

Anti Fraud and Bribery Policy and Anti Fraud and Bribery Response Plan

Introduction

1. There is a continuing need to raise staff awareness of their responsibility to safeguard public resources against the risk of fraud or bribery.
2. CITB NI requires all staff, at all times, to act honestly and with integrity and to safeguard the public resources for which they are responsible.
3. The key to managing the risk of fraud and bribery is the same in principle as managing any other business risk, and should be approached systematically at both organisational and operational levels. Appendix 1 sets out the key stages of a risk management cycle to help deal with fraud and bribery.
4. The identification, assessment and control of the risk of fraud and bribery will be part of a continuous cycle to manage risks to which the Board might be exposed. For this reason, the risk of fraud and bribery will be included in the Board's Risk Register and reviewed regularly in line with the Board's Risk Management Strategy.

Aim

5. The purpose of this policy is to set out staff responsibilities regarding both the prevention of fraud and bribery and the procedures to be followed where a fraud or bribery is detected or suspected.

Fraud Policy Statement

6. The Board's policy is to take a zero-tolerance approach to fraud. All suspected fraud allegations (anonymous or otherwise) will be investigated and where appropriate, as decided by the Executive Management Team will be referred to the police at the earliest possible opportunity. The Fraud/Bribery Register attached as Appendix 2 will be completed for all suspected fraud or suspected bribery by the Board Administrator.

Bribery Policy Statement

7. The Board's policy is to take a zero-tolerance approach to acts of bribery and corruption, by its staff or anyone acting on its behalf and will investigate all suspected or detected incidents.

Scope of Policy

8. The Anti-fraud and Anti-bribery policy has been drafted in compliance with the Fraud Act 2006 and the Bribery Act 2010. The term fraud is used to describe such acts as deception, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. For practical purposes, fraud covers such cases as theft, false accounting, bribery and corruption, conspiracy to defraud, money laundering.

The Bribery Act 2010

9. The Bribery Act came into effect on 1 July 2011 in Northern Ireland and is defined as a "financial or other advantage intended to induce or reward the improper performance of

a persons function or activity, where benefit could create a conflict between personal interests and business interests.”

10. The Bribery Act defines four new criminal offences of offering or paying a bribe, to another person, accepting or soliciting a bribe, bribing a foreign official and failure of commercial organisations to prevent bribery by persons associated with them.

Risk Assessment

11. The Executive Management Team undertook a fraud/bribery risk assessment in October 2020 to assess the level of risk or exposure to bribery. A Fraud/Bribery Risk Assessment Checklist was developed and detailed review of the probability and impact of the identified risk areas in relation to bribery was assessed. The outcome of the assessment was that CITB NI has a low level of exposure to fraud/ bribery risk. The assessment is attached as Appendix 3. This will be reviewed regularly to ensure the risk assessment remains accurate.

The Board’s Responsibilities

12. As the Board’s Accounting Officer, the Chief Executive is responsible for establishing the internal control systems designed to control the risks which CITB NI faces. Fraud and bribery are one of a range of such risks and should be seen in this context.
13. Although the Accounting Officer bears overall responsibility and is liable to be called to account for specific failures, matters relating to fraud and bribery involve all of the Board’s staff.

Human Resources Manager Responsibilities

14. Overall responsibility for managing the risk of fraud and bribery at an organisational level has been delegated to the H R Manager who will:

Ensure that an effective anti-fraud/bribery and fraud/bribery response plan is in place, ensure that vigorous and prompt investigations are carried out if fraud occurs or is suspected, take appropriate action as required with regard to discipline. Appropriate action will also be taken to recover assets and to minimise the risk of similar frauds/bribery occurring in the future.

