationships between the NI Public Sector and the PSNI in respect of the investigation and prosecution of suspected fraud cases and is attached at **Schedule II** of this document.

7. There are two categories of fraud covered by this plan –
 - a. **Departmental Frauds** – the suspected frauds that relate to the core Department or bodies funded directly by the Department via grant.
 - b. **ALB Frauds** – the suspected frauds that the Department is alerted to in respect of ALBs including the bodies funded directly by the ALBs via grant..

8. The fraud response plans for these two categories are within.

DEPARTMENTAL FRAUD RESPONSE

Counterfeit Money

9. If large value amounts, over £100, of counterfeit notes are presented to the Department contact the PSNI immediately by phoning 101 (PSNI non emergency number). The notes should be secured until the police arrive.
10. If small amounts are discovered contact the PSNI and inform the customer of the fraudulent note if applicable.
11. Record the date counterfeit note/s was/were presented, the amount and the name and address of person who presented the counterfeit note/s. Notify Equality and Governance (EG) and advise the action taken, completing the Fraud notification template. (Schedule V)

Frauds detected by AccountNI

12. Account NI will immediately report any suspected, attempted or actual frauds detected to the Director of Finance.
13. The suspected fraud must be dealt with in line with the relevant department's policies i.e. follow the process from Step 2 (page 4) onwards as appropriate.
14. Account NI will assist with the investigation where possible including the identification and communication of implications (if any) for other user Departments.
15. Any changes to processes/procedures recommended as part of any fraud investigation must be discussed with Account NI in order that any appropriate changes can be made to Account NI processes.

All Other Types of Fraud

A flowchart is included at **Schedule III** to help illustrate the steps to be taken.

Step 1: Raise Suspicion

16. Should a fraud, attempted fraud or any other illegal act be suspected, the suspecting officer should immediately report the suspicion to:

- a. Their Line Manager OR
- b. The next appropriate level (if they suspect their line manager is involved),
AND
- c. Head of EG and the Director of Finance

17. Another option would be to report the matter in confidence or anonymously by following the 'Raising Concerns' Policy and emailing raisingconcerns@dcalni.gov.uk.

Step 2: Preliminary Enquiry

18. Once the suspicion has been raised the next stage is a preliminary enquiry. The purpose of which is to act as an initial fact finding exercise to determine the factors that gave rise to the suspicion and clarify whether a genuine mistake has been made or if it is likely that a fraud has been attempted/perpetrated.

19. Advice can be sought from the Director of Finance, Head of EG and/or GFIS on how this preliminary enquiry should be carried out.

20. Such an enquiry should normally be initiated within one working day of the suspicion being raised and should normally take 24 to 48 hours to complete.
Following day two if no conclusion then a Schedule V must be completed.

21. The preliminary enquiry should be carried out by line management or other delegated officer.

22. It must be undertaken in such a way so as not to prejudice subsequent investigations or corrupt evidence.

23. Any staff suspected of being involved must not be interviewed at this stage as it could jeopardise any future disciplinary action or criminal prosecution.

24. It may involve discreet enquiries with staff or the examination of documents.

25. GFIS can be contacted for advice on how to correctly proceed.

Step 3: Outcome of Preliminary Enquiry

26. In all cases, management should clearly document the approach taken in the enquiry and the outcome.

27. If the preliminary enquiry confirms that fraud was not attempted, nor perpetrated, but internal controls could be strengthened, management is responsible for implementing the necessary control improvements and amending their fraud risk analysis and risk register if applicable. The case can then be closed and no further action is required

28. If the preliminary enquiry either:

a. confirms the suspicion that a fraud has been attempted or perpetrated ;

OR

b. does not provide sufficient evidence but fraud is still suspected

then management must ensure that all original documentation is preserved in a safe place for further investigation to prevent the loss of evidence and management should move to step 4 in the fraud response plan.

Step 4: Formal Reporting Stage

29. The fraud report pro-forma at **Schedule V** should be completed as soon as possible by the relevant business area and submitted to EG.

30. An urgent meeting of the Fraud Investigation Oversight Group (FIOG) should be convened to determine and record the action to be taken. The FIOG comprises the Director of Finance (Chair), Head of Personnel, Head of EQ, Head of NICS Group Internal Audit and Fraud Investigation Service and DCAL Head of Internal Audit. If

the FIOG deems it to be appropriate, the line management of the business area concerned will be invited to attend.

