



**FRAUD POLICY**  
**AND**  
**FRAUD RESPONSE PLAN**

Version	Date	Approval by	Date	Due for Review
2.0	16/11/21	Audit & Risk Assurance Committee	25/11/2021	Nov 2022
2.1	07/03/23	Audit & Risk Assurance	04/04/2023	Nov 2024

## **1. INTRODUCTION**

- 1.1 InterTradelreland is committed to establishing and maintaining an effective anti-fraud culture by ensuring that there is a “zero tolerance” approach taken to fraud in all its guises. It is our non-negotiable stance that ALL fraud committed against InterTradelreland is deemed to be serious and will be treated accordingly. The importance of the issue is such that Fraud is a Standing Item on the Agenda of Audit & Risk Assurance Committee meetings. The over-riding message to be taken from this Policy Statement is that it is the responsibility of all staff to be aware of InterTradelreland’s stance and at all times maintain an alertness to the possibility of fraud and invoke this Policy as and when it would be appropriate to do so. Staff should be aware that all legitimately raised concerns will be treated with the seriousness they deserve.**
- 1.2 There is a continuing need to raise staff awareness of their responsibility to safeguard public resources against the risk of fraud. InterTradelreland requires all staff, at all times, to act honestly and with integrity, and to safeguard the public resources for which they are responsible. Guidance is provided in this regard in the Body’s Financial Procedures Manual, Staff Handbook and IT procedures. Fraud is an ever-present threat to these resources and must be a concern to all members of staff. InterTradelreland’s policy is to investigate all suspected frauds and allegations (anonymous or otherwise) and where appropriate, refer to the Police Service of Northern Ireland and/or An Garda Siochana at the earliest juncture.
- 1.3 The purpose of this statement is to detail responsibilities regarding both the prevention of fraud and the procedures to be followed where a fraud is detected or suspected. Employees raising genuine concerns will be protected and their concerns looked into in accordance with InterTradelreland’s Policy for Reporting Serious Concerns at Work.

## 2. DEFINITIONS

- 2.1 **The Fraud Act 2006 was enacted in 2007 and under this Act fraud is now a specific offence in law. It supplements the Theft Act (Northern Ireland) 1969 and the Theft (Northern Ireland) Order 1987.**

The term 'fraud' is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.

- 2.2 For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party. **The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.** Fraud constitutes an offence of Gross Misconduct as per the Body's Disciplinary Procedures. There are primarily three main areas of concern, i.e. theft, false accounting and bribery and corruption.

- 2.3 Computer fraud is where information technology (IT) equipment has been used to manipulate computer programs or data dishonestly (for example by altering or substituting records, destroying or suppressing records, duplicating or creating spurious records), or where the existence of an IT system was a material factor in the perpetration of fraud (i.e. where the fraud was unlikely to have occurred if there had been no IT system). Theft or fraudulent use of computer facilities, computer programs and the Internet is included in this definition. The suspicion that any of these acts have taken place should be regarded as potentially fraudulent and dealt with as such. InterTradeIreland's IT policy highlights the organisation's monitoring policy in relation to e-mail & internet use. This complies with the Employment Practices Data Protection Code Part 3 Monitoring at Work (June 2003).

- 2.4 The term Finance Departments refers to the Department of Finance in Ireland and the Department of Finance in Northern Ireland.

- 2.5 The Bribery Act 2010 came into effect on 1 July 2011. This Act defines bribery, for purposes of the general offence, as anything that induces or is intended to induce improper performance. There are four offences: offering, promising or giving a bribe; requesting, agreeing to receive or accepting a bribe; bribing a foreign public official and a corporate offence of failing to prevent bribery. It is therefore imperative that all staff are aware of these offences and ensure that proactive steps are taken to prevent corruption.

### **3. INTERTRADEIRELAND'S RESPONSIBILITIES**

- 3.1 InterTradelreland is responsible for developing and maintaining effective controls to prevent fraud and to ensure that if it does occur it will be detected without delay. This embraces all InterTradelreland activities and relationships and applies to fraud by InterTradelreland staff, members of the public and by contractors supplying goods/services to InterTradelreland, or any other contractual or working relationships entered into by InterTradelreland. Specific references are made in Agreements with third parties, the content of which is compatible with this policy.
- 3.2 InterTradelreland must also investigate vigorously and promptly the circumstance in which fraud occurs. It must take the appropriate legal and/or disciplinary action in all cases where that would be justified; and make any necessary changes to systems and procedures to try to ensure that similar frauds will not happen again. Investigations must consider as a matter of course whether there has been a failure of supervision and, if appropriate disciplinary action will be taken (section 7 refers).

