

Anti-Fraud Policy and Fraud Response Plan

FIN 1

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This document can also be produced in alternative formats upon request.

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Introduction - College Accounting Officer

The aim of this policy is to promote a culture within the Northern Regional College (“the College”), which actively aids the prevention and detection of fraud. The College is committed to maintaining an honest, open and well-intentioned atmosphere within the College. It is also committed to the elimination of any fraud within the College and to the rigorous investigation of any such cases. To achieve this aim the College requires all staff, at all times, to act honestly and with **integrity** in order to safeguard the public resources on which the College depends and is responsible for.

The purpose of this policy is to:

- Outline what constitutes fraud;
- Indicate the potential for fraud;
- Advise on the steps to take to prevent fraud in the first instance; and
- Provide guidance on what to do in the event of fraud or if a fraud is suspected.

All employees will be made aware of and be issued a copy of this policy.

This policy applies to any irregularity, or suspected irregularity, involving employees as well as students, trainees, volunteers, customers, suppliers, contractors, consultants or any other parties with a business relationship with the College.

ANTI-FRAUD POLICY

Introduction

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1. PURPOSE

The College's Anti-Fraud Policy sets out the actions we must take to help prevent fraud. It details responsibilities regarding the prevention of fraud and highlights the procedures to be followed in the event of a fraud being detected or suspected.

2. SCOPE

The College requires all staff, at all times, to act honestly and with integrity, and to safeguard the public resources for which they are responsible. Fraud is an ever-present threat to these resources and must be a concern to all members of staff. The College takes a zero tolerance approach and will not therefore tolerate any level of fraud or corruption; consequently, college policy is to thoroughly investigate all suspected frauds and allegations (anonymous or otherwise) and where appropriate, refer to the police at the earliest juncture and seek recovery of all losses, if necessary through civil action. The College is also committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk.

3. DEFINITIONS

- 3.1. Fraud is commonly used to describe the use of deception, to deprive, disadvantage, or cause loss to another person or party. This can include theft, the misuse of funds or other resources or more complicated crimes such as false accounting and the supply of false information. The term fraud is used generically in this policy and covers criminal acts such as bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation and collusion.
- 3.2. The key legislation which may be used to prosecute fraud is the Fraud Act 2006. The Act refers to three main offences of fraud. An individual can be prosecuted under the Act if they make false representation, failing to disclose information or by abuse of position:
 - **fraud by false representation**, i.e. if someone 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;

- **fraud by failing to disclose information**, i.e. if someone 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; and
- **fraud by abuse of position**, i.e. if someone 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.

3.3. In addition, the UK Bribery Act 2010 came into effect on 1 July 2011. The Act modernises the law on bribery and seeks to provide a revised framework of offences to combat bribery in the public and private sectors. It abolishes the offences of bribery at common law and the statutory offences in the Public Bodies Corrupt Practices Act 1889 and the Prevention of Corruption Act 1906. The Act:

- Creates two general offences of:
 - a) Active bribery i.e. bribing another person, and
 - b) Passive bribery i.e. being bribed
- Creates a discrete offence of bribery of a foreign public official and a new offence of failure of commercial organisations to prevent bribery by persons associated with them (Section 7); and
- Applies equally to individuals in the public service of the Crown as it applies to all other individuals. In practice, this means that from 1 July 2011 any individual or employee who bribes another person or is bribed will be prosecuted under the Bribery Act 2010. Any offences committed before this date will continue to be prosecuted under the earlier legislation. In this optional section outline any definitions, or if more appropriate add a glossary at the end of the document.

4. COLLEGE RESPONSIBILITIES

- 4.1. The College, as a non-departmental public body, is required to adhere to relevant guidance found in Annex 4.7 of “Managing Public Money Northern Ireland” (MPMNI) and in guidance contained on the Accountability and Financial Management Division (AFMD) website: <https://www.dfpni.gov.uk/topics/finance/accountability-and-financial-management>
- 4.2. The College Accounting Officer has overall responsibility for establishing and maintaining a sound system of internal control designed to respond to and manage the risks which the College faces in achieving its policies, aims and objectives. The system of internal control is based on an ongoing process designed to identify the principal risks, to evaluate the nature and extent of those risks and manage them effectively. Managing fraud risk will be seen in the context of the management of this wider range of risks.
- 4.3. Overall responsibility for managing the risk of fraud has been delegated to the Chief Operating Officer. Responsibilities include:
- 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;
 - Establishing an effective anti-fraud policy and fraud response plan, commensurate to the level of fraud identified in the fraud risk profile;
 - Developing appropriate fraud targets;
 - Designing an effective control environment to prevent fraud commensurate with the fraud risk profile;
 - Establishing appropriate mechanisms for:
 - reporting fraud risk issues;
 - reporting significant incidents of fraud to the Chief Operating Officer;
 - co-ordinating assurances about the effectiveness of anti-fraud policies to support the Governance Statement; and,
 - providing a quarterly fraud return to the Department for the Economy

