

ARMAGH CITY BANBRIDGE CRAIGAVON BOROUGH COUNCIL

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FRAUD POLICY

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1. Policy Statement

The Council is committed to the prevention of fraud by developing, implementing and maintaining effective procedures and controls throughout the organisation. The Council takes a **zero-tolerance** approach and will not therefore tolerate any level of fraud or corruption. All allegations will be dealt with in a fair and equitable manner and in the strictest confidence.

In accordance with the Chartered Institute of Public Finance & Accountancy (CIPFA's) *Fighting Fraud and Corruption Locally 2020 Strategy*, Council will:

- Govern the anti-fraud, bribery and corruption measures to ensure they are robust and holistic;
- Acknowledge the threat of fraud and the opportunities for savings that exist;
- Prevent and detect all forms of fraud;
- Pursue appropriate sanctions and recover any losses; and
- Protect itself and the community against serious and organised crime, protecting the organisation from becoming a victim of fraud.

The Policy applies to all Council workers (full time, parttime, temporary and casual staff) and any agency staff, volunteers or consultants undertaking Council work. Fraud may be committed both within the Council and externally, therefore, the Policy also applies to those contractors working for the Council-on-Council premises, suppliers and service users.

2. Aims of the Policy

The aim of the policy is to set out the Council's stance on fraud, corruption or other dishonest acts and reinforce an open and honest culture. The Council is committed to the highest possible standards of openness, probity and accountability. Specifically, the policy aims to:

- To reduce the risk of fraud, loss and impropriety within the Council to a minimum and protect the Council's resources.
- To ensure appropriate arrangements are in place to prevent and detect any impropriety.
- To ensure that where allegations of fraud, loss and impropriety arise, there is a clear and transparent process to ensure that they are reported, properly investigated and where necessary, that appropriate action is taken.

3. What the Policy Covers

The term 'Fraud' is used throughout this Policy and covers acts such as deception, bribery (either making or receiving a bribe, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.

The key legislation which may be used to prosecute fraud is the Fraud Act 2006 and supplements other legislation, such the Theft Act (NI) 1969 and the Theft (NI) Order 1978. In addition, the UK Bribery Act 2010 clarifies the law in relation to bribery and corruption.

i. Fraud

Fraud is commonly used to describe the use of deception with the intention of obtaining advantage, avoiding an obligation or causing loss to another 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. In essence, fraud is a deliberate act by an individual or group of individuals and is therefore always intentional and dishonest.

The Fraud Act created a single offence of fraud and defined this in three classes:

- **Fraud by false representation:** if someone dishonestly makes a false representation and intends by making the representation to make a gain for themselves or another, or to cause loss to another or expose another to risk of loss;
- **Fraud by failing to disclose information:** if someone dishonestly fails to disclose to another person information which he/she is under a legal duty to disclose and intends, by means of abuse of that position, to make a gain for themselves or another, or to cause loss to another or expose another to risk of loss; and
- **Fraud by abuse of position:** if someone occupies a position in which they are expected to safeguard, or not to act against, the financial interests of another person; he/she dishonestly abuses that position; and intends, by means of the abuse of that position, to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss.

ii. Theft

Theft is defined in the 1968 Theft Act as: *'A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it'.*

Put simply, theft offences are again a dishonesty offence where an individual deliberately and dishonestly takes something (this can be something physical such as cash or an item or an intellectual property item such as an idea or design), that is not theirs to take and uses it for their own purposes without permission.

iii. Bribery

Bribery can be described as giving someone a financial inducement or reward or showing any favour or disfavour which may influence any person to act improperly. The Bribery Act 2010 came into effect on 1 July 2011. It defines four new criminal offences:

- Bribing another person;
- Requesting or accepting a bribe;
- Bribing a foreign official; and
- Failure of a commercial organisation to prevent bribery.

Whilst the Council is not normally considered to be a “commercial organisation”, the term is used to describe any organisation in the UK that engages in commercial activities regardless of whether it pursues charitable, education aims or purely public functions. For the purposes of applying the Bribery Act 2010, the Council is treated as a commercial organisation and, therefore, needs to take appropriate steps, including the provision of appropriate procedures, to prevent bribery taking place.

iv. Corruption

Corruption is the abuse of power or position to acquire a personal benefit. It includes all acts of demonstrating a lack of integrity, including bribery.

Corruption covers matters such as:

- To receive any gift, loan, fee, reward or advantage for doing, or not doing, anything or showing favour, or disfavour, to any person in his/her official capacity.
- Failure to follow Council Standing Orders/Procedures without satisfactory explanation and/or approval regarding quotations and tenders to knowingly benefit a particular supplier; and

- Money laundering, which is the process by which criminally obtained money or other assets are exchanged for clean money or assets with no obvious link to their criminal origins. The four offences are concealing, arranging, acquisition/use/possession and tipping off.

Appendix 1 details examples of common methods and types of Fraud.

4. Related Policies and Procedures

Whilst the Fraud Policy forms part of the Council's wider governance arrangements, there are a number of policies and procedures that are particularly relevant:

- Financial Regulations and Procurement Procedures;
- Raising Concerns Policy;
- Grievance Policy and Procedures;
- Surveillance Camera Systems Policy;
- Employee Code of Conduct;
- Northern Ireland Code of Conduct for Members;
- Corporate Complaints Policy;
- Disciplinary Policy and Procedures; and
- Gifts & Hospitality Policy.