### **4 LINE MANAGERS' RESPONSIBILITIES**

- 4.1 It is the responsibility of Senior Management (Chief Executive and Directors) to ensure that an adequate system of internal control exists and operates effectively. Line managers are responsible for ensuring that the system of internal control within their areas of responsibility operates effectively. **The responsibility for the oversight of the prevention and detection of fraud, therefore, rests primarily with managers.** There is a need for all managers to assess the types of risk involved in the operations for

which they are responsible; to review and test regularly the control systems for which they are responsible ensuring that controls are being complied with; and to satisfy themselves that their systems continue to operate effectively.

4.2 A major element of good corporate governance is a sound assessment of the organisation's business risks.

**Managers must ensure that:**

- a) fraud risks have been identified within risk frameworks encompassing all operations for which they are responsible;
- b) each risk has been assessed for likelihood and potential impact (and maintain a record of their assessment);
- c) adequate and effective controls have been identified and mapped across for each risk;
- d) controls are being complied with, through regular review and testing of control systems (retaining evidence of same); and
- e) impact on risks are reassessed as a result of the introduction of new systems or amendments to existing systems and appropriate actions are taken to ensure that there is no weakening of the control environment as a result (with suitable evidence retained of their re-assessment)
- f) all staff are regularly reminded of their responsibilities to be alert to the potential of fraud and the requirement to invoke this Policy and associated procedures as and when necessary.

4.3 In terms of establishing and maintaining effective controls it is generally desirable that:

- where practical there is a regular rotation of staff, particularly in key posts;
- there is a separation of duties so that control of a key function is not vested in one individual;
- backlogs are not allowed to accumulate; and
- in designing any new system, consideration is given to building in safeguards to prevent and/or detect internal and external fraud.

4.4 Senior Management (i.e. Director level or above), as part of their overall responsibilities, are responsible for providing advice and assistance, where necessary, on risk and control issues. They, in turn, should utilise as appropriate, the services of professional Audit support or the advice of an appropriate source.

## **5. STAFF RESPONSIBILITIES**

5.1 InterTradeIreland's Code of Conduct sets out the duties and responsibilities of staff and states that "staff should endeavour to ensure the proper, economical, effective and efficient use of resources". Every member of staff has a duty to ensure that public funds are safeguarded, whether they are involved with cash or payments systems, receipts, assets, stocks, or dealings with contractors or suppliers.

5.2 Staff should alert their line manager or a more senior manager where they believe the opportunity for fraud exists because of poor procedures or lack of effective oversight.

5.3 In addition it is the responsibility of every member of staff to report details immediately to their line manager or a more senior manager if they suspect that a fraud has been committed or see any suspicious acts or events. Staff must assist any investigations by making available all relevant information to the investigating officer(s) and by co-operating in interviews. Any information provided by staff will be treated confidentially.

5.4 As stewards of public funds staff must have, and be seen to have, high standards of personal integrity. Staff should not accept gifts, hospitality or benefits of any kind from a third party that might be seen to compromise their integrity. There is further guidance on the acceptance of gifts and hospitality in InterTradeIreland's Financial Procedures Manual and the Staff Code of Conduct.

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

## **6. INTERNAL AUDIT RESPONSIBILITIES**

- 6.1. The Body appoints external contractors to provide an internal audit function, in accordance with the requirements of its Financial Memorandum.

Internal Audit is responsible for:

- Delivering an opinion to the Accounting Officer on the adequacy of arrangements for managing the risk of fraud and ensuring that the Body promotes an anti-fraud culture;
- Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure / risk in the Body's various operations; and
- Ensuring that management has reviewed its risk exposures and identified the possibility of fraud as a business risk.

- 6.2. Primary responsibility for the prevention and detection of fraud is the responsibility of management not Internal Audit. However internal auditors should be alert in all their work to risks and exposures that could allow fraud. Individual audit assignments, therefore, are planned and prioritised to assist in deterring and preventing fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure/risk. Risk and Control Frameworks are also reviewed as a constituent part of each audit assignment to ensure that management have reviewed their risk exposures and, where appropriate, identified the possibility of fraud as a business risk.

- 6.3. Internal Audit is available to offer advice and assistance on risk management/ internal control issues, as well as advice and assistance in relation to cases of fraud or suspected fraud.

## **7. AUDIT AND RISK ASSURANCE COMMITTEE RESPONSIBILITIES**

- 7.1. The Audit and Risk Assurance Committee will review and make recommendations to the Board and Accounting Officer on Anti-fraud policies, whistle-blowing processes, and arrangements for special investigations.
- 7.2. If any activity/transaction suspected of being fraudulent has come to the attention of the committee or management, the Committee will direct how to proceed.