- Liaising with the Audit Committee
- Making sure that all staff are aware of the College's anti-fraud policy and know what their responsibilities are in relation to combating fraud
- Developing skill and experience competency frameworks
- Ensuring that appropriate anti-fraud training and development opportunities are available to appropriate staff in order to meet the defined competency levels
- Ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected
- Taking appropriate disciplinary action against line managers where line management failures have contributed to the commission of fraud
- Taking appropriate disciplinary action against staff who have failed to report fraud
- Taking appropriate action to recover assets
- Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in the future.

4.4. In the formulation of policy, legislation and associated guidance, and in the design of operating procedures the College must ensure that:

- The prevention of fraud and loss is taken into account
- The risks of fraud and loss are assessed when changes are being considered; and
- Weaknesses are identified and rectified when the opportunity arises

5. **LINE MANAGER RESPONSIBILITIES**

5.1. Line Management also have a responsibility for the prevention and detection of fraud in the College. In order to exercise their responsibility in an effective manner, management have the responsibility to design and implement systems within their area of responsibility, which have satisfactory internal controls that are operating effectively thereby ensuring that:

- Information used to monitor performance and take decisions is complete accurate and reliable;

- Policies, plans, procedures and regulations are adhered to;
- Resources are used efficiently, effectively, and economically;
- Assets are safeguarded;
- The organisations objectives are achieved; and
- There is adequate separation of duties to ensure that total control of a key function is not vested in one individual.

5.2. As fraud prevention is the ultimate aim, anti-fraud measures should be considered and incorporated in every system and programme at the design stage e.g. the design of application forms, the statement of accountability in respect of the content in completed applications, regular monitoring of expenditure etc. Internal Audit is available to offer advice to managers on risk and control issues in respect of existing and developing systems/programmes.

6. STAFF RESPONSIBILITIES

6.1. Every member of staff has a duty to ensure that public funds are safeguarded and therefore, everyone is responsible for:

- Acting with propriety in the use of official resources and the handling and use of public funds in all instances. This includes cash and/or payment systems, receipts and dealing with suppliers;
- Conducting themselves in accordance with the seven principles of public life detailed in the first report of the Nolan Committee 'Standards in Public Life', i.e. selflessness, integrity, objectivity, accountability, openness, honesty and leadership; and
- Being vigilant to the possibility that unusual events or transactions could be indicators of fraud and alerting their line manager where they believe the opportunity for fraud exists.

Appendix 1 provides generic examples of Indicators of Fraud.

Appendix 2 provides Common Methods and Types of Fraud.

Appendix 3 provides examples of Good Management Practice.

- 6.2. In addition, it is the responsibility of every member of staff, if they suspect that a fraud has been attempted or committed, or see any suspicious acts or events, to report details immediately to their line manager and or Head of Department who will be responsible for reporting the matter to the Chief Operating Officer. (If there is concern that line management may be involved, the matter should be reported to the next appropriate level). The Public Interest Disclosure (NI) Order 1998 protects the rights of staff who report wrongdoing. A College Whistleblowing Policy has been developed and can be found on the Intranet, and information is also available in Appendix 4.
- 6.3. Advice is also available through the independent charity Public Concern at Work on 020 7404 6609. Their solicitors can give free confidential advice at any stage regarding a concern about serious malpractice at work. An employee can, of course, also seek advice from a solicitor of their own choice, at their own expense.
- 6.4. Section 5 of the Criminal Law Act (Northern Ireland) 1967 (Withholding Information) also places the onus on individuals to report/pass evidence to the police. The involvement of the Police Service of Northern Ireland (PSNI) is dealt with in the Fraud Response Plan.
- 6.5. Staff must also assist any investigations by making available all relevant information, by co-operating in interviews and if appropriate provide a witness statement.
- 6.6. As stewards of public funds, civil servants must have, and be seen to have, high standards of personal integrity. Staff including temporary staff or contractors should not accept gifts, hospitality or benefits from a third party, which might be seen to compromise their integrity. The College has specific guidance on the provision and acceptance of gifts and hospitality, and this guidance also applies to gifts or hospitality offered to spouses, partners or other associates of an official if it could be perceived that the gift or hospitality is in fact for the benefit of the official. The guidance, setting out the fundamental principles for the provision and acceptance of gifts, hospitality and rewards can be found on the College's Intranet

- 6.7. It is also essential that staff understand and adhere to systems and procedures including those of a personnel/management nature such as submission of expenses claims and records of absence, flexi and annual leave.