31. The FIOG will arrange for the suspected fraud to be reported immediately by EG providing Schedule V to DFP, the Comptroller and Auditor General (C&AG) and Charities Commission NI (if investigation involves a charitable body) and correspondence will be copied to the Head of Internal Audit. Frauds will be reported to the Minister and the Department's Audit and Risk Assurance Committee by the Head of EG as appropriate.
32. To remove any threat of further fraud or loss, management should immediately change/strengthen procedures and if appropriate, suspend any further payments pending full investigation. Where the fraud has been perpetrated outside of the Department management should consider the need to inform other Government Departments/bodies and if the suspected fraud is within an organisation in the Voluntary and Community Sector, EG will update the Government Funding Database (GFD) to reflect that the organisation is under investigation with key contact name and will update accordingly once investigation is complete.
33. The FIOG will decide on the appropriate course of action including formal investigation arrangements and whether it is appropriate for GFIS to lead on the investigation. The scope of the investigation should be determined by the Head of NICS GFIS, in line with the terms of the SLA. Should the Head of GFIS advise that further expertise is required, e.g. Solicitors, Forensic Accountants/Engineers, the FIOG will engage the appropriate assistance.
34. If the FIOG agrees that the GFIS is **not required** to investigate it is important to ensure that there is segregation between any further investigatory work carried out by the Department and any potential disciplinary action.
35. FIOG should agree the Terms of Reference for the investigation (and an oversight/checkpoint plan for the various stages of the investigation) with the Head of GFIS. The level of detail relayed to the FIOG on the progress of an investigation will be such as not to compromise or prejudice the outcome. The Terms of

Reference will include appropriate and realistic timelines and progress against these will be monitored by FIOG.

The FIOG should ensure that legal and/or police advice is sought where necessary, based on the advice of Head of GFIS. GFIS, on behalf of the FIOG, will lead on liaisons with the PSNI Organised Crime Branch, based at Knocknagoney PSNI Station, Belfast, in line with the agreed terms contained in the MOU.

36. The FIOG should ensure the following best practice guidance is applied during the investigation:

- a. Details of all meetings held to progress an investigation, whether formal or informal, should be recorded (EG will be secretariat to the FIOG). This is separate to the specific requirement to appropriately document and record interview for evidentiary purposes, which falls under the scope of the SLA with GFIS.
- b. An investigatory log will be maintained by EG in order to record progress and significant occurrences.
- c. **All aspects** of the suspected officer's work should be considered for investigation, not just the area where the fraud was discovered. Sample or full testing of this work may be required – consideration of use of Internal Audit should be given.
- d. The investigation will obviously cover the period the officer was responsible for the processes under investigation but consideration should also be given to **investigating earlier or later periods of employment**.
- e. Potential evidence, including computer files and record of amendments relevant to the case **should be retained securely** and not disposed of per the normal routine procedures for disposal.

- f. Control weaknesses discovered in procedures during the investigation should be **strengthened immediately**.
- g. The extent, if any, of **supervisory failures** should be examined.
- h. Consideration should be given to the audit of internal processes and procedures by Internal Audit, and the Departmental Audit Plan updated accordingly.

Step 5: Post Investigation

37. Where a fraud, or attempted fraud, has occurred, management must make any necessary changes to systems and procedures to minimise risk of similar frauds or attempted frauds recurring. Internal Audit should be engaged to provide advice and assistance on matters relating to internal control, if considered appropriate. When reviewing systems and procedures this should include the adequacy of verification applied to grants and should affect procedures going forward as appropriate.
38. Where appropriate, a lessons learned report will be prepared by EG and agreed by the FIOG and placed on file. Any key lessons learned will then be circulated to all staff by EG and the Fraud Response plan reviewed and updated as appropriate.
39. The FIOG is stood down once;
- a. the course of action is agreed and is being taken forward either by HRConnect or the PSN/PPS; and
 - b. where appropriate, the lessons learned report has been agreed; OR
 - c. No further action is deemed necessary by the FIOG

Suspension from Duty

40. Advice in this regard should be sought from DHR/Personnel before any action is taken.
41. If the preliminary review confirms the suspicion that a fraud has occurred it may also be necessary to suspend members of staff (usually with pay) pending the outcome of subsequent criminal investigations. Suspension does not imply guilt; it is a safeguard to prevent potential further loss to the Department and the removal/destruction of evidence.
42. The decision to suspend should be taken quickly by Departmental HR in conjunction with the FIOG. The member of staff should be informed by a line manager at Grade 7 or above. If the member of staff is in work on the day of suspension, they should be asked to collect personal items from the office and should be escorted off the premises by the officer who informed them of their suspension.
43. Where it is decided that an employee under suspicion is allowed to remain at work an immediate search of the suspect's work area, filing cabinets and computer files must be undertaken in order to prevent potential further loss to the Department and the removal/destruction of evidence.