5. Roles and Responsibilities

Elected Members & Executive Management Team

Members, in particular through the Governance, Resources & Strategy and Performance & Audit Committees, will give clear support to the Council's counter fraud arrangements. The Council's Executive Management Team (EMT) will provide strong leadership by advocating the Council's arrangements. There is a strong correlation/relationship between good governance and good counter fraud operations.

The Governance, Resources & Strategy Committee will:

- Approve the policy.
- Provide adequate resources to assist officers to discharge their responsibilities on countering fraud and corruption.
- In conjunction with the EMT & Heads of Department (HoD), develop and maintain an anti-fraud culture throughout the organisation.
- Adhere to the Member Code of Conduct.

The Performance & Audit Committee will:

- Review the Fraud Policy & Response Plan;
- Champion an anti-fraud Culture throughout the Council;
- Receive and consider progress updates at the Performance & Audit Committee on investigations (as appropriate) and monitor action plans to address control weaknesses.

Heads of Department and Managers

Fraud risk is managed through the existence, and application, of appropriate policies and procedures and through effective control systems.

Heads of Department and Managers have overall responsibility for acknowledging, assessing and managing the individual fraud risks relevant to their service areas. Assistance with this is available from Internal Audit where requested. The primary responsibility for preventing fraud lies with management through:

- Identification of risks to which systems and procedures are exposed;
- The implementation, documentation and operations of internal controls;
- Establishing an environment that promotes compliance with internal controls;
- Ensuring all staff complete fraud training; and
- Promoting fraud awareness amongst staff and fostering an 'anti-fraud' culture.

Staff

All Council staff **are 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.
- Being vigilant to the possibility that unusual events or transactions could be indicators of fraud and alerting their Manager where they believe the opportunity for fraud exists.
- Adhere to the Code of Conduct for Employees, which sets out the Council's requirement on personal conduct.

Staff must assist any investigations by making available all relevant information, by co-operating in interviews and if appropriate provide a witness statement.

Internal Audit

The Council's Internal Audit Service is responsible for:

- Develop a fraud risk profile/assessment and undertake a regular review of the fraud risks associated with each of the key organisational objectives in order to keep the profile current.
- Determine the effectiveness of the control environment through audit work to help prevent fraud.
- Offer advice and assistance in relation to cases of fraud or suspected fraud.
- Assisting management in undertaking investigations into allegations of fraud and corruption.
- Report as appropriate to the Performance & Audit Committee on investigations.
- Share organisational learning with relevant Managers and staff.
- Ensure anti-fraud awareness training is provided as appropriate and, if necessary, more specific anti-fraud training and development is provided to relevant staff.
- Inform the Northern Ireland Audit Office (NIAO) of all instances of suspected and actual fraud.

6. Prevention

The way in which the Council will seek to prevent and detect fraud or other financial impropriety is through:

- Effective internal controls;
- Effective risk management;
- Robust recruitment practices;
- Ensuring compliance with key policies and procedures;
- Promoting fraud awareness through training; and
- Co-operating with other statutory agencies e.g. PSNI.

Internal controls

A key preventative measure against fraud and corruption is an adequate internal control framework covering all the Council's systems both financial and non-financial which support the delivery of services. The operation and adequacy of Council systems is the responsibility of management and is subject to regular review by both Internal and External Audit. The types of controls that should be in place include:

- **Segregation of Duties**
The functions of authorising transactions, recording the transactions and custody of the associated assets should be undertaken by separate staff.
- **Organisation**
There should be a clear organisation chart and all staff should have up to date job descriptions that clearly indicate their responsibilities.
- **Authorisation and Approval**
All transactions and decisions should be formally authorised by nominated staff.
- **Physical**
There should be suitable controls over access to offices, assets, equipment, vehicles, controlled stationery and computer systems.
- **Supervision**
All staff and activities should be adequately supervised by someone who understands the process and will detect deviations from accepted practice.
- **Personnel**
Appointment of staff should be adequately controlled. All staff should be suitably trained for their post.
- **Arithmetical and Accounting**
This includes checking or re-performing tasks carried out by others, reconciliation between the bank and accounting records and control of accounts. It also covers costing (adding up) of orders, invoices, payroll etc.
- **Management**
This includes production of suitable financial and operational management information, use of exception reports, critical review and enquiry by management.

Risk Management

Council will continuously assess those areas most vulnerable to the risk of fraud as part of the risk management arrangements.

A Fraud Risk Assessment evaluates and assesses risk areas and is reviewed and updated by Internal Audit on an annual basis to ensure that any new fraud risks are identified and addressed. The outcome of the Fraud Risk Assessment forms part of the Council's Annual Fraud Report and will be presented to the P&A Committee annually.

Recruitment

A further preventative measure against fraud and corruption exists at the recruitment stage to establish, as far as possible, the previous record of potential employees in terms of their propriety and integrity. The recruitment of suitable staff is the Council's first defence in preventing fraud. Best practice recruitment policies such as detailed application forms including a statement on criminal records, Access NI checks, references and verification of educational and professional qualifications will be strictly adhered to.

Key policies and procedures

Fraud risks are managed through the existence and application of appropriate policies and procedures.