7. **INTERNAL AUDIT**

- 7.1. Internal Audit is not responsible for the prevention or detection of fraud, corruption or bribery. Internal audit should plan, perform and evaluate work in order to have a reasonable expectation of detecting material misstatements arising from fraud and corruption.
- 7.2. Internal audit assists in the deterrence of fraud/bribery by examining, evaluating and advising management on the adequacy and effectiveness of internal control.

8. **FRAUD INVESTIGATION**

- 8.1. Line managers should be alert to the possibility that unusual events or transactions can be symptoms of fraud or attempted fraud. Fraud may also be highlighted as a result of specific management checks or be brought to management's attention by a third party. It is College policy that there will be consistent handling of all suspected fraud cases without regard to position held or length of service, and investigators should have free access to all staff, records and premises in order to carry out investigations.
- 8.2. After suspicion has been raised, prompt action is essential, and all cases of suspected or actual fraud should be reported immediately to the Chief Operating Officer, who can provide advice on next steps.
- 8.3. Line management should not undertake preliminary enquiries until any suspicion has been reported to and advice taken from the Chief Operating Officer. As detailed in the Fraud Response Plan, it is imperative that enquiries should not prejudice subsequent investigations or corrupt evidence.

- 8.4. If an initial examination confirms the suspicion that a fraud has been perpetrated or attempted, management should follow the procedures provided in the College's Fraud Response Plan.

9. NATIONAL FRAUD INITIATIVE

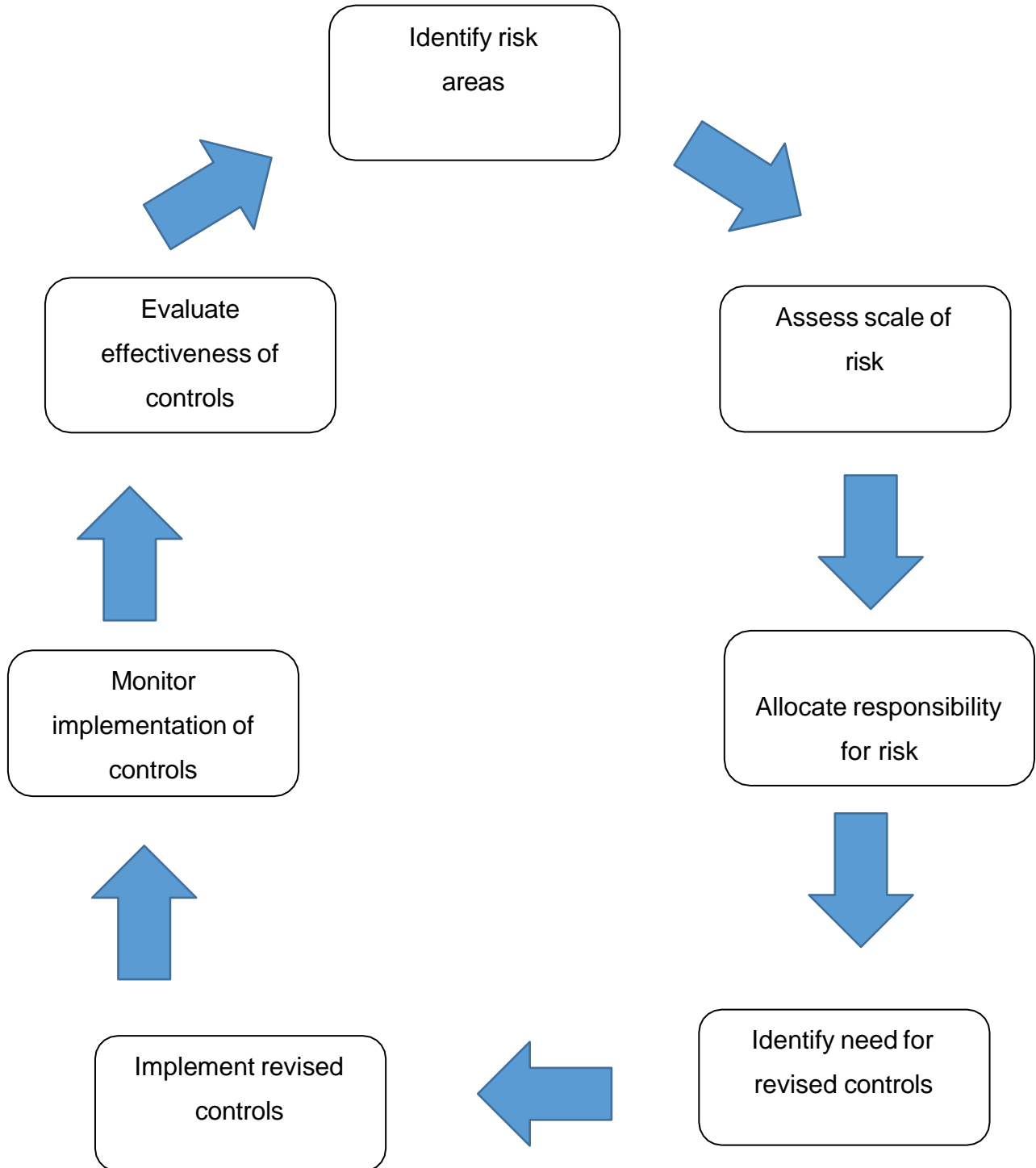
- 9.1. The National Fraud Initiative (NFI) is an effective data matching exercise to assist in the prevention and detection of fraud. It compares information held by different organisations and within different parts of an organisation to identify potentially fraudulent claims and overpayments. The Comptroller and Auditor General for Northern Ireland can undertake data matching exercises, requesting data from a range of public bodies, for the purposes of assisting in the prevention and detection of fraud.
- 9.2. The College first participated in the NFI in 2014 providing key payroll data and personal identifiers, such as contact details. Details are set out in the Northern Ireland Audit Office's website, www.niauditoffice.gov.uk.