Duty of Care

44. The employer's duty of trust and care still applies even when an officer is under investigation for suspected fraud. Management should ensure that arrangements are in place that if a member of staff is suspended they continue to receive circulars, team briefing materials etc. **They should not be made to feel isolated or ignored.**

45. The member of staff should also be advised that they can contact the Welfare Service and / or the confidential counselling service Carecall (Tel. 0800 389 5362 / email: support@carecallwellbeing.com)

Disciplinary Action

46. At the completion of an investigation, the Head of Division and the Director of Finance should decide whether any disciplinary action should be taken.

47. If the case has been passed to the PSNI to investigate, the Department can still proceed with internal disciplinary action. Even if the PSNI decide not to prosecute or the member of staff is found innocent of criminal charges by a court of law, it is still possible for them to face an internal disciplinary action.

48. In all cases of suspected or actual fraud the Department will also consider whether negligence on the part of the line manager contributed to the fraud and therefore whether disciplinary action should be taken against the manager.

'Raising Concerns'

49. If a member of staff suspect's wrongdoing but, for whatever reason, they feel that it is not appropriate for them to raise their concerns in line with the procedures outlined in this plan, then can report in confidence under the Departments 'raising Concerns' arrangements. The 'Raising Concerns' policy is available on the DCAL intranet and email is raisingconcerns@dcalni.gov.uk

ALB (EXTERNAL) FRAUD RESPONSE

50. All ALBs have in place their own specific Fraud Response Plans. In the event of a fraud, attempted fraud, raising concern/whistleblowing allegation or other illegal act being suspected the ALB Fraud Response Plan should be implemented.
51. The ALB must notify the Department immediately using the ALB fraud notification form (**Schedule V**) **no later** than 2 days after initial notification.
52. ALBs are responsible for any enquiries/investigations in relation to fraud within their organisations.
53. A preliminary enquiry must be undertaken as soon as possible (normally initiated within 1 day and normally should take no longer than 48 hours- after this time if still not determined a **Schedule V must be completed**).
54. If the preliminary enquiry confirms the suspicion that a fraud has been attempted or perpetrated and an investigation is required, the ALB will arrange to hold an urgent meeting of its FIOG (which may also include other funding bodies as appropriate following advice from GFIS) as soon as possible (**within 24-48 hours**).
55. If the suspected fraud is within an organisation in the Voluntary and Community Sector the ALB needs to contact EG with Schedule V completed. who will flag this issue on the Government Funding Database with the ALB contact details of who leading on the suspected fraud.
56. The ALB will ensure that their Board, Audit Committee and Internal Audit are informed of the issue and provide updates as appropriate.
57. The ALB will formally notify:
- a. the Department using the proforma at **Schedule V**
 - b. the NIAO Audit Manager of the suspected fraud and keep them updated as the case progresses.

- c. the Head of FIS of the suspected fraud via the ALB fraud notification form RDI (**Appendix III**) and seek advice as to how the investigation of the suspected fraud investigation should proceed.

58. If the Head of GFIS advises that the investigation has criminal implications then they will attend all ALB FIOG and lead on the investigation.

59. The Department will formally notify C&AG, HIA, DFP and the Charities Commission NI (if appropriate) of the suspected fraud via Schedule V and keep them updated as the case progresses as appropriate.

60. The ALB **must provide at least a monthly update** on the progress of the case to the Department – with more frequent updates depending on the significance of the case.

61. The ALB should complete an internal audit review of the system weaknesses in all cases of suspected fraud and prepare a paper of lessons learned.

62. Circumstances may arise which require the Department to become involved in the investigation of fraud within an ALB e.g. where a whistleblower makes allegations directly to the Department or where the seniority of the person involved such as the Chair, Vice Chair or CEO are involved. Guidance from PAC recommends that the Department take the lead in any investigation where allegations or suspicions involving senior management take place. In such circumstances the Director of Finance, in conjunction with the HIA and the Senior Sponsor, will decide on the most appropriate course of action.