Directors/Line Managers’ Responsibilities

15. The responsibility for the prevention and detection of fraud or bribery rests primarily with line managers. Directors/Line Managers are responsible for ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively. They should therefore be familiar with the risks involved within their areas of responsibility.
16. In terms of establishing and maintaining effective controls, it is generally desirable that:
 - wherever possible, there is separation of duties so that control of a key function is not vested in one individual
 - backlogs are not allowed to accumulate
 - in designing any new system, consideration is given to building in safeguards against internal and external fraud or bribery.

- Promptly implementing (where appropriate) the recommendations of internal and external audit

Staff Responsibilities

17. Every member of staff has a duty to ensure that the Board's funds are safeguarded, whether they are involved with cash or payments systems, receipts, stocks or dealings with contractors or suppliers.
18. Staff should alert their Line Manager where they believe the opportunity for fraud or bribery exists. In addition, it is the responsibility of every member of staff to report details immediately to their line manager if they suspect that a fraud or bribe has been committed or see any suspicious acts or events. The Chief Executive and the Board should also be informed. CITB NI has in place a Public Interest Disclosure Policy (Whistleblowing Policy) which can be accessed through Sharepoint.
19. Staff should also assist in any investigations by making available all relevant information and by co-operating in interviews. Any information provided by staff will be treated confidentially.
20. Staff will attend regular refresher training with regard to fraud/bribery awareness. This is also incorporated into induction for new staff members.

Personal Conduct

21. As stewards of CITB NI funds staff must have, and be seen to have, high standards of personal integrity. All staff should conduct themselves in accordance with the seven principles of public life – selflessness, integrity, objectivity, accountability, openness, honesty and leadership. All staff should also adhere to the Board's policy on the Acceptance of Gifts and Hospitality from a third party, and to the procedures for submission of travel and subsistence claims, which are set out in the Staff Handbook, to ensure that their integrity is not compromised.

Internal Audit

22. Internal Audit will also be responsible for delivering an opinion to the Accounting Officer on the adequacy of arrangements for managing the risk of fraud or bribery in relation to the extent of the potential exposure risk in CITB NI's activities.

Audit and Risk Assurance Committee

23. The Audit and Risk Assurance Committee will be responsible for advising the Chief Executive and Board on the Anti Fraud/Bribery Policy and arrangements for investigations outlined in the Anti Fraud/Bribery Response Plan. From March 2014 Fraud has been a Standing agenda item for each meeting of the Audit and Risk Assurance Committee.

National Fraud Initiative

24. CITB NI participates in the National Fraud Initiative (NFI) along with other public bodies in the United Kingdom. NFI uses data matching to compare sets of data, such as the payroll payments or benefits records of a public body against other records held by the same or another public body. This allows potentially fraudulent

claims and payments to be identified. Where no match is found, the data matching process will have no material impact. Where a match is found it indicates that there may be an inconsistency requiring investigation.

Disciplinary, Legal and Recovery Action

25. After proper investigation CITB NI will take legal and/or disciplinary action in all cases where it is considered appropriate.
26. Where failure of supervision is found to be a contributory factor, appropriate disciplinary action may also be initiated against those managers responsible.
27. Responsibility for exercising disciplinary powers rests with the Chief Executive, as the Board's appointed Accounting Officer. The Staff Handbook includes a copy of the Disciplinary and Dismissal Procedure.
28. Where an instance of fraud or bribery involves the Chief Executive the Board would have responsibility for exercising disciplinary powers.
29. It is Board policy that, in all proven cases of fraud or bribery, whether perpetrated by a member of staff or by persons external to CITB NI, the case will be referred to the police at the earliest possible opportunity.
30. CITB NI will co-operate fully with police enquiries and these may result in the offender(s) being prosecuted.
31. Steps will be taken to attempt to recover losses resulting from the fraud, if necessary through civil action.

Remedial Action

32. Where a fraud or bribery has occurred, management will assess the risk of re-occurrence and make any necessary changes to systems and procedures.

Anti Fraud/Bribery Response Plan

Introduction

1. CITB NI has prepared this Fraud/Bribery Response Plan to act as a checklist of actions and a guide to follow in the event of fraud being suspected.