10. FRAUD RISK ASSESSMENTS

- 10.1. A major element of good corporate governance is a sound assessment of the organisation's business risks. The key to managing the risk of fraud is the same in principle as managing any other business risk and should be approached systematically at both the organisational and the operational level. The assessment of risk should be part of a continuous cycle rather than a one-off event: as systems and the environment change, so do the risks to which departments will be exposed. **Figure 1** below sets out the key stages of a risk management cycle to help deal with fraud. Internal Audit is available to offer advice and assistance on risk management/ internal control issues.

10.2.

Figure 1: RISK ASSESSMENT CYCLE



11. DISCIPLINARY ACTION

- 11.1. After full investigation, the College will take legal and/or disciplinary action in all cases where it is considered appropriate. Any member of staff found guilty of a criminal act will be considered to have committed a serious disciplinary offence amounting to gross misconduct.
- 11.2. Where supervisory negligence is found to be a contributory factor, disciplinary action may also be initiated against those managers/supervisors responsible.
- 11.3. It is College policy that in all cases of fraud, whether perpetrated or attempted by a member of staff or by external organisations or persons, the case will be referred to the PSNI at the earliest possible juncture.

12. MALICIOUS ALLEGATIONS

- 12.1. If an allegation is made frivolously, in bad faith, maliciously or for personal gain, disciplinary action may be taken against the person making the allegation.

13. CONCLUSION

- 13.1. It is appreciated that the circumstances of individual frauds will vary. The College takes fraud very seriously, taking a zero tolerance approach, and will ensure that all cases of actual or suspected fraud, including attempted fraud, are vigorously and promptly investigated and that appropriate remedial action is taken, including recovery of losses. Managers should be fully aware of their responsibility to protect public funds and as such, should always be alert to the potential for fraud.
- 13.2. Any queries in connection with this Anti-Fraud Policy should be directed to the Head of Finance or Chief Operating Officer.

14. **QUALITY ASSURANCE**

14.1. Comments and complaints regarding this document will be handled through the College's comments and complaints mechanisms. If you have a comment or complaint, or require further information regarding the process, please e-mail quality.improvement@nrc.ac.uk .

14.2. The following processes must be followed to monitor and review this document:

- a. It will be monitored on an ongoing basis and subject to a full review at least every two years.
- b. It may also be updated if changes or improvements in processes or procedures are identified.
- c. In monitoring and reviewing the document, the following will be taken into consideration:
 - feedback regarding the content and format of the document;
 - uptake and usage;
 - comments or complaints regarding the document;
 - Equality information and monitoring data.