The Council has adopted a Constitution which shows responsibilities for decision making and includes various contract and financial procedure rules. In addition, detailed Financial Regulations are in place. All Members and officers are required to act in accordance with these rules and requirements when carrying out their duties.

The Gifts and Hospitality Policy sets out clear advice in relation to the behaviour of employees if they are offered gifts or hospitality. Acceptance or decline of gifts/hospitality over the estimated value of £25 must be recorded by the recipient on the 'Declaration of Gifts & Hospitality' form and signed by the relevant Manager/HOD/Strategic Director.

The Council's Code of Conduct for Members and Code of Conduct for Employees set out an approach to work that is honest, fair, accountable, and, as far as possible, transparent. Members and employees must act in accordance with these codes at all times which includes the declaration and recording of any Conflicts of Interest.

The Council has disciplinary procedures, which will be enforced if the outcome of an investigation indicates that any officer has behaved improperly.

Training and awareness

Council will promote and develop a strong counter fraud culture, raise awareness, provide a fraud e-learning tool and provide information on all aspects of our counter fraud work.

On an annual basis Internal Audit will develop an Annual Fraud Report to raise awareness of the work Council undertakes to prevent, detect and investigate fraud and corruption. The Annual Fraud Report is communicated to the Strategic Leadership Team and the Performance and Audit (P&A) Committee.

7. Detection

The preventative measures taken by Council, particularly the implementation of sound internal control systems, are intended to deter fraud and provide indicators of fraud. Many frauds are discovered by chance or "tip off" and the Council has a Raising Concerns Policy to give advice and guidance for raising concerns.

The Council is committed to working and co-operating with other organisations to prevent fraud. Wherever possible, Council will be prepared to help and exchange information with other councils and organisations to deal with fraud in line with relevant Data Protection legislation.

The Council participates in the National Fraud Initiative (NFI), an exercise that is overseen by the NIAO that matches electronic data within and between public sector bodies to prevent and detect fraud.

Internal and external auditors will implement a cyclical programme of audits and will be alert to the risks and exposures that could allow for fraud or corruption. However, It is management's responsibility to prevent and detect fraudulent activity.

Appendix 2 provides examples of Fraud Indicators. It is often the alertness of employees or the public to indicators of fraud that enable detection to occur.

8. Report and Investigate

Reporting

Reporting of suspected irregularities is essential as it ensures:

- Consistent treatment of information regarding suspected fraud or corruption.
- Proper investigation by experienced and trained staff.
- Proper implementation of the fraud response plan.
- That the investigation will be undertaken in accordance with relevant legislation.

It is the **responsibility** of every member of staff to report details immediately to their Manager/HoD or HR promptly if they suspect that a fraud has been attempted or committed or see any suspicious acts or events. If it is not appropriate to raise the concern via these channels, the matter should be brought directly to the attention of the Chief Executive, Deputy Chief Executive, Strategic Director or Internal Audit Manager.

The requirement to report suspicions also includes any concerns you may have about employees, agency staff, contractors, consultants, suppliers and service users.

The Councils Raising Concerns Policy is intended to encourage and enable staff to raise serious concerns. If an individual makes an allegation, but it is not confirmed by the investigation, no action will be considered or taken against them. It will always be assumed that concerns have been raised in good faith unless there is evidence to the contrary. However if the investigation concludes that an individual who is employed by Council makes malicious or vexatious allegations this will be treated as a serious disciplinary offence and disciplinary action will be taken under the Council's Disciplinary Policy.

It is recognised that the Council's Corporate Complaints Procedure has a part to play. Often, the complaints process is the first port of call for non-employees wishing to raise a concern about a process or event. It is important that concerns being raised through this route are dealt with properly and that it is recognised that where concerns are about fraud and corruption (danger, wrongdoing or illegality that affects others) that they are dealt with through the Raising Concerns Policy and the Fraud Policy rather than the Corporate Complaints Procedure. The route map at **Appendix 4** shows the relationship between the Raising Concerns, Fraud, Corporate Complaints and Grievance policies/procedures.

During any investigation, it is important to consider whether the Police or any other statutory agencies need to be involved and at what stage this involvement should start. The Council will work in partnership with the Police Service Northern Ireland (PSNI) or any other statutory agencies to investigate and prosecute detected fraud and corruption. The extent of the involvement by the PSNI or any other statutory agencies will depend on what is being investigated, its size and complexity. Referrals to the PSNI or external agencies will be determined by the Fraud Investigation Team (FIT).

A relevant senior designated officer identified by the FIT will be responsible for the external reporting of all discovered fraud, proven or suspected, including attempted fraud within the Council to the PSNI. Internal Audit will also report all proven, suspected or attempted fraud cases to the NIAO.

Details of action taken and investigations of any suspected frauds within the Council are reported quarterly to the P&A Committee and the NIAO.

Pursuing suspected fraud and error is also a key factor in the success of counter fraud activities across any organisation. The Council has a Fraud Response Plan at **Appendix 3** which provides detailed fraud-response arrangements to enable any information gained or allegations made to be properly and effectively dealt with. The plan explains how any fraud allegations will be dealt with and who is responsible for carrying out the investigation.