COMMUNICATION IN RELATION TO INTERNAL AND EXTERNAL FRAUDS

63. The following communication processes will be managed by EG in all cases:

- a. Keeping the Minister informed of fraud cases as appropriate by Governance, fraud, raising concerns and safeguarding submission;
- b. Keeping the Departmental Audit and Risk Assurance Committee informed of fraud cases as appropriate;
- c. Circulating the lessons-learned document throughout the Department, where appropriate;
- d. Reviewing the Departmental Fraud Response Plan, following a significant investigation in addition to the regular review, to determine whether it needs to be updated and if so, circulating the revised document throughout the Department and ALBs;
- e. Considering informing other public sector organisations regarding lessons learned, e.g. other Government Departments, NIAO, grant paying organisations;
- f. Flagging any investigations regarding organisations funded directly by the Department on the Government Funding Database (GFD).
- g. Informing as appropriate the NICS Fraud Forum of outcomes and lessons learned (Contact DFP what format this to take); and
- h. Informing Internal Audit, NIAO and DFP of the outcome of any investigations, as appropriate

In summary

64. Any queries in connection with fraud and/or this fraud response plan should be made to the Head of EG or the Director of Finance.

65. Current contact details for officers referred to above are provided in **Schedule IV**.

SCHEDULES

SCHEDULE 1

**SLA WITH NICS
Group Internal Audit and Fraud Investigation Service**

**SERVICE LEVEL AGREEMENT
FOR THE PROVISION OF
FRAUD INVESTIGATION SERVICES
TO THE
DEPARTMENT OF CULTURE, ARTS AND LEISURE**

1 April 2015 - 31 March 2018

Terms of Reference

1. INTRODUCTION

- 1.1 The purpose of this Agreement is to set out the basis on which the Service Provider (NICS Group Internal Audit and Fraud Investigation Services – “the Group”) will deliver the service to the Client. It specifies the nature of, quality of, required outputs and monitoring arrangements for the service to be provided and the basis of costs. It also outlines the responsibilities of the Client with regard to the provision of information, compliance with procedures etc. in order for the Service Provider to deliver an efficient service. Although this Agreement has no legal effect, the Client and Service Provider will act in accordance with the Agreement.
- 1.2 This Agreement reflects the establishment of the Group model for the provision of Fraud Investigation Services for NICS departments, their agencies and relevant Arm’s Length Bodies (ALBs) who are part of it. A list of the Department’s sponsored bodies covered by this Agreement is included at Schedule 1.
- 1.3 Under the Group model qualified fraud investigation staff are employed within the Group Service’s central resources, located in DFP. These staff are line managed by the Group Head of Internal Audit and Fraud Investigation Service – “the Group Head”.
- 1.4 Although located in DFP, neither the Group Head nor Fraud Investigation staff have any reporting responsibility back to DFP on individual investigations they undertake. In all cases, Group Service Fraud Investigation staff carry out their activities, reporting and being accountable to the relevant departmental Accounting Officer or other organisational Accounting Officer who has engaged them to undertake the investigation.
- 1.5 In line with Managing Public Money (NI) the relevant Accounting Officer remains at all times responsible for determining when investigations should be undertaken and for key management decisions taken in respect of individual cases. Group Service staff will conduct fraud investigations where required and will provide advice to the Client as to the recommended course of action. Such decisions are the responsibility of the relevant Client.

2. OBJECTIVES

- 2.1 The objectives of this Agreement are to formalise the operational requirements, to define the obligations of the parties to it, and to promote a flexible, co-operative arrangement.

3. CLIENT AND SERVICE PROVIDER DETAILS

- 3.1 The Client is the Department of Culture, Arts and Leisure. The Client Manager is David Carson (Finance Director).
- 3.2 The Service Provider is the NICS Group Internal Audit and Fraud Investigation Service. The Service Manager is Michelle Anderson, the Group Head.

4. PERIOD AND REVIEW OF THE AGREEMENT

- 4.1 This Agreement covers an initial period of three years ending on 30 March 2018.

Terms of Reference

4.2 The Agreement can be reviewed at any stage during this period by the Client or Service Provider. A formal review will be carried out by the parties prior to the expiry of the three year period.

4.3 Termination arrangements, if required, are set out at section 13.

5. SERVICE PROVIDER AND CLIENT RESPONSIBILITIES

5.1 Under this Agreement the Service Provider is required to provide the Client with a professional fraud investigation service.

Service Provider's responsibilities

5.2 The Service Provider is responsible for providing departments¹ with a professional fraud investigation service which complies with the necessary legislative framework (e.g. PACE/CPIA etc), professional standards and recognised best practice.