FRAUD RESPONSE PLAN

ANNEX A

1. INTRODUCTION

1.1. The College 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, attempted fraud or irregular activity being suspected.

1.2. Adhering to this Fraud Response Plan will enable the College to:

- Take timely and effective action to prevent further losses;
- Help to recover losses;
- Establish and secure evidence necessary for possible criminal and disciplinary action;
- Comply with the external reporting requirements set out in Managing Public Money NI (MPMNI); and
- Highlight areas of weakness in the operating systems to prevent future losses.

1.3. A Memorandum of Understanding (MoU) has been agreed with the Police Service of Northern Ireland (PSNI) Organised Crime Branch, 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 investigations and prosecution of suspected fraud cases.

1.4. The following sections of this paper set out the initial steps to take in the event of fraud or suspected fraud – the Preliminary Enquiry Stage – and if the preliminary enquiry confirms the suspicion that a fraud has been attempted or perpetrated – the Formal Reporting Stage - including the management of an investigation, liaison with the police, follow up actions, communication and reporting requirements.

Appendix 6 provides a high level flowchart setting out the key steps in the preliminary enquiry and formal reporting stages.

Appendix 5 provides advice on best practice for reporting suspicions of fraud and irregularity.

2. PRELIMINARY ENQUIRY STAGE

- 2.1. In the event of a fraud, attempted fraud or other illegal act being suspected including bribery, the officer should immediately report the matter to their line manager/Head of Department. If there is concern that line management may be involved, the matter should be reported to the next appropriate level. Additionally, management should immediately report the fraud or suspected fraud to the Chief Operating Officer.
- 2.2. Line management should not undertake preliminary enquiries until any suspicion has been reported to and advice taken from the Chief Operating Officer. It is imperative that enquiries should not prejudice subsequent investigations or corrupt evidence.
- 2.3. The Chief Operating Officer will advise on an initial fact-finding exercise. This discreet preliminary enquiry should, where possible, be carried out within 24 hours of the suspicion being raised. The purpose of the initial fact-finding exercise is to determine the factors that gave rise to suspicion and to clarify whether a genuine mistake has been made or if it is likely that a fraud has been attempted or occurred. This may involve discreet enquiries with staff or the examination of documents
- 2.4. If the preliminary enquiry confirms that a fraud has not been attempted nor perpetrated but internal controls were deficient, management should review their control systems with a view to ensuring they are adequate and effective. Internal Audit is available to offer advice and assistance on matters relating to internal control, if required.

3. FORMAL REPORTING STAGE

- 3.1. If the preliminary enquiry confirms the suspicion that a fraud has been attempted or perpetrated, management must ensure that all original documentation is preserved in a safe place for further investigation. This is to prevent the loss of evidence, which may be essential to support subsequent disciplinary action or prosecution. The facts should be reported immediately, internally, to the:

- Head of Department(s) impacted by the fraud; and

- Chief Operating Officer
- 3.2. If the preliminary enquiry confirms the suspicion that a fraud may have taken place then the employee involved should be suspended, pending further investigation. This must take place in accordance with the Articles of Government of the College and, where applicable, the Dismissal and Suspension Procedure for Full-Time Teachers in Institutions of Further Education.
- 3.3. 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 externally management should consider the need to inform other relevant government Departments/Bodies.
- 3.4. The Chief Operating Officer will decide on the appropriate course of action including the full formal investigation arrangements, and will be responsible for reporting to and liaison with the Accounting Officer, as necessary, to support external reporting requirements.

4. **LIAISON WITH THE POLICE SERVICE OF NORTHERN IRELAND**

- 4.1. It is College policy that in all cases of fraud, whether perpetrated or attempted by a member of staff or by external organisations or persons, the case will be referred to the PSNI, as necessary, at the earliest possible juncture.
- 4.2. The Chief Operating Officer should ensure that legal and/or police advice is sought where necessary. The appropriate Business Area will liaise with the PSNI Organised Crime Branch, Knocknagoney and an evidence pack should be prepared and sent to PSNI as set out in **Appendix 7**. Where actual or attempted fraud is confirmed and is of a large or complex nature, the Organised Crime Branch may wish to carry out the investigation. Smaller cases may be referred to the CID at local stations.