9. Review

Fraud arrangements are continually reviewed. A review of this policy will be carried out every three years to reflect key changes and to incorporate current best practice. Fraud is an ever-developing risk and arrangements need to continually evolve in order to maintain a robust response.

In order to keep abreast of key changes ongoing reviews are undertaken of national issues and developments. Information from a range of sources is obtained and used in keeping the policy up to date including, from HM Treasury, CIPFA Counter Fraud Centre, CIPFA Better Governance Forum, the Internal Auditor Practitioner Group and the NIAO.

COMMON METHODS AND TYPES OF FRAUD

Below are examples of fraudulent activities. The list is by no means exhaustive, but these examples have been provided to help illustrate the many different kinds of fraud which can be perpetrated.

Cash handling – Theft; income received not brought into account; and illegal transfer or diversion of money to a personal account.

Creditor payments – changes and additions to payee details through BACS/mandate fraud; accounting records are falsified or amended to allow unauthorised payments; invoices are falsified or duplicated in order to generate false payment; and unauthorised use of cheques and payable orders.

Payroll and travel and subsistence – fictitious employees; false overtime claims; abuse of time recording system; false travel and expense claims; and working elsewhere whilst claiming to be off sick.

Procurement – Tendering issues; split contracts; double invoicing; payments made for work not carried out; favoritism/collusion in the procurement process; and misuse of corporate credit cards.

Grants – Grant funds are misappropriated; work not carried out; funds diverted; and ineligibility not declared.

Recruitment – Failing to disclose convictions or gaps in employment; misstating of qualifications and experience; and nepotism.

Assets – Theft or unauthorised use of assets.

Cyber fraud – Enables a range of fraud types resulting in diversion of funds; and creation of false applications for services and payments.

Insurance fraud – False claims including slips and trips.

Application fraud – False information submitted to support applications; and fraudulent applications for exemptions and reliefs.

Appendix 2

INDICATORS OF FRAUD

There are a number of recognised warning signs which may indicate that there is fraudulent activity occurring. These should not be taken alone as evidence that a fraud is occurring as there may be other legitimate explanations for the occurrence of these indicators. This list is not exhaustive.

Unusual employee behaviour: Refusal to comply with normal rules and practices, fails to take leave, refusing promotion, managers by-passing subordinates, subordinates by-passing managers, living beyond means, regularly working long hours, job dissatisfaction, secretiveness or undue defensiveness.

Financial irregularities: Key documents missing (e.g. invoices, contracts); absence of controls and audit trails; missing expenditure vouchers and official records; general ledger out of balance; bank and ledger reconciliations are not maintained or cannot be balanced; excessive movements of cash or transactions between accounts; numerous adjustments or exceptions; constant overdue pay or expense advances; duplicate payments; ghost employees on the payroll; large payments to individuals; excessive variations to budgets or contracts.

Poor procurement practice: Too close a relationship with suppliers/contractors; suppliers/contractors who insist on dealing with only one particular member of staff; unjustified disqualification of any bidder; lowest tenders or quotes passed over with minimal explanation recorded; defining needs in ways that can be met only by specific contractors; single vendors; vague specifications; splitting up requirements to get under small purchase requirements or to avoid prescribed levels of review or approval.

Disorganisation: Understaffing in key control areas; consistent failures to correct major weaknesses in internal control; inadequate or no segregation of duties.

Inadequate supervision: Policies not being followed; lack of senior management oversight; inadequate monitoring to ensure that controls work as intended (periodic testing and evaluation); low staff morale, weak or inconsistent management.

Lax corporate culture: Management frequently override internal control; climate of fear or a corporate culture; employees under stress without excessive workloads; new employees resigning quickly; crisis management coupled with a pressured business environment; high employee turnover rates in key controlling functions.

Poor work practices: Lack of common-sense controls; work is left until the employee returns from leave; inadequate segregation of duties; post office boxes as shipping addresses; documentation that is photocopied or lacking essential information; lack of rotation of duties; unauthorised changes to systems or work practices.

Fraud Response Plan

1. Purpose

- 1.1. There is a continuing need to raise staff awareness of their responsibility to safeguard public resources against the risk of fraud. The Fraud Response Plan provides guidance and a framework for the investigation of suspected instances of fraud and corruption. It gives guidance, whether to those raising concerns or those investigating concerns, as to how any fraud investigation will proceed.
- 1.2. The Fraud Response Plan sets out, in simple terms, how a fraud investigation will be conducted. Each investigation will be different as each will have different elements and will require different actions but will follow the same overall principles.

2. Objectives

- 2.1. The Fraud Response Plan aims to ensure timely and effective action is taken to:
 - Minimise the risk of inappropriate investigative action by staff or Managers;
 - Minimise the risk that someone will inappropriately disclose information about a concern or investigation that could compromise it;
 - Ensure that there is a clear understanding about who will lead on any investigation and ensure Managers and other Departments are involved as appropriate;
 - Secure evidence relating to any investigation and ensure that such evidence is adequately protected;
 - Prevent further losses of funds or other assets where fraud has occurred and maximise the chances to recover any losses;
 - Ensure that there is sufficient evidence to support any internal disciplinary action before civil or criminal action is started;
 - Impose the necessary sanctions; and
 - Minimise any adverse publicity for Council as caused by dishonest fraudulent acts.