5.3 This includes:

- attending case conferences with the Client to discuss initial information/allegations/concerns;
- assisting the Client in assessing the need for a preliminary/full investigation to be undertaken;
- developing the Terms of Reference and investigation plan for individual cases being investigated in line with the scope agreed with the Client/department;
- carrying out required investigatory work;
- reporting at key points to the relevant Client on progress and findings;
- providing advice/recommendations to the Client on the appropriate actions to be taken e.g. referral to police, recovery options etc ;
- liaising with PSNI, PPS, Forensic Science and other specialists as required;
- producing evidence packs for PSNI investigation or the preparation of prosecution files for PPS direction;
- attendance at court/tribunal hearings etc;
- where required, working with departmental Internal Audit teams and other specialists in the investigation of fraud cases;
- maintaining a professionally qualified investigatory team of staff to undertake investigations;
- liaising with Clients in respect of any PR/media issues;
- providing feedback on lessons learned from investigations e.g. procedural/legislative weaknesses;
- liaison with HR in respect of cases involving employees; and
- subject to availability of resources, the provision of fraud awareness seminars.

A more detailed description of each Service is provided at Schedule 2.

The Client's responsibilities are:-

¹ DSD do not obtain fraud investigations services from the NICS Group Service.

Terms of Reference

- 5.4 The Client retains responsibility for ensuring that appropriate actions are taken to manage the risk of fraud within their organisations as set out in Managing Public Money NI and relevant DFP guidance. As part of this the Client is responsible for updating their own anti-fraud policy and response plans, whistleblowing arrangements etc and for reporting relevant actual, attempted and suspected cases to Accountability and Fraud Management Division (AFMD) DFP and NIAO as is required by Managing Public Money NI.
- 5.5 In respect of investigations the Client is responsible for:-
- identifying the expected required level of fraud investigation resources required;
 - making sufficient resources available to fund this requirement from the Group Service;
 - liaising at any early juncture with the Group Service on suspected cases;
 - providing access to all records, assets, personnel and premises, and with the authority to obtain such information and explanations as are considered necessary to fulfil fraud investigation responsibilities;
 - liaising with Group Fraud Investigators to determine the need for an investigation and the required scope of such investigations;
 - approving the Terms of Reference and Investigation Plan produced by the Fraud Investigation Unit;
 - where appropriate establishing a Fraud Investigation Oversight Groups or other Client oversight mechanisms;
 - co-ordinating meetings of Fraud Investigation Oversight Group, and producing accurate and timely minutes of meetings;
 - at a corporate level overseeing the fraud investigation being undertaken within their organisation by Group staff;
 - taking key management decisions in fraud investigation cases, based on advice/recommendations from Group staff e.g. on police referral, recovery options;
 - fully engaging with the Group staff throughout investigations, including providing free and unfettered direct access to the Accounting Officer, Audit Committee Chair and other senior managers where required;
 - where required, supporting the utilisation of Internal Audit staff to assist Group Fraud Investigation staff undertaking investigations;
 - taking appropriate corrective action to address weaknesses or lessons learned as highlighted by investigations; and.
 - continuing to provide departmental representation at the NICS Fraud Forum.

7. PERFORMANCE MONITORING

- 7.1 The level and standard of service to be provided by the Service Provider shall be in accordance with that specified in *Schedule 2*.
- 7.2 As part of the Group Fraud Investigation Service the Group Head will report to Permanent Secretaries Group (PSG) on the overall performance of the Group Service. This will include Fraud Investigation activity levels undertaken.

Terms of Reference

8. COSTS

- 8.1 Funding for the first year of operation of the central Fraud Investigation Unit (2015/16) will be provided by DFP. The 2015/16 year will be used to determine the baseline for departments' investigation requirements with charging being applied for the use of services in subsequent years. This will be done on the basis of full cost recovery.
- 8.2 Where in the course of a specific investigation specialist skills e.g. forensic services, forensic accounting is required which cannot be provided by the Group Service such activities will be commissioned by the relevant department and costs billed to them directly.

9. RESOLUTION OF COMPLAINTS OR DISPUTES

- 9.1 Should the Client have cause to complain about deficient quality, quantity or standards of service or other customer care issues such as courtesy of staff, the matter shall be resolved by informal discussions between the appropriate managers.
- 9.2 Any major or persistent problems should be reported by the Client Manager, or other representative, in writing to the Group Head no later than 5 working days after identification of the complaint. In all cases, the Group Head will investigate, take appropriate corrective action, and report to the Client Manager or other representative within 5 working days of the complaint being notified. A record of all complaints and references to how they were resolved must be kept by Client Manager and Group Head.
- 9.3 Any dispute, difference or question arising that cannot be satisfactorily resolved, shall be considered jointly by the relevant Accounting Officer and the Group Head.
- 9.4 Neither the Client nor the Service Provider will be liable for delay or failure to perform any obligation under this Agreement if the performance of such an obligation is prevented by a cause, which is beyond the control of either party.

10. VARIATIONS TO THE AGREEMENT

- 10.1 All aspects of this Agreement may be reviewed by the Client, Service Provider or Group Head to take account of changing requirements.
- 10.2 Any additions or variations to the service required by the Client and agreed by the Service Provider shall be identified and appended to this Agreement.