Aim

2. The aim of this plan is to ensure that consistent, appropriate, timely and effective action is taken in the event of a fraud.

Identification of Fraud

3. Fraud or bribery can be perpetrated by persons outside as well as inside the organisation. The criminal act is the attempt to deceive, and attempted fraud or bribery is therefore treated as seriously as accomplished fraud or bribery.
4. Computer fraud is where information technology equipment has been used to manipulate programs or data dishonestly, or where the use of an IT system was a material factor in the perpetration of fraud. Theft or fraudulent use of computer time and resources is included in this definition. Reference should be made to the Board's ICT Systems Policy.
5. The alteration, substitution, concealment or destruction of manual/computer records, the creation of false records, and the misuse of computer facilities, computer programs and the Internet may be regarded as potentially fraudulent and dealt with as such.
6. Directors/Line Managers should be aware of any warning signs, which might indicate fraud or bribery is taking place, including staff under stress without high workloads, unexplained wealth, and inappropriate relationships with suppliers. Fraud or bribery may also be highlighted as a result of specific risk management checks.

Initial Inquiry

7. Where fraud or bribery is suspected it is for the Director/Line management to undertake an initial inquiry to ascertain the facts. This discreet preliminary inquiry should be carried out as promptly as possible and certainly within **2 working days** after the suspicion has been raised. This may involve discreet enquiries with staff or the examination of documents.
8. If the initial inquiry confirms the suspicion that a fraud or bribery has been perpetrated, management must ensure that all original documentation or computer records are preserved in a safe place for further investigation. The facts should be **reported immediately to the Director concerned or Chief Executive**.
9. Where the Chief Executive is suspected of fraud or bribery, this should be reported immediately to the Board Chairman who will arrange to carry out the appropriate investigation.
10. To remove any threat of further fraud or loss, management should immediately undertake a risk assessment to ascertain if any changes or strengthening of procedures

should be undertaken and if appropriate, suspend any further payments/transactions pending full investigation.

11. All fraud or bribery (suspected or proven), both internal and external, must be **reported in writing** by a Director to the **H R Manager within five working days where possible**. If this is not possible a written explanation must be given and the report provided at the earliest opportunity.
12. The H R Manager must ensure that all cases of fraud or bribery (suspected or proven) are reported to the Partner Department through the Fraud and Raising Concerns Branch.
13. CITB NI will ensure that legal advice is taken where necessary.

Action required for Suspected Internal Fraud or Bribery

14. Where there is a suspicion of staff being involved (internal fraud/bribery), the Director should immediately notify the H R Manager **verbally, followed by written confirmation**. If the fraud or bribery is suspected within the Chief Executive's office, the Board Administrator should notify the Chairman.
15. The H R Manager will report the suspected fraud or bribery to the Executive Management Team (EMT), which is responsible for oversight. An urgent meeting of the EMT should take place and the EMT will decide on the appropriate course of action, including the full investigation arrangements. The terms of reference or scope of such investigations should be determined by the EMT.
16. The EMT should ensure the following is actioned during the investigation:
 - All aspects of the suspected staff member's work should be investigated not just the area where the fraud or bribery was discovered and not just at the time that the fraud or bribery occurred
 - Potential evidence should be retained securely
17. In the case of suspected internal fraud or bribery, the Board Administrator should report to the Partner Department through Fraud and Raising Concerns Branch at the earliest possible juncture using the Fraud/Suspected fraud Notification Form attached as Appendix 4.
18. A member of staff who is suspected of fraud or bribery may be suspended, with pay, pending investigation. If suspension is not considered appropriate, the member of staff under investigation must be transferred to a different job until the investigation is complete.