5. **POST EVENT ACTION**

- 5.1. Appropriate steps will be taken to recover all losses resulting from fraud, if necessary through civil action.
- 5.2. Where a fraud, or attempted fraud, has occurred, management must make any necessary changes to systems and procedures to ensure that similar frauds or attempted frauds will not recur. Additionally, if a College employee is suspected of involvement, HR in liaison with the Chief Operating Officer, will consider the appropriate course of action. This may range from close monitoring/supervision to precautionary suspension, however, it should be noted that suspension does not in any way imply guilt.
- 5.3. Internal Audit is available to offer advice and assistance on matters relating to internal control, if considered appropriate.

6. REPORTING ARRANGEMENTS

6.1. The Chief Operating Officer has a responsibility to report of all discovered fraud, proven or suspected, including attempted fraud, within or against the College, to the following:

- The Department for the Economy
- Senior Leadership Team
- College Audit Committee
- the Comptroller and Auditor General, Northern Ireland Audit Office (NIAO);
and
- Accountability and Financial Management Division (AFMD).

6.2. The Chief Operating Officer will ensure that updates on progress regarding the completion of investigations are provided to the Department and NIAO, as necessary, to meet external reporting requirements. Care will be taken in making such reports that potential future legal proceedings are not jeopardised.

7. CONCLUSION

7.1. Any queries in connection with this Fraud Response Plan should be made to Finance.

APPENDIX 1**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
- 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

INDICATORS OF FRAUD (CONTINUED)

- 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
- 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 – e.g. Leasing capital equipment instead of purchasing them

Corporate Fraud

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

APPENDIX 2**COMMON METHODS AND TYPES OF FRAUD**

- Payment for work not performed
- Claiming for overtime not worked
- Secondary employment during working hours
- Abuse of flexi
- Working while on sick leave
- Over claiming travel and expenses
- Running a private business with official assets, for example, College telephone and IT systems
- Forged endorsements
- Altering amounts and details on documents
- Collusive bidding
- Overcharging
- Writing off recoverable assets or debts
- Unauthorised transactions
- Selling information
- 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
- False official identification used
- Damaging/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
- Skimming odd pence and rounding
- Using facsimile signatures
- False compensation and insurance claims
- Stealing of discounts
- Selling waste and scrap
- Altering stock records
- Altering sales records
- Cash stolen
- Supplies not recorded at all
- Stolen equipment and supplies

APPENDIX 3**EXAMPLES OF GOOD MANAGEMENT PRACTICES WHICH MAY ASSIST IN COMBATING FRAUD**

- All income is promptly entered in the accounting records with the immediate endorsement of all cheques
- Regulations governing contracts and the supply of goods and services are properly enforced
- Accounting records provide a reliable basis for the preparation of financial statements
- Controls operate which ensure that errors and irregularities become apparent during the processing of accounting information
- A strong internal audit presence
- Management encourages sound working practices
- All assets are properly recorded and provision is made known for expected losses
- Accounting instructions and financial regulations are available to all staff and are kept up to date
- Effective segregation of duties exists, particularly in financial accounting and cash/securities handling areas
- Close relatives do not work together, particularly in financial, accounting and cash/securities handling areas
- Act immediately on internal/external auditor's report to rectify control weaknesses
- Review, where possible, the financial risks of employees
- Issue accounts payable promptly and follow-up any non-payments
- Set standards of conduct for suppliers and contractors
- Maintain effective security of physical assets; accountable documents (such as cheque books, order books); information, payment and purchasing systems
- Review large and unusual payments
- Perpetrators should be suspended from duties pending investigation
- Proven perpetrators should be dismissed without a reference and prosecuted
- Query mutilation of cheque stubs or cancelled cheques
- Store cheque stubs in numerical order

- Undertake test checks and institute confirmation procedures
- Develop well defined procedures for reporting fraud, investigating fraud and dealing with perpetrators
- Maintain good physical security of all premises
- Randomly change security locks and rotate shifts at times (if feasible and economical)
- Conduct regular staff appraisals
- Review work practices open to collusion or manipulation
- Develop and routinely review and reset data processing controls
- Regularly review accounting and administrative controls
- Set achievable targets and budgets, and stringently review results
- Ensure staff take regular leave
- Rotate staff
- Ensure all expenditure is authorised
- Conduct periodic analytical reviews to highlight variations to norms
- Take swift and decisive action on all fraud situations
- Ensure staff are fully aware of their rights and obligations in all matters concerned with fraud.

APPENDIX 4**NRC WHISTLEBLOWING POLICY**

All of us at some point may have concerns about what is happening at work. However, when it is about unlawful conduct, a possible fraud or a danger to the public or the environment, or other serious malpractice, it can be difficult to know what to do.

