



Business Services
Organisation

FRAUD RESPONSE PLAN



CONTENTS

	Page
INTRODUCTION	3
WHAT SHOULD BE REPORTED	3
SAFEGUARDS	4
WHAT SHOULD AN EMPLOYEE DO IF THEY SUSPECT FRAUD OR CORRUPTION	4
WHAT SHOULD A MEMBER OF THE PUBLIC DO IF THEY SUSPECT FRAUD OR CORRUPTION	5
ACTIONS TO BE TAKEN WHEN SUSPICION ARISES	5
LIAISON WITH THE PSNI	6
PROCEEDINGS TO FULL INVESTIGATION	7
PROTECTION OF DOCUMENTS	7
INTERVIEWING	7
REFERRAL TO THE PSNI	8
FINDINGS OF THE FULL INVESTIGATION	8
RECOVERY OF LOSS	9
ACTING ON LESSONS LEARNED FROM INVESTIGATION	9
PUBLIC RELATIONS	9
EXAMPLES OF COMMON METHODS AND TYPES OF FRAUD (APPENDIX A)	10

INTRODUCTION

1. The BSO operates a zero tolerance attitude to fraud and is committed to developing and maintaining a culture where its staff have, and are seen to have, the highest standards of honesty, propriety and integrity in the exercise of their duties. The BSO's Fraud Policy makes it clear that the BSO Board adopts a zero-tolerance approach to fraud and will not accept any level of fraud within the organisation. It highlights that there will be a thorough investigation of all allegations or suspicions of fraud and robust action will be taken where fraud is proven.
2. The BSO will promote fraud awareness, in conjunction with CFPS, through its fraud awareness e-learning training package. Roadshows and presentations for staff to improve awareness and understanding of the impact of fraud on the provision of HSC services within Northern Ireland will also take place. These events will advise staff how and to whom incidents of fraud should be reported to.
3. The purpose of this Fraud Response Plan is to provide guidance to BSO staff on the procedures that must be followed when fraud is suspected or detected. The Director of Finance has primary responsibility for actioning this Fraud Response Plan and will keep the Chief Executive apprised at all stages.
4. The BSO's Standing Financial Instructions require any employee or officer discovering or suspecting a loss of any kind to inform his/her Head of Department/Line Manager who will in turn inform their Director and the Director of Finance. Where the actions seem deliberate, the possibility of fraud should be considered.
5. This document should be read in conjunction with the following BSO documents:
 - Fraud Policy
 - Whistleblowing Policy

WHAT SHOULD BE REPORTED?

6. Fraud may be considered to be the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party, ***whether for personal gain or for the benefit of a third party.*** Concerns which should be reported include, but are not limited to, staff committing or attempting to commit deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.

External Organisation's actions of concern should also be reported including being offered a bribe or inducement by a supplier, receiving fraudulent (rather than erroneous) invoices from a supplier and reporting allegations of corruption or deception from a supplier. The 2010 Bribery Act defines a bribe as ***'a financial or other advantage intended to induce or reward the improper performance of a person's function or activity, where benefit could create a conflict between personal interests and business interests.'***

7. ***The BSO participate in the National Fraud Initiative which promotes the proper spending of public money. Under this initiative data match checks are carried out in respect of payroll, pensions and trade creditors by nominated BSO staff. Following these checks if is suspected that some fraud may have taken place these cases should be forwarded to Fraud Liaison Officer for referral to the Counter Fraud and Probity Services for investigation.***

A list of the most common types of fraud is included at Appendix A. This list is not exhaustive but if you are in any doubt about the seriousness of your concern, advice and guidance can be obtained from the Director of Finance, the BSO Fraud Liaison Officer or Counter Fraud and Probity Services.

SAFEGUARDS

8. A formal whistleblowing policy has been established to provide a framework for providing information and to afford protection and confidentiality to staff including allegations of fraud who supply information, provided this is done in good faith and without malice. This Policy is available through the BSO intranet site.
9. This Plan encourages individuals to put their name to allegations but concerns expressed anonymously will be considered by the BSO.
10. If an allegation is made in good faith, but is not confirmed by the investigation, no action will be taken against the individual responsible for making the allegation. If it is proven that individuals have made malicious or vexatious allegations, disciplinary action will be taken against the individual making the allegation.