## **8. INVESTIGATION**

- 8.1. Line managers should be alert to the possibility that unusual events or transactions could be symptoms of fraud or attempted fraud. Fraud may also be highlighted as a result of specific management checks or be brought to management's attention by a third party.
- 8.2. It is InterTradelreland's policy that there will be consistent handling of all suspected fraud cases without regard to position held or length of service of the individual(s) involved.
- 8.3. Investigators should have free access to all staff, records and premises in order to carry out investigations and should take appropriate steps to secure any documents etc that may subsequently be used in evidence.
- 8.4. Irrespective of the source of suspicion, it is for the senior management in the office concerned (normally at Director level) to undertake an initial investigation to ascertain the facts. This investigation should be carried out as speedily as possible after suspicion has been aroused: **prompt action is essential**. The purpose of the initial investigation is to determine whether a genuine mistake or an irregularity has occurred. (see Fraud Response Plan). Should suspicion of fraud remain a full investigation will be instigated.



**8.5** It is important that anyone wishing to raise their legitimate concerns that there may be the perpetration of fraud within InterTradelreland is aware of the appropriate avenues to whom they should raise their initial concerns, as it is recognised that it may not always be appropriate to raise their concerns with their line manager. The procedures by which employees should raise any such concerns are set down in InterTradelreland's Policy for Reporting Serious Concerns at Work.

**8.6** Once suspicion has been aroused that a fraud may have been perpetrated, management should follow the guidance provided in the attached Fraud Response Plan set out in Appendix 1.

**All investigations into suspected fraud by Staff Members which may result in Disciplinary Action or Criminal Prosecution, will be undertaken in line with the Body's Disciplinary Procedures, to ensure every opportunity for a fair and complete hearing is afforded to the individual.**

**General Principles of the Procedure will apply, in particular:-**

- **The employee concerned is entitled to be accompanied at all times by a Staff/Trade Union Representative or fellow employee**
- **The employee will be made aware, in writing, of the circumstances giving rise to the Disciplinary Hearing and will be given an opportunity to state their case before a decision is reached.**

## **9. DISCIPLINARY ACTION**

9.1 After a full investigation InterTradelreland will take legal and/or disciplinary action in all cases where it is considered appropriate. Where supervisory negligence is found to be a contributory factor, disciplinary action may also be initiated against those managers/supervisors responsible.

9.2 The Director of Corporate Services or CEO, following agreement with the Chairman or Vice Chairman of the Board may suspend with pay or redeploy any officer involved

pending the outcome of an investigation. Any such suspension will be conducted per the Body's Disciplinary Procedure and the Audit and Risk Assurance Committee advised immediately. Suspension or redeployment itself does not imply guilt.

- 9.3 It is InterTradelreland's policy that in all cases of fraud, whether perpetrated by a member of staff or by external organisations or persons, the case will be referred to the Police Service of Northern Ireland and/or An Garda Siochana as appropriate at the earliest possible juncture.
- 9.4 Losses resulting from fraud should be recovered, subject to the policy on write-off, if necessary through civil action.
- 9.5 There shall be the right of appeal against any disciplinary action. Any appeal should be in writing and lodged with the Human Resources Manager within five days of any decision being given. All appeals will be conducted in line with the guidance given in the Body's Disciplinary Procedure"

## **10. CONCLUSION**

- 10.1 It is appreciated that the circumstances of individual frauds will vary but it is important that all are vigorously and promptly investigated and that appropriate remedial action is taken. Management should be conscious of their responsibility to protect public funds and as such, should always be alert to the potential for fraud.
- 10.2 Any queries in connection with this guidance should be directed to the Director of Corporate Services.

**Margaret Hearty**  
**CHIEF EXECUTIVE**

**March 2023**

# **APPENDIX 1**

## **FRAUD RESPONSE PLAN**

### **1 Introduction**

**1.1** InterTradelreland has prepared this fraud response plan to act as a guide and provide a checklist of action which must be followed in the event of a fraud being suspected.

**1.2** The objective of the plan is to ensure that

- timely and effective action is taken;
- to help to recover losses;
- establish and secure evidence necessary for possible criminal and disciplinary action;
- comply with external reporting requirements; and
- highlight areas of weakness in the operating systems to help prevent future losses.

### **2 Initial Investigation**

**2.1** It is for the Director concerned to undertake an initial investigation to ascertain the facts. This discreet investigation must be carried out and documented as quickly as possible and certainly within 2 working days of the suspicion being raised.

**2.2** The Director concerned should contact the Director of Corporate Services who will be able to provide advice and support on the conduct of the investigation, or if the Director concerned is the Director of Corporate Services, they in turn will seek advice and support from the Chief Executive. The Director of Corporate Services will inform the Chief Executive that an attempted or suspected fraud has been discovered (irrespective of the amount involved) and that an investigation is underway. They should subsequently be kept fully informed of any developments.