11. SUB-CONTRACTING

- 11.1 The Provider shall not "sub-contract" any of the services covered by this Agreement as defined in *Schedule 1* without the prior consent of the Client.

Terms of Reference

- 11.2 In the event of the Client consenting to services being “sub-contracted” the “sub-contract” shall be a contract established by the Group Head in line with the Northern Ireland Public Procurement Policy.
- 11.3 The Client reserves the right to withdraw its consent to any sub-contractor or sub-contract arrangement where it has reasonable grounds to do so e.g. where a potential/actual conflict of interest may exist.
- 11.4 Where specialist expertise/assistance is required on particular cases and existing contracts do not sufficiently cover the services required then the Group Service and/or the relevant organisation will establish a contract for such services in line with NI Public Procurement Policy requirements. The Service Provider and Client will determine who is the appropriate contracting body for such contracts on a case by case basis.

12. REQUESTS FOR INFORMATION

- 12.1 All data and information provided to the Group Fraud Investigation Service will be held by the Service Provider in line with the Client’s requirements. All reports, working papers, documents and other data (including electronic data) or generated by the Service Provider as a result of audit activity shall be the property of the Client but will be held on the Provider’s file management system. They will not be disclosed to any party out with this Agreement, unless with the permission of the Client.
- 12.2 Where disclosure of information is required by law e.g. under Freedom of Information Act, disclosure of such information will be considered in conjunction with the Client. Where necessary, legal advice will be sought.
- 12.3 Each party acknowledges that the other party may be obliged to disclose information held by it in order to comply with legislative requirements.

13. TERMINATION

- 13.1 The notice period for terminating this Agreement prior to the end of the agreed term shall be 12 months. Instigation of the 12 month notice period should be made formally in writing to the Group Head.
- 13.2 Where another organisation is taking over the provision on Fraud Investigation Services at the expiry or termination of this Agreement the Service Provider shall co-operate in this transfer in order to minimise the level of disruption of the Client.

Terms of Reference

14. CONTACTS

- 14.1 All communications between the Client and the Service Provider in respect of the Agreement must be conducted through the agreed representatives and deputies, who shall be:

<i>Client (1)</i>	
Name:	Denis McMahon
Title/Grade:	Accounting Officer
Division/Location:	Causeway Exchange, Belfast
<i>Client (2)</i>	
Name:	David Carson
Title/Grade:	Finance Director
Division/Location:	Causeway Exchange, Belfast

<i>Service Provider</i>	
Name:	Michelle Anderson
Title/Grade:	Group Head of Internal Audit and Fraud Investigation Services
Division/Location:	Annex C, Dundonald House

Terms of Reference

15. JOINT AGREEMENT

15.1 All parties signify below their acceptance of the Agreement on the terms and conditions set out.

1. Signed on behalf of the *Department / ALB*



Accounting Officer

Date: 12 November 2015

2. Signed on behalf of the Group Internal Audit and Fraud Investigation Services, DFP

Group Head of Internal Audit and Fraud Investigation Services

Date: _____

Terms of Reference

Schedule 1

DEPARTMENTAL BODIES COVERED BY THIS AGREEMENT

The following departmental bodies are covered by this Agreement:-

Body	Key contact details
National Museums NI	Chief Executive Cultra, Holywood
NI Museums Council	Director 153 Bangor Road Holywood
NI Screen	Chief Executive 21 Alfred Street Belfast
Libraries NI	Chief Executive Lisburn City Library 23 Linenhall Street Lisburn
Sport NI	Chief Executive House of Sport 2a Upper Malone Road Belfast
Arts Council NI	Chief Executive 1 The Sidings Antrim Road Lisburn
Armagh Observatory	Director College Hill Armagh
Armagh Planetarium	Accounting Officer College Hill Armagh
Waterways Ireland	Chief Executive 2 Sligo Road Enniskillen
Foras na Gaeilge	Chief Executive 7 Merrion Square Dublin

Terms of Reference

Ulster-Scots Agency	Chief Executive The Corn Exchange 31 Gordon Street Belfast
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Where a department's ALBs are not covered by this Agreement the Departmental Accounting Officer may utilise the Group Fraud Investigation Service to investigate actual, attempted or suspected cases within the department's ALBs where the departmental Accounting Officer wishes to do so.