3. What to do if you suspect fraud

- 3.1. If you become aware of a fraud (whether you discover it yourself or it is reported to you by a third party) you must notify your Manager/HoD, or HR promptly. If it is not appropriate to raise the concern with their Manager, HoD or HR, the matter should be brought directly to the attention of the Chief Executive, Deputy Chief Executive, Strategic Director or Internal Audit Manager.
- 3.2. The Council has a Raising Concerns Policy to assure staff that it is safe to speak up if they are concerned about something. In addition, advice is available through the independent charity Protect on 020 31172520. You can also email them for advice at the following address: whistle@protect-advice.org.uk. Their lawyers can give free confidential advice at any stage regarding concerns.
- 3.3. It is important that you don't:
 - Investigate any concerns yourself;
 - Discuss your concerns outside of the routes in the Raising Concerns Policy;
 - Confront anyone, whether an employee or not, about your suspicions;

- Ignore your concerns.

3.4. This is because:

- You may alert those you suspect to a potential investigation;
- Evidence could be destroyed;
- Evidence could be compromised and may not be usable in any investigation or prosecution if it has been interfered with;
- Council relationships between employees, suppliers or partner agencies could be damaged; and
- The Council's reputation could be damaged unnecessarily.

4. Notification of potential/alleged Fraud

4.1. The recipient of the fraud notification (see 3.1 above) should seek to establish and document the basic facts in relation to the matter.

4.2. The matter along with supporting backup should then be referred to the Internal Audit Manager and HR Operations Manager (if an internal fraud). Internal Audit will maintain a log of all alleged, suspected and actual frauds and this will provide a clear trail for future reference and avoidance of dispute, and also helps to identify trends, common issues and patterns to enhance organisational learning.

5. Preliminary Enquiries

5.1. A Fraud Investigation Team (FIT) will be convened to discuss the allegation(s) in accordance with the FIT protocol. The composition of the FIT will normally be determined by either the Internal Audit Manager and or Human Resources Operation Manager using the following factors:

- Whether the alleged or actual fraud/theft is internal or external to the Council;
- The nature of the alleged or actual fraud/theft;
- The seriousness and complexity of the alleged or actual fraud/theft; and
- The value of the alleged or actual fraud/theft being investigated.

5.2. The FIT will assign a suitable officer/officer's to carry out discreet preliminary enquiries as quickly as possible after the suspicion is raised. The purpose of the initial enquiries is to determine the facts 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. If staff are implicated at this stage and it would appear that there is sufficient evidence to justify disciplinary action, this will be progressed in accordance with the Disciplinary Policy and Procedure. A preliminary enquiry will seek information regarding:

- Type of fraud/corruption perpetrated;
- Cause of the fraud and means of discovery;
- Amount involved and potential for recovery;
- Period over which the fraud/corruption was committed;
- Date of discovery and the position the perpetrator(s) hold(s);
- Action taken by the Manager or Senior Officer on discovery of the fraud; and
- Action to be taken to improve controls.

- 5.3. It is imperative that enquiries should not prejudice subsequent investigations or corrupt evidence and any detailed internal enquiry at this stage runs the risk of alerting the perpetrator and the destruction of evidence.
- 5.4. On completion of the preliminary enquiries as per 5.2 above, the FIT will reconvene to discuss the outcomes and the next stage in the process. This next stage could be:
 - No further action, i.e. there is no substance to the allegation(s)
 - Preliminary investigation, i.e. initial enquiries suggest there is grounds for further investigation.
 - Disciplinary hearing. i.e. the initial enquiries have provided sufficient evidence to warrant proceeding to a formal hearing.
 - Matter referred directly to PSNI.