Action required for Suspected External Fraud or Bribery

19. Where a fraud or bribery is suspected involving an external organisation or individual it is the responsibility of the EMT to determine an appropriate course of action.
20. If there is sufficient evidence, the H R Manager will notify the police at the earliest possible juncture. Thereafter, the investigation will be guided by police advice.

21. The Board Administrator should also report to the Partner Department through the Fraud and Raising Concerns Branch at the earliest possible juncture using the Fraud/Suspected fraud Notification Form attached as Appendix 4.

Liaison with the Police Service of Northern Ireland and the Serious Fraud Office

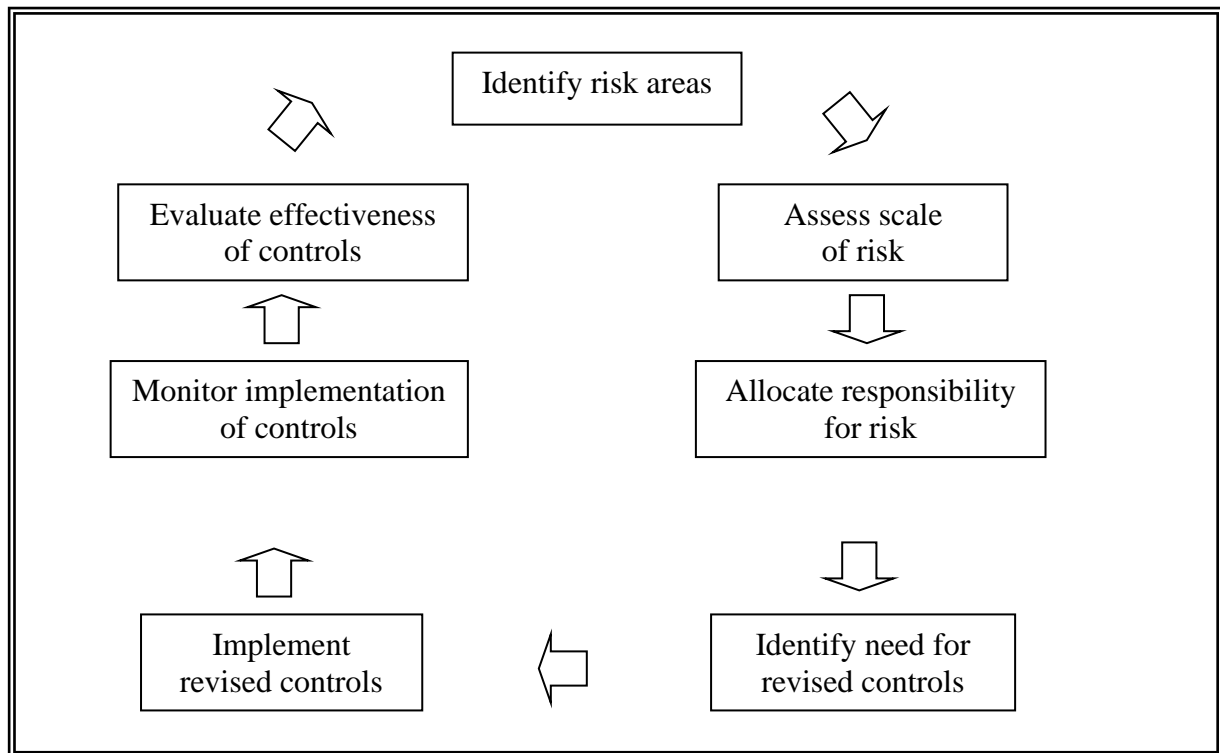
22. Once judgement on the circumstances of the case has been made as to the seriousness of the case Police Service of Northern Ireland (PSNI) Fraud Squad, based at Strandtown, Belfast is available to give advice and/or guidance in cases where fraud is suspected. Where fraud is confirmed and is of a large or complex nature, the Fraud Squad is capable of carrying out investigations.
23. Immediately there is a suspicion of fraud, CITB NI should refer to the PSNI Fraud Squad any cases where the facts or the law are of great complexity or there is great public interest or concern. The case may then be referred to the Serious Fraud Office (SFO).
24. A copy of the report to the Fraud Squad /SFO should be sent to the Partner Department through the Fraud and Raising concerns Branch.