SERVICE LEVEL REQUIREMENT

Service	Description
Provision of advice to clients when initial concerns/allegations raised	Provide client with preliminary advice on course of action considered appropriate given the circumstances of the case outlined within two days of contact by client.
Attendance at Fraud Investigation Oversight Group (FIOG)/meetings requested by Client	Attend all FIOGs/meetings as arranged and requested by client.
Development of Terms of Reference(TOR) and investigation plan	Provide client with a draft TOR and proposed investigation plan for their approval within 5 days of an investigation being commissioned.
Conduct of investigatory work	Carry out investigation in line with agreed TOR and investigation plan, and in line with legislative and investigation best practice guidance.
Production of evidence pack/referral to PSNI	Where relevant liaise with the PSNI/PPS producing sufficiently detailed evidence packs / prosecution files for the relevant authorities to consider.
Attendance at court/tribunal hearings	Attend/provide input to all criminal, disciplinary, tribunal hearings required as a result of investigation work undertaken as required.
Investigation reporting	Provide clients with a monthly update on any ongoing cases. Provide a written report within no more than 4 weeks of the conclusion of investigation work. Where required provide summary reports of investigation activity undertaken on behalf of the client.
Production of lessons learned	Provide the client with a report on lessons learned/weaknesses identified as part of the investigation process no later than 4 weeks after completion of the investigation. Interim reports to be provided to the client where required.
Media handling	Liaise with relevant Press Offices to respond appropriately to media enquires. Assist Press Offices in drafting of relevant press releases/statements.
Fraud Awareness	Subject to resource availability

GROUP FRAUD INVESTIGATION SERVICE

CASE REFERRAL DOCUMENT

Department / Organisation making referral: _____

Contact point for initial enquiries:

Name: _____

Telephone: _____

Email Address: _____

1. Details of allegation / issue / concern which requires investigation
(Attach separate report if necessary)

Nature of the case referred:	
Period of alleged incident (if known):	
Approximate value (if known):	
Date detected:	
Details of any investigation already undertaken:	

2. Details of person(s) considered to be involved

<u>Name</u>	<u>Position</u>	<u>Address</u>

Internal Referral Document - RD1 DCAL(I)

3. Please list all the supporting documentation relevant to the case referral and supplied here.

1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	

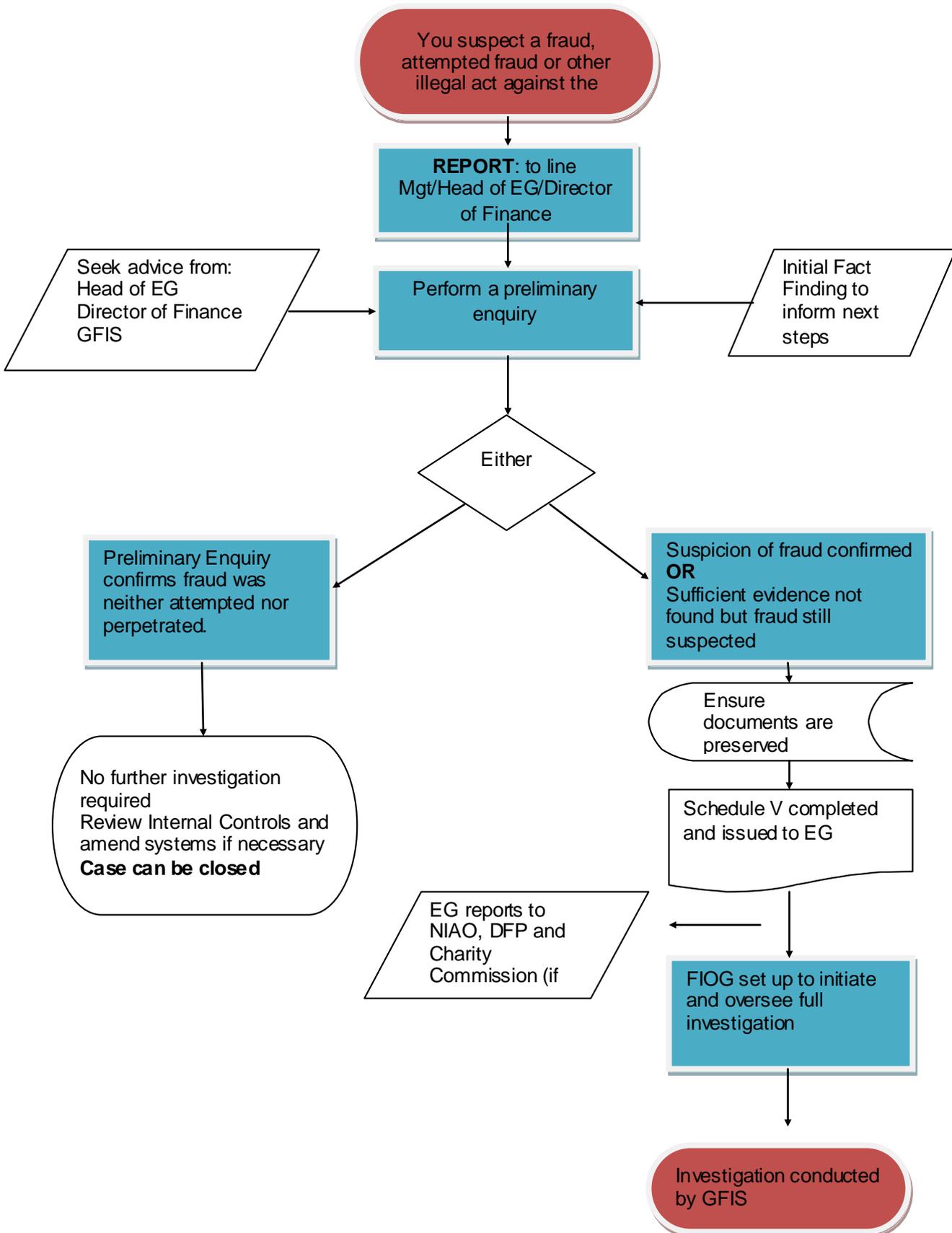
Details of Referring Officer (usually Finance Director or equivalent)	
Name:	
Organisation:	_____
Position:	_____
Telephone Number:	_____
Email Address:	_____
Signed:	_____