6. Preliminary Investigation

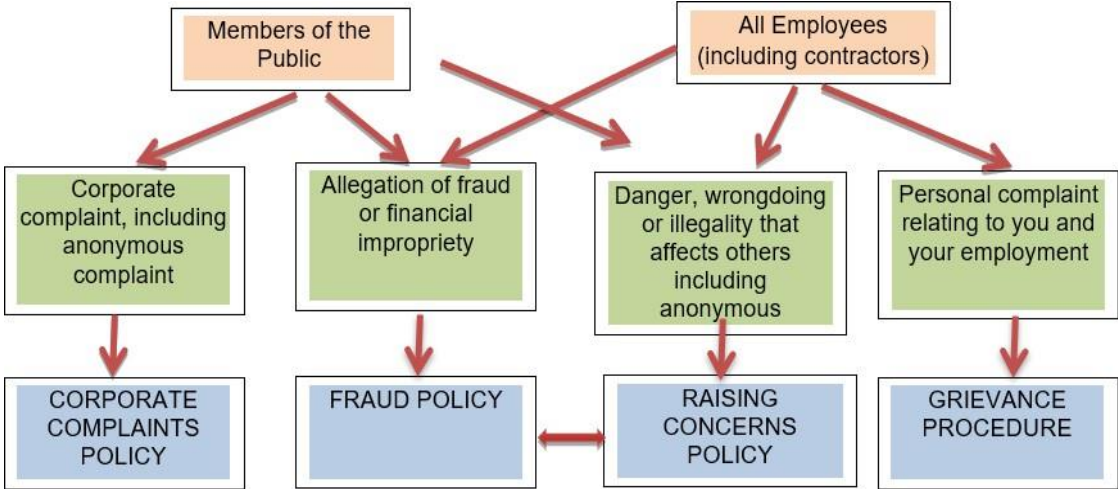
- 6.1. Preliminary investigations will normally be conducted by the Internal Audit team. The timescale for any preliminary investigation will be driven by the complexity of the allegations and the duration the fraud activity is suspected to have gone on for. In all cases however, investigations should be carried out as quickly as possible whilst maintaining discretion and confidentiality.
- 6.2. Those undertaking a preliminary investigation will be responsible for securing evidence as early as possible to ensure that it is not destroyed or lost. It is important that any such documentation is securely stored and is retained both during and after the investigation. Internal Audit will have full and unrestricted access to all necessary records and personnel.
- 6.3. Council currently have systems in place which facilitates monitoring the usage of telephones, e-mail, Internet and Council vehicles. These systems are in place to ensure appropriate use as well as to protect employees from potential misuse. Relevant information from these systems could be requested as part the preliminary investigation.
- 6.4. CCTV is also in place at various Council locations, and information obtained from these systems may be reviewed as part of an investigation particularly in relation to allegations of misconduct which could be perceived as criminal (e.g. theft).
- 6.5. The securing of electronic data, surveillance or CCTV footage, computers or equivalent equipment is a specialised procedure. The collection of such information can, inadvertently, damage the evidence being secured and can damage any potential prosecution if allegations are proved correct. Council will adhere to all relevant legal obligations (e.g. Data Protection and Freedom of Information) and comply with the Council's Surveillance Camera Systems Policy in relation to obtaining and utilising information obtained from monitoring or surveillance systems during investigations. Where necessary, specialist assistance will be sought in the extraction of such data.
- 6.6. A preliminary investigation report will be prepared and considered by the FIT. Depending on the conclusions reached by the investigation, the following actions are possible outcomes:
 - No action, if there is insufficient evidence to support the allegations.
 - Recommendations to management to improve internal controls in the area(s) affected.
 - Referral of case to management and HR to formally investigate under the Disciplinary Policy and Procedures (see 7 below).
 - Inform the PSNI if there is sufficient evidence that a criminal act may have occurred.

7. Formal Investigation

- 7.1. Where the preliminary investigation merits a formal investigation the Disciplinary Policy and Procedure will be used.
- 7.2. The Council may also hold interviews with other employees who could provide relevant information and obtain other evidence.
- 7.3. Upon completion of the investigation the employee will be notified in writing if the matter is proceeding to a disciplinary hearing and will be provided with the findings of the investigation.
- 7.4. Appropriate steps will be take to recover all losses resulting from a fraud, if necessary through civil action or the Council's insurers.
- 7.5. Internal Audit should be advised of the outcome of any formal investigation so the Council Fraud Register can be updated.

Routemap

The diagram below provides an overview of the relationship between corporate complaints, fraud and raising concern policies/procedure and the grievance policy. Note that only employees and workers are protected by whistleblowing (raising concerns) legislation.



Appendix 5 Equality Screening Form

Policy Scoping

Policy Title: Fraud Policy

Brief Description of Policy (please attach copy if available). Please state if it is a new, existing or amended policy.

The Fraud Policy is an existing policy originally developed in 2015 (updated and amended in 2019). The purpose of the policy is to draw the attention of Members and staff to the importance of ensuring that proper procedures are followed when a suspected fraud is reported.

Intended aims/outcomes. What is the policy trying to achieve?

To collate in an easily understood format the key issues Council needs to address when a suspected fraud is reported and requires investigation.

Policy Framework

Has the policy been developed in response to statutory requirements, legal advice or on the basis of any other professional advice? Does this affect the discretion available to The Council to amend the policy?

The Local Government Auditor has encouraged the council to regularly review its arrangements regarding fraud and to ensure they are kept up to date. This policy has not been updated since 2015.

Are there any Section 75 categories which might be expected to benefit from the policy? If so, please outline.

This policy will affect all stakeholders equally regardless of what equality group they fall within.

Who initiated or wrote the policy (if The Council decision, please state). Who is responsible for implementing the policy?

Who initiated or wrote the policy?	Internal Audit Manager
Who is responsible for implementation?	Executive Management Team and Heads of Department

Are there any factors which might contribute to or detract from the implementation of the policy (e.g. financial, legislative, other)?

None foreseen.

Main stakeholders in relation to the policy

Please list main stakeholders affected by the policy (e.g. staff, customers, other statutory bodies, community or voluntary sector, private sector)

All Council Staff.
Members
People the Council does business with.

Are there any other policies with a bearing on this policy? If so, please identify them and how they impact on this policy.

Code of Conduct for employees
Disciplinary Policy and Procedure
Raising Concerns Policy

Available Evidence

The Council should ensure that its screening decisions are informed by relevant data. What evidence/information (both qualitative and quantitative) have you gathered to inform this policy? Specify details for each of the Section 75 categories. For up to date [S75 Borough Statistics](#)

Section 75 category	Evidence
Religious belief	N/A
Political opinion	N/A
Racial group	N/A
Age	N/A
Marital status	N/A
Sexual orientation	N/A
Men and women generally	N/A
Disability	N/A

Dependants	N/A
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Needs, experiences and priorities

Taking into account the information gathered above, what are the different needs, experiences and priorities of each of the following categories in relation to this particular policy/decision?