You may have worried about raising such a concern and may have thought it best to keep it to yourself, perhaps feeling it was none of your business or that it is only a suspicion. You may have felt that raising the matter would be disloyal to colleagues, managers or to the College. You may have decided to say something but found that you have spoken to the wrong person or raised the issue in the wrong way and were not sure what to do next.

The College has Whistleblowing arrangements in place to reassure you that it is safe and acceptable to speak up. They also enable you to raise any concern about malpractice at an early stage and in the right way. If something is troubling you which you think we should know about or look into, these arrangements set out the steps you should take and identify the key contacts, and the College's assurances to you.

The College is committed to making Whistleblowing work. If you raise a genuine concern under these arrangements, you will not be at risk of losing your job or suffering any form of retribution as a result. Provided you are acting in good faith, it does not matter if you are mistaken. Whilst the College cannot guarantee that it will respond to all matters in the way that you might wish, it will strive to handle the matter fairly and properly.

A copy of the College's Whistleblowing Arrangements is available on the intranet.

APPENDIX 5**BEST PRACTICE FOR REPORTING SUSPICIONS OF FRAUD AND IRREGULARITY**

If staff become aware of a suspected fraud or irregularity, write down the concerns immediately. Make a note of all relevant details, such as what was said in phone or other conversations, the date, the time and the names of anyone involved. It may necessary to handover any notes and/or evidence you have gathered to the appropriate investigator.

STAFF MUST NOT DO ANY OF THE FOLLOWING:

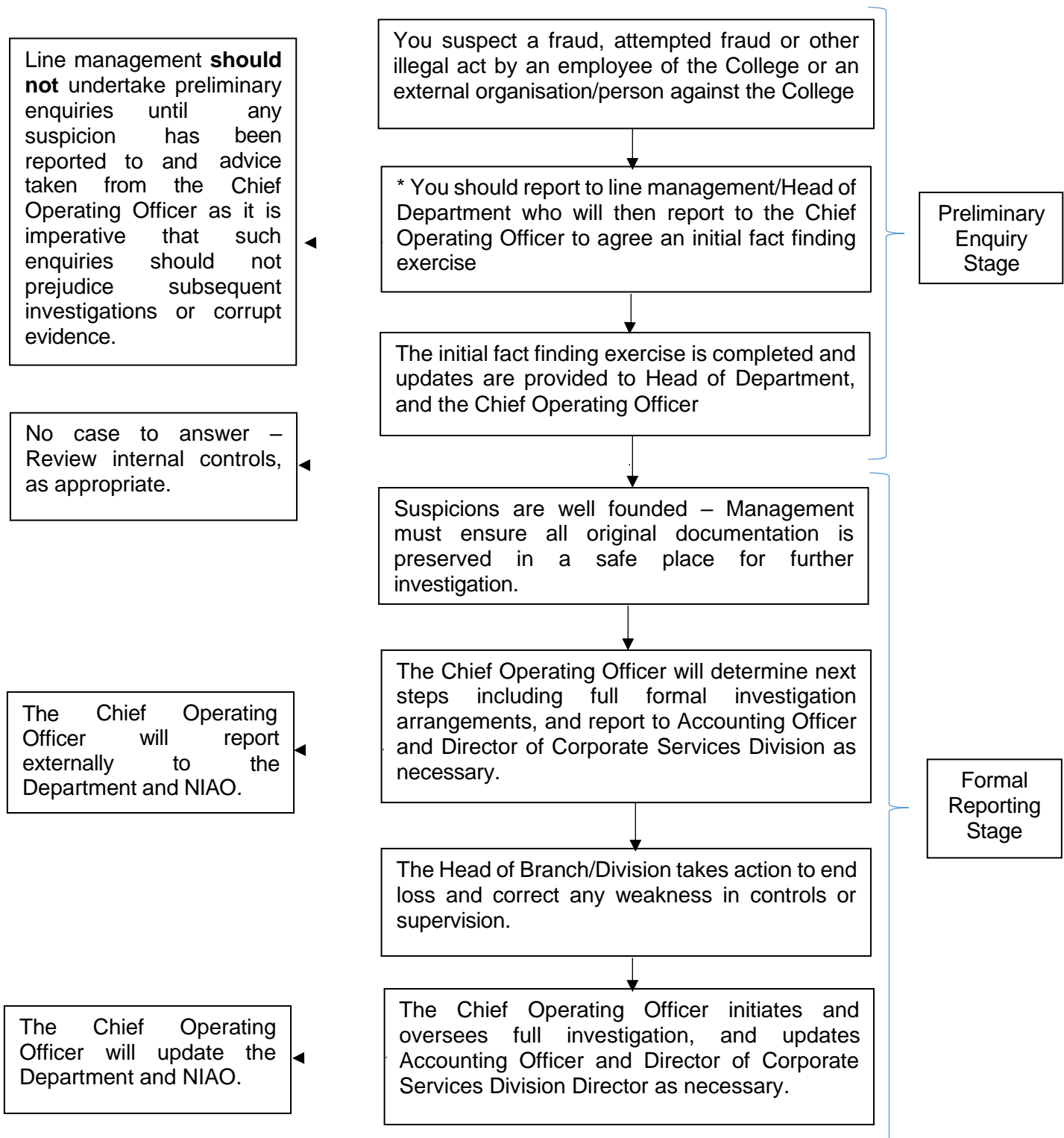
- Contact the suspected perpetrator in an effort to determine the facts.
- Discuss the case facts, suspicions, or allegations with anyone outside the College.
- Discuss the case with anyone within the College other than the people detailed in the Anti-Fraud Policy and Fraud Response Plan.
- Attempt to personally conduct investigations or interviews or question anyone.