Remedial Action

25. Where a fraud or bribery has occurred, management must assess the risk of re-occurrence and make any necessary changes to systems and procedures to ensure that similar frauds will not recur.
26. Where it is found that fraud has not occurred any suggestion that there has been fraud will be removed from the employees file.

Reporting Arrangements

27. All cases of fraud or bribery, internal and external, and remedial action will be reported to the Board's Audit and Risk Assurance Committee by the EMT.
28. CITB NI is included in the Memorandum of Understanding between the Public Sector and the PSNI. The document sets out the working relationship between the public sector and the PSNI and provides nominated contacts to assist with the investigation of fraud.
29. Post Investigation action form included in Appendix 4 will be required to be completed and returned to the partner Department through the Fraud and Raising concerns Branch.



Appendix 3

Bribery Risk Assessment			
Assessment completed by: EMT			
Score 0=no risk, 1=low risk, 2=medium risk, 3=high risk			
	Risk	Score	Comments
1	Country Risk		
1.1	Does CITB NI operate mostly in the UK	0	Yes = low score
2	Sector Risk		
2.1	Is the proposed activity within an industry sector at risk of bribery practices	3	Yes= high score Industry Training Board for construction and Infrastructure
3	Transaction Risk		
3.1	Do transactions involve charitable donations	0	No=low score
3.2	Do Transactions involve political donations	0	No=low score
3.3	Does CITB NI need any public licences to operate	0	No =low score
3.4	Does CITB NI do any public sector procurement or contract work	2	
3.5	Are there any high value significant transactions on a regular/irregular basis	2	
3.6	Does CITB NI depend on a few high value transactions	1	
4	Opportunity Risk		
4.1	Does CITB NI use a number of contracts and intermediaries	3	Yes=high score
4.2	Does the CITB NI run tender exercises for the award of contracts	3	
5	Partnership Risk		
5.1	Does CITB NI have any partnerships	3	
5.2	Does CITB NI impose an anti bribery policy on partners	2	
5.3	Is due diligence undertaken into the contractual partners	3	
5.4	Does CITB NI interact with any domestic public officials	3	
5.5	Does the CITB NI interact with any foreign public officials	0	
5.6	Are staff who come into contact with any domestic or public officials given any training	1	
6	Known Bribery Risks		
6.1	Has CITB NI faced any bribery risks in the past	0	None= low score
7	Policies		
7.1	Does CITB NI have a clear anti-bribery message	1	Yes=low score
7.2	Does CITB NI have a senior manager responsible for anti-bribery measures	0	Yes= low score
7.3	Does CITB NI have a specific policy relating to bribery	1	Yes=low score
7.4	Does CITB NI have Hospitality policy	0	Yes=low score
7.5	Is there a Whistle-blowing policy	0	

7.6	Have the relevant policies been implemented and enforced	0	Yes=high score
7.7	Are staff required to acknowledge that they have read, understood and will adhere to the policy	0	Yes= low score
7.8	Has training been given to staff on bribery	1	Yes =low score
7.9	Is bribery training compulsory for all staff	0	Yes=low score
7.10	Are disciplinary sanctions in place for breach of policy	1	Yes=low score
8	Financial controls		
8.1	Are robust internal financial controls in place to monitor payments and transactions	0	Yes=low score
8.2	Does CITB NI allow off book accounting	0	No=low score
8.3	Has CITB NI budgeted for facilitation payments	0	No=low score
8.4	Are financial controls imposed on expenses	0	Yes=low score
8.5	Are regular audits/spot checks undertaken to identify any anomalies/suspicious transactions	0	Yes =low score
9	Gifts and Hospitality		
9.1	Is there a reporting requirement in place for gifts and hospitality received	0	Yes=low score
9.2	Is an authorisation process in place for the receipt or giving of hospitality	0	Yes=low score
10	Staff Remuneration and Bonuses		
10.1	Do any members of staff have their remuneration bonuses linked with high value or public contracts	0	
10.2	Do any members of staff have a level of responsibility/influence that is disproportionate to their salary	1	
	<p>Total score from 111</p> <p>1-36 Low 37-73 medium 74-111 high</p>	31	<p>Low risk of bribery</p> <p>adequate steps taken to ensure that there are adequate procedures in place to counter bribery</p> <p>Bribery Policy</p> <p>Regular audits of key financial processes including expenses and hospitality</p>