Section 75 category	Needs, experiences and priorities
Religious belief	N/A
Political opinion	N/A
Racial group	N/A
Age	N/A
Marital status	N/A
Sexual orientation	N/A
Men and women generally	N/A
Disability	N/A
Dependants	N/A

Screening Questions

1. What is the likely impact on equality of opportunity for those affected by this policy for each of the Section 75 categories?

Category	Policy Impact	Level of impact (Major/minor/none)
Religious belief	None	N/A
Political opinion	None	N/A
Racial group	None	N/A
Age	None	N/A
Marital status	None	N/A

Sexual orientation	None	N/A
Men and women generally	None	N/A
Disability	None	N/A
Dependants	None	N/A

2. Are there opportunities to better promote equality of opportunity for people within the Section 75 categories?

Category	If yes, provide details	If no, provide reasons
Religious belief	None	
Political opinion	None	
Racial group	None	
Age	None	
Marital status	None	
Sexual orientation	None	
Men and women generally	None	
Disability	None	
Dependants	None	

3. To what extent is the policy likely to impact on good relations between people of different religious belief, political opinion, or racial group?

Category	Details of Policy Impact	Level of impact (major/minor/none)
Religious belief	None	None
Political opinion	None	None
Racial group	None	None

4. Are there opportunities to better promote good relations between people of different religious belief, political opinion or racial group?

Category	If yes, provide details	If no, provide reasons
Religious belief	None	N/a
Political opinion	None	N/a
Racial group	None	N/a

Multiple Identity

Generally speaking, people fall into more than one Section 75 category (for example: disabled minority ethnic people; disabled women; young Protestant men; young lesbian, gay and bisexual people). Provide details of data on the impact of the policy on people with multiple identities. Specify relevant s75 categories concerned.

This policy will affect all stakeholders equally regardless of what equality category they fall within.

Disability Discrimination (NI) Order 2006

Is there an opportunity for the policy to promote positive attitudes towards disabled people?

N/A

Is there an opportunity for the policy to encourage participation by disabled people in public life?

N/A

Screening Decision

A: NO IMPACT IDENTIFIED ON ANY CATEGORY – EQIA UNNECESSARY

Please identify reasons for this below

This is a technical policy with no bearing in terms of its likely impact on equality of opportunity or good relations for people within the equality and good relations categories.

B: MINOR IMPACT IDENTIFIED – EQIA NOT CONSIDERED NECESSARY AS IMPACT CAN BE ELIMINATED OR MITIGATED

Where the impact is likely to be minor, you should consider if the policy can be mitigated, or an alternative policy introduced. If so, an EQIA may not be considered necessary. You must indicate the reasons for this decision below, together with details of measures to mitigate the adverse impact or the alternative policy proposed.

N/A

C: MAJOR IMPACT IDENTIFIED – EQIA REQUIRED

If the decision is to conduct an equality impact assessment, please provide details of the reasons.

N/A

Timetabling and Prioritising

If the policy has been screened in for equality impact assessment, please answer the following questions to determine its priority for timetabling the equality impact assessment.

On a scale of 1-3 with 1 being the lowest priority and 3 being the highest, assess the policy in terms of its priority for equality impact assessment.

Policy Criterion

Effect on equality of opportunity and good relations

Social need

Effect on people's daily lives

Rating (1-3)

Choose an item.

Choose an item.

Choose an item.

The total rating score should be used to prioritise the policy in rank order with other policies screened in for equality impact assessment. This list of priorities will assist the Council in timetabling its EQIAs.

Is the policy affected by timetables established by other relevant public authorities? If yes, please give details.

N/A

Monitoring

Effective monitoring will help the authority identify any future adverse impact arising from the policy. It is recommended that where a policy has been amended or an alternative policy introduced to mitigate adverse impact, monitoring be undertaken on a broader basis to identify any impact (positive or adverse).

Further information on monitoring is available in the Equality Commission’s guidance on monitoring (www.equalityni.org).

Identify how the impact of the policy is to be monitored

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Approval and Authorisation

A copy of the screening form for each policy screened should be signed off by the senior manager responsible for that policy. The screening recommendation should be reported to the relevant Committee/The Council when the policy is submitted for approval.

Screened by	Position/Job title	Date
Carol Rafferty	Internal Audit Manager	29 January 2024
Approved by	Position/Job Title	Date
Charlene Stoops	Deputy Chief Executive	10 April 2024

Please forward a copy of the completed policy and form to:

Equality@armaghbanbridgecraigavon.gov.uk

who will ensure these are made available on the Council’s website.

The above officer is also responsible for issuing reports on a quarterly basis on those policies “screened out for EQIA”. This allows stakeholders who disagree with this recommendation to submit their views. In the event of any stakeholder disagreeing with the decision to screen out any policy, the screening exercise will be reviewed.

Appendix 6: Rural Needs Impact Assessment (RNIA)

SECTION 1

Defining the activity subject to Section 1(1) of the Rural Needs Act (NI) 2016

1A. Name of Public Authority: Armagh City, Banbridge & Craigavon Borough Council

1B. Please provide a short title which describes the activity being undertaken by the Public Authority that is subject to Section 1(1) of the Rural Needs Act (NI) 2016.