**2.3** The factors which give rise to the suspicion should be determined and examined to clarify whether a genuine mistake has been made or an irregularity has occurred. An irregularity may be defined as any incident or action which is not part of the normal operation of the system or the expected course of events. An initial investigation may involve discreet enquiries with staff or the examination of documents. Wherever

possible, evidence should be secured at the outset of the investigation without alerting suspects. The Director of Corporate Services will be able to provide advice in respect of this.

- 2.4** If further investigation is required Auditors may be appointed to conduct an investigation or provide advice.
- 2.5** If the initial investigation confirms the suspicion that a fraud has been perpetrated (or attempted), management must ensure that all original documentation is preserved in a safe place for further investigation. Such documentation should be handled as little as possible, and no marks should be made on it, to prevent the potential loss of evidence which may be essential to support subsequent disciplinary action or prosecution. A record should be maintained of anyone who handles potential evidence.
- 2.6** Should there be a perceived risk of reputational damage to the Body, management may seek advice from appropriate sources in dealing with the media. Such advice should include the extent and nature of any information which should be released to the media, and who is authorised to release such information. A record should be maintained of the information released and to whom.

### **3 Action Required for Internal Fraud**

- 3.1** The facts as determined by the initial investigation should be reported immediately to the Director of Corporate Services (in the event that it would be inappropriate for this, the reporting channels will be agreed at the outset and made clear to the investigation Team), such notification to be followed up in writing. If the initial investigation is inconclusive or indicates there is a case to be answered, the Director of Corporate Services (or other designated officer) having conferred as appropriate with line management, will inform the NIAO, Internal Audit, the Finance Manager and the Chief Executive following consultation with the Chairman of the Audit & Risk Assurance Committee. The Senior Management team will decide on the appropriate course of

action including the full investigation arrangements (including interviewing of suspects and reporting arrangements). The latter should be conducted by at least two senior officers, preferably one of whom is trained in investigative techniques i.e. PACE -Police and Criminal Evidence Act (NI Order), and independent of the area under scrutiny. To remove any threat of further fraud or loss, management should immediately change/strengthen procedures and if appropriate, suspend any further payments pending full investigation.

- 3.2** Where an internal fraud is suspected, the Chief Executive will immediately write to the Accounting Officers of the Sponsor/Partner Departments as appropriate. Appropriate legal advice may be sought as to the extent of notification pending legal or other procedures that may remain extant.
  
- 3.3** As the circumstances of the case are determined, the Chief Executive will provide further details of the fraud (or attempted fraud), along with results of the initial and subsequent investigation and any initial action taken following consultation with the Audit & Risk Assurance Committee. InterTradelreland will ensure all paperwork is safeguarded for the Sponsor/Partner Departments' inspection as appropriate. InterTradelreland will also copy any notification to the NI Audit Office and the Comptrollers and Auditor General, In Northern Ireland and Ireland. The Chief Executive may seek Audit advice and assistance, from the Departments and externally if required. Advice sought may be on control issues, identifying what further enquiries need be made and on any action which may be necessary to prevent further loss. Following consultation with the Sponsor/Partner/Finance Departments, InterTradelreland will contact the Police Service of Northern Ireland and/or An Garda Siochana, as appropriate. If appropriate, the police should also be contacted for advice in respect of the recovery of any assets involved in the fraud.
  
- 3.4** InterTradelreland will co-operate fully with police enquiries. Following a police investigation the offender(s) may be prosecuted. In the event of the Police Service of Northern Ireland and/or An Garda Siochana requesting InterTradelreland's advice on prosecution, the request should be passed to the Chief Executive in the first instance

who will seek the advice of the Finance Departments. In such circumstances InterTradeIreland will seek appropriate legal advice as to the extent of any notification pending legal or other procedures that may remain extant.

- 3.5** Decisions about interviewing suspects and witnesses will be made by the investigating officers having consulted with Senior Management. All interviews must be conducted under properly controlled conditions in order to ensure that any statement taken and subsequently used as evidence in a court case will not be rejected as inadmissible. The guidelines and code of conduct for interviewing suspects issued under PACE should be applied.

#### **4 Action Required for External Fraud**

- 4.1** Where an external fraud is suspected, investigation and reporting arrangements as documented in section 3 above will apply. Appropriate legal advice may be sought as to the extent of notification pending legal or other procedures that may remain extant.
- 4.2** Where a fraud is suspected involving an external organisation or individual, it is the Chief Executive's responsibility following consultation with the Audit & Risk Assurance Committee to determine if there is sufficient evidence to notify the Police Service of Northern Ireland and/or An Garda Siochana.

#### **5 Post Event Action**

- 5.1** When all the necessary investigations have been completed the results will be reported to the Director of the office concerned, Director of Corporate Services, the Finance Manager, the Chief Executive, the Audit & Risk Assurance Committee and the Sponsor/Partner Departments as appropriate. The investigations may have revealed a failure of supervision, and/or a breakdown in or an absence of control. Where a fraud has occurred, management must