**MEMORANDUM OF
UNDERSTANDING BETWEEN THE
NORTHERN IRELAND PUBLIC
SECTOR**

AND

**THE POLICE SERVICE OF
NORTHERN IRELAND (PSNI)**

DEPARTMENTAL Reporting Fraud/Suspected Fraud



Schedule IV

Contact Details

Name	Designation	Telephone Number
David Carson	Director of Finance	90515173 (Ext 75173)
John Hinds	Head of EG	90515027 (Ext 75027)
Tracey McCavigan	DCAL Head of Internal Audit	91279669 (Ext 59669)
Michelle Anderson	Group Fraud Investigation Services	90524410 (Ext24410)

SCHEDULE V – DCAL FRAUD RESPONSE PLAN

Initial Fraud Notification of Frauds to DFP & NIAO

The information below is required if known at the date of reporting. If bodies wish to use a different format for notifications, it should provide the same relevant details.

1.	Departmental fraud reference number (unique identifier)	<i>e.g. 2016/17 – DFP1.</i>
2.	Reporting Department	<i>e.g. DFP</i>
3.	Reporting ALB	
4..	Name of body (eg specific Board, Trust, NDPB, Agency etc) with suspected fraud/theft.	<i>e.g. XX - Agency</i>
5.	Is this body a charitable organisation? i.e. listed on the Charities Commission NI website	<i>Yes / No</i>
6	Is the body a community and voluntary group? i.e is it recorded on the DSD Government Funded database – Provide GFD Unique Reference Number (URN)	See guidance in note 6
7	Are details of funding on the GFD?	<i>Yes / No</i>
8.	Specific location of fraud (eg name of school, name of depot etc)	
9.	Date fraud or suspected fraud discovered	
10.	Is the case being reported as actual, suspected or attempted fraud?	<i>Actual, Suspected or Attempted</i>
11.	Type of fraud?	<i>State as per options listed in note 1</i>
12.	What was the cause of the fraud?	<i>State as per options listed in note 2</i>
13.	Brief outline of case	
14.	Amount of lost or estimated value?	
15.	How was the fraud discovered?	<i>State as per options listed in note 3</i>
16	Who perpetrated the fraud?	<i>State as per options listed in note 4</i>
17.	Has PSNI been notified?	<i>Yes / No</i>
18	Any other action taken so far?	<i>State as per options listed in note 5</i>

19.	Please give contact details for this fraud in case follow-up is required and for contact details reporting on the Government Funding Database	Name: Telephone: Email:
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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

6. What is a voluntary and community group?

Common Features of a VC Group include:

- furthers the recreational, educational and/or social welfare of its community
 - open to any resident or group in its area
 - non-profit making
 - delivers not-for-profit services
 - independent of central and local government
 - Usually they have been set up by local individuals and/or groups that already existed to pursue community interests
 - include campaigning bodies and self-help groups
 - they may be project-focussed and short-lived
 - may also be based on a specific geographical area or hold a shared special interest over a wider area
- benefit from a meaningful degree of philanthropy such as gifts in kind or of time, including volunteers and non-paid trustees/committee member