Appendix 4

NB: To be completed **as soon as possible** after the receipt of any allegation of concern, regardless of the nature of the allegations or their source.

Please provide **as much information as possible** and e-mail the completed form to Fraud & Raising Concerns Branch at raising.concerns@economy-ni.gov.uk, cc'd to the Director of the relevant business area / Partner Team.

	Departmental case reference number (assigned by Fraud & Raising Concerns Branch):	
	Partner Organisation case reference number (if appropriate)	
A1	Date allegation / disclosure received in the departmental business area/Partner Organisation:	
A2	Details of the allegation / disclosure (including type of communication e.g. telephone call / email):	
A3	Name & contact details of person raising the allegation / concern (if known):	
A4	Was confidentiality requested by the person raising the concern?	
A5	Date on which an acknowledgement of receipt was issued to the person raising the allegation / concern. <u>If correspondence has not yet been acknowledged in writing, please state this</u>	
A6	Name & contact details of officer who received the allegation / disclosure:	
A7	Division / Business Area / Partner Organisation to which allegation / disclosure relates:	
A8	Details of the specific location at which the incident occurred:	
A9	Details of any documents (electronic or hard copy) received with allegation: NB: Please forward all documentation with this notification, including any written record of a telephone call.	
A10	Date fraud / concern was first discovered:	
A11	Estimated or actual value of monies at risk through the suspected fraud / concern:	
A12	Has the PSNI been notified? If so, please provide date of referral, details of investigating officer and case reference number	

A13	Name & details of contact person for ongoing correspondence / progress updates:	
A14	Is the case being reported as actual , suspected or attempted fraud:	
A15	Type of fraud / suspected fraud (see note 1):	
A16	Cause of fraud / suspected fraud (see note 2):	
A17	How was the fraud / suspected fraud discovered (see note 3):	
A18	Who perpetrated the fraud / suspected fraud (see note 4):	
A19	Category of any other action taken (see note 5):	
A20	Specific detail of any other action taken:	

When enquiries / investigations are finalised, a **Fraud & Raising Concerns Case Closure Summary** must be completed as fully as possible and sent to the Fraud & Raising Concerns Branch at raising.concerns@economy-ni.gov.uk, cc'd to the Director of the relevant business area / Partner Team.

Notes

1. Type of fraud

- Grant related
- Theft of assets (please state type of asset e.g. cash, laptop, oil, tools, camera)
- Payment process related
- Income related
- Pay or pay related allowances
- Travel and subsistence
- Pension fraud
- Contractor fraud
- Procurement fraud
- False representation
- Failure to disclose information
- Abuse of position
- Other (please specify)

2. Cause of fraud

- Absence of proper controls
- Failure to observe existing controls
- Opportunistic
- Unknown

3. Means of discovery of fraud

- Normal operation of control procedures

- Whistleblowing (internal or external)
- Internal Audit
- External
- Computer analysis/National Fraud Initiative
- Other means (please specify)

4. Perpetrators of Fraud

- Internal staff member
- Contractor
- Funded body/grant applicant
- Other third party (please specify)
- Collusion between internal and external parties
- Too early to determine
- Unknown

5. Other actions taken

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