Fraud Policy

1C Please indicate which category the activity specified in Section 1B above relates to:

- Developing a Policy**
- Adopting a Policy**
- Implementing a Policy**
- Revising a Policy**
- Designing a Public Service**
- Delivering a Public Service**

1D. Please provide the official title (if any) of the Policy, Strategy, Plan or Public Service document or initiative relating to the category indicated in Section 1C above

Fraud Policy

1E. Please provide details of the aims and/or objectives of the Policy, Strategy, Plan or Public Service

- To collate in a easily understood format the key issues Council needs to address when a suspected or actual fraud is reported and requires investigation.

1F. What definition of 'rural' is the Public Authority using in respect of the Policy, Strategy, Plan or Public Service?

- Population Settlements of less than 5,000 (Default definition)
- Other Definition (Provide details and the rationale below)
- A definition of 'rural' is not applicable

Details of alternative definition of 'rural' used

N/A

Rationale for using alternative definition of 'rural'.

N/A

Reasons why a definition of 'rural' is not applicable.

This Policy has been reviewed in accordance with the Chartered Institute of Public Finance & Accountancy (CIPFA's) Fighting Fraud and Corruption Locally 2020 Strategy – It will not have a differential impact on people living in rural areas.

SECTION 2

Understanding the impact of the Policy, Strategy, Plan or Public Service

2A. Is the Policy, Strategy, Plan or Public Service likely to impact on people in rural areas?

Yes

No

If response is No go to 2E

2B. Please explain how the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas.

2C. If the Policy, Strategy, Plan or Public Service is likely to impact on people in rural areas *differently* from people in urban areas, please explain how it is likely to impact on people in rural areas differently.

2D. Please indicate which of the following rural policy areas the Policy, Strategy, Plan or Public Service is likely to primarily impact on.

Rural Businesses

Rural Tourism

Rural Housing

Jobs or Employment in Rural Areas

Education or Training in Rural Areas

Broadband or Mobile Communications in Rural Areas

Transport Services or Infrastructure in Rural Areas

- Health or Social Care Services in Rural Areas
- Poverty in Rural Areas
- Deprivation in Rural Areas
- Rural Crime or Community Safety
- Rural Development
- Agri-Environment
- Other (Please state)

If the response to Section 2A was YES GO TO Section 3A.

2E. Please explain why the Policy, Strategy, Plan or Public Service is NOT likely to impact on people in rural areas.

This Policy has been reviewed in accordance with the Chartered Institute of Public Finance & Accountancy (CIPFA's) Fighting Fraud and Corruption Locally 2020 Strategy – It will not have a differential impact on people living in rural areas.

SECTION 3

Identifying the Social and Economic Needs of Persons in Rural Areas

3A. Has the Public Authority taken steps to identify the social and economic needs of people in rural areas that are relevant to the Policy, Strategy, Plan or Public Service?

Yes No **If response is No go to 3E**

3B. Please indicate which of the following methods or information sources were used by the Public Authority to identify the social and economic needs of people in rural areas.

- Consultation with Rural Stakeholders
- Consultation with Other organisations
- Published Statistics
- Research Papers
- Surveys or Questionnaires
- Other Publications
- Other Methods or Information Sources
- (Include details in Question 3C below)

3C. Please provide details of the methods and information sources used to identify the social and economic needs of people in rural areas including relevant dates,

names of organisations, titles of publications, website references, details of surveys or consultations undertaken etc.

3D. Please provide details of the social and economic needs of people in rural areas which have been identified by the Public Authority?

If the response to Section 3A was YES GO TO Section 4A.

3E. Please explain why no steps were taken by the Public Authority to identify the social and economic needs of people in rural areas?

This Policy has been reviewed in accordance with the Chartered Institute of Public Finance & Accountancy (CIPFA's) Fighting Fraud and Corruption Locally 2020 Strategy – It will not have a differential impact on people living in rural areas.

SECTION 4

Considering the Social and Economic Needs of Persons in Rural Areas

4A. Please provide details of the issues considered in relation to the social and economic needs of people in rural areas.

N/A

SECTION 5

Influencing the Policy, Strategy, Plan or Public Service

5A. Has the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, been influenced by the rural needs identified?

Yes

No

If response is No go to 5C

5B. Please explain how the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or delivery of the Public Service, has been influenced by the rural needs identified.

If the response to Section 5A was YES go to 6A

5C. Please explain why the development, adoption, implementation or revising of the Policy, Strategy or Plan, or the design or the delivery of the Public Service, has NOT been influenced by the rural needs identified.

This is for internal use only.

SECTION 6

Documenting and Recording

6A. Please tick below to confirm that the RNIA Template will be retained by the Public Authority and relevant information on the Section 1 activity compiled in accordance with paragraph 6.7 of the guidance.

I confirm that the RNIA Template will be retained and relevant information compiled.

Rural Needs Impact Assessment undertaken by: Carol Rafferty
Position: Internal Audit Manager
Department / Directorate: Chief Executive Department

Signature:

Carol Rafferty

Date:

January 2024

Rural Needs Impact Assessment approved by: Charlene Stoops
Position: Deputy Chief Executive
Department / Directorate: Deputy Chief Executive Directorate

Signature:

Charlene Stoops

Date:

10 April 2024