ACTION BY MANAGERS

If Line Management have reason to suspect fraud or corruption in the work area, they should:

- Listen to the concerns of staff and treat every report received seriously and sensitively;
- Make sure that all staff concerns are given a fair hearing. Line Management should also reassure staff that they will not suffer because they have told you of the suspicions;
- Get as much information as possible from the member of staff, including any notes and any evidence they have that may support the allegation. Do not interfere with any evidence and make sure it is kept in safe place; and
- Do not try to carry out an investigation yourself; this may damage any criminal enquiry. Seek advice from the Chief Operating Officer before taking any action
- Report the matter immediately to Line Management and the Chief Operating Officer

PRELIMINARY ENQUIRY AND FORMAL REPORTING STAGES



*If you are concerned that line management may be involved in a suspected or actual fraud, you should report it to the next appropriate level, i.e. Head of Department or Chief Operating Officer. You can also contact the charity, Public Concern at Work.

PSNI DOCUMENTATION

REFERRAL TO PSNI: ACCEPTANCE CRITERIA

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 make an assessment and 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 i.e. 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 College will identify and preserve all original documents and other exhibits relating to any intended complaint
- The College 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 brief summary of the allegations including estimated values of alleged crime and relevant dates;
 - A full description of the nature of the crime and the circumstances surrounding it. This should include full details of any investigations already undertaken by the College or anyone acting on their behalf;
 - Copies of all relevant documents, each individually numbered and identified in the summary;
 - Copies of all statements obtained from suspects;
 - Names and addresses of all witnesses identified at the time of reporting to the police, including copies of any statements;
 - Any police reference numbers, which may already apply to any part of the case; and
 - A name and contact point.

Document Development

D1. Working Group

Details of staff who were involved in the development of this policy:

Name	Position

D2. Consultation

Details of staff, external groups or external organisations who were consulted in the development of this policy:

Please refer to Equality Screening Consultation Guidance.

Name	Organisation	Date

D3. Approval Dates:

Details	Date Approved
Equality Screening (<i>please refer to Equality Screening Guidance</i>)	13/12/2011
Quality Checked (<i>please refer to Quality Checklist</i>)	03/05/2019
SLT	
Governing Body (<i>SLT to decide if PPS needs to go to Governing Body</i>)	23/11/2011

D4. Communication Plan:

Please provide details and dates as to how this policy will be communicated, implemented and disseminated:

Action:	Action by:	Date:
Upload to Staff Intranet	QM	May 2019

D5. Document History

Issue no. under review (Please see the front page)	Date of review: (Date)	Who was involved in reviewing the document? (Name/s)	Were changes made to the document after reviewing? (Yes or No)	If changes have been made, please provide brief details:	New Issue No.	If Yes, did the document need to go through consultation again? (Yes*/No)	If Yes, did the document need to be Equality Screened again? (Yes*/No)	If Yes, date those affected by document will be alerted of updated document: (Date)
2	May 19	Sean Laverty	No	N/a	3	N/a	N/a	N/a

* If you answered 'Yes' in columns E or F, you must forward details of additional consultation and/or screening to the Equality Officer.