WHAT SHOULD AN EMPLOYEE DO IF THEY SUSPECT FRAUD OR CORRUPTION?

11. Staff have a duty under the BSO Standing Orders to come forward and give information where they honestly believe someone may have committed or be about to commit a fraud. This should be done without delay.

12. Line Managers and staff should be alert to the possibility that unusual events or transactions could be attempted fraud and that there may be collusion between staff and third parties in cases of fraud.
13. Staff who have concerns should report them as soon as possible to their immediate line manager. The line manager will in turn advise their Director and the Director of Finance and the Fraud Liaison Officer.
14. If they feel unable to raise the matter with their line manager, for whatever reason, they should raise the matter with their Director/Assistant Director. Alternatively, staff may report their concerns through the following channels:

- Paddy Anderson, Director of Finance on 028 9536 3722
- Janine Watterson, Fraud Liaison Officer on 028 9536 3721
- The confidential HSC Fraud Hotline on **0800 096 33 96**
- The BSO website/contact us by sending a report [online](#)
- Write to:

Counter Fraud and Probity Services
Business Services Organisation
2 Franklin Street
BELFAST BT2 8DQ

WHAT SHOULD A MEMBER OF THE PUBLIC DO IF THEY SUSPECT FRAUD OR CORRUPTION?

15. A member of the public who suspects fraud involving BSO, its staff or contracts is strongly encouraged to report their concerns through the following channels:

- Paddy Anderson, Director of Finance on 028 9536 3722
- Janine Watterson, Fraud Liaison Officer on 028 9536 3721
- Confidential HSC Fraud Hotline on **0800 096 33 96**
- BSO website/contact us by sending a report [online](#)
- Write to:

Counter Fraud and Probity Services
Business Services Organisation
2 Franklin Street
BELFAST BT2 8DQ

ACTIONS TO BE TAKEN WHEN SUSPICION ARISES

16. On discovery of an attempted, suspected or proven fraud of any kind, the person who has received the report will immediately contact their line manager or Director without delay. The Director will then inform the Director

of Finance. At this point the matter should be reported immediately to Counter Fraud and Probity Services as a suspected or actual fraud. CFPS will report immediately to DHSSPS, DFP and NIAO all suspected or actual frauds, arising within HSC. The information collected will be used to learn from the experience of others and encourage good practice.

17. The Director should immediately carry out an initial local discrete enquiry, within 30 days, to ascertain the facts. The main purpose of this enquiry is to confirm or repudiate, as far as possible the suspicions that have arisen. The Director may consult with the Director of Finance as to who is best placed to conduct the initial enquiry. The Director of Finance may decide at this point to nominate a Lead Officer to carry out the enquiry or refer the case to the Counter Fraud and Probity Services for preliminary review.
18. The outcome of the preliminary enquiry will be communicated to the Director of Finance and if it is clear that fraud has not taken place the case will be closed.
19. Depending on the circumstances of the suspected fraud the BSO will take immediate steps to prevent any further frauds or losses occurring by changing or strengthening procedures or even suspending any payment processes, pending full investigation. Internal Audit will be consulted for advice and assistance on matters relating to internal controls, if necessary.
20. The Director of Human Resources will determine whether suspension of the suspect is appropriate given the specific circumstances of the case and if so, will arrange for this to be carried out.
21. If the preliminary enquiry confirms that a fraud has been attempted or perpetrated, the Director of Finance and other relevant Director, in conjunction with the Assistant Director of Counter Fraud and Probity Services will decide on the action to be taken in respect of the formal investigation.

LIAISON WITH THE POLICE SERVICE OF NORTHERN IRELAND

22. If it appears that a criminal offence may have been committed the matter, in the first instance, will be referred to Counter Fraud and Probity Services for investigating. Any decision about involving the PSNI will be made by the Director of Finance, in conjunction with the Assistant Director of Counter Fraud and Probity Services. The BSO may also seek advice from its Directorate of Legal Services. If it is decided that PSNI involvement is required then Counter Fraud and Probity Services will make the initial call.

PROCEEDING TO FULL INVESTIGATION

23. When the Director of Finance is satisfied that the suspicion appears well founded or there is no other obvious explanation for the irregularity, he/she must immediately refer the case to BSO Counter Fraud and Probity Services for full investigation.
24. The Director of Finance should arrange for a referral to be logged of the suspected or actual fraud on the Counter Fraud and Probity Services fraud reporting system.
25. The Director of Finance through the Fraud Liaison Officer will receive regular updates from CFPS throughout the investigation. The Fraud Liaison Officer will subsequently provide updates to the Director of Finance and Governance and Audit Committee.
26. ***The Director of Finance will, where appropriate, advise staff who may have been involved in any investigation of the outcome as soon as is possible without compromising any potential disciplinary action or criminal proceedings which may arise from the investigation.***

PROTECTION OF DOCUMENTS

27. If the initial enquiry suggests that a fraud has been attempted or perpetrated, then the relevant Director must immediately take steps to prevent the possible destruction of evidence and ensure that all original documentation is preserved in a safe place for further investigation. If the removal of documentation would impair the efficient operation of work, arrangements should be made to have copies available for continued use. The safe retention of original documents is essential for potential future legal action.

INTERVIEWING

28. Fraud investigation is a specialist area of expertise and staff tasked with carrying out an investigation should have appropriate experience and training therefore interviews will be carried out by trained officers within BSO's Counter Fraud and Probity Services.
29. When fraud is suspected, the need to interview can be for the purpose of disciplinary and/or criminal proceedings. When disciplinary action is necessary, interviews should be carried out by the appropriate line manager in conjunction with a representative from the Human Resources directorate. In these circumstances it is essential that specialist personnel advice is sought on the appropriate disciplinary procedures before interviewing takes place.

30. When criminality is suspected, interviewing of suspects must be left to CFPS staff or the PSNI and not carried out by any other member of BSO staff. If the conditions of the Police and Criminal Evidence (NI) Order 1989 (PACE) are not complied with, evidence will not be admissible in Court.

REFERRAL TO THE POLICE SERVICE FOR NORTHERN IRELAND (PSNI)

31. The Director of Finance, on recommendation from CFPS, will decide when to refer a case to the PSNI. A Memorandum of Understanding between the NI Public Sector and the PSNI has established Acceptance Criteria that must be met before a case should be referred to PSNI for action. The decision to accept a case for investigation rests fully with PSNI who will provide their decision in writing.
32. Evidential packages provided to the PSNI will be provided by the Counter Fraud and Probity Services and should contain a detailed summary of all relevant information surrounding the allegations made.

FINDINGS OF THE FULL INVESTIGATION

33. The Director of Human Resources will determine whether any members of staff should be subject to disciplinary action as a result of the findings of the investigation and will initiate any such action.
34. The Fraud Liaison Officer will advise the Governance and Audit Committee of the fraud following the initial enquiries. He/she will regularly update the Committee on progress and will formally report on the outcome of the investigation.

RECOVERY OF LOSS

35. Preventing further loss and recovery of any losses incurred are the primary objectives of any fraud investigation. The Director of Finance shall ensure that in all fraud investigations, the amount of any loss shall be quantified. Repayment of losses should be sought in all cases.
36. Where the loss is substantial, legal advice should be obtained without delay and consideration should be given on the potential to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice should also be obtained on the prospects for recovering losses through the civil court, should the suspect refuse to repay the loss. The BSO should seek to recover costs in addition to any losses.

37. The Director of Finance will ensure that any loss incurred as a result of the fraud is recorded in the BSO's Register of Losses in accordance with Circular HSS (F) 38/98.

ACTING ON LESSONS LEARNED FROM THE INVESTIGATION

38. The Director of Finance shall discuss with the Lead Officer and CFPS and where appropriate the Head of Internal Audit, the effect of any system weaknesses identified by the investigation.
39. The Director of Finance is responsible for ensuring that the appropriate changes in procedures and working practices to address any system weaknesses identified by the investigation are made promptly by the relevant officers.
40. Where relevant, the Director of Finance may initiate a follow-up examination of the relevant areas to ensure the revised procedures are operating effectively.

PUBLIC RELATIONS

41. The Director of Finance in conjunction with CFPS will collaborate with the DHSSPS Press Office as appropriate on any public relations work arising from the findings of investigations.
42. Where appropriate, the Director of Finance, in conjunction with the Director of Human Resources, will decide whether the findings of the investigation need to be conveyed to other members of staff within the wider organisation.

EXAMPLES OF 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 surplus amounts stolen
- 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
- Theft of clients/residents monies
- False or inappropriate use of client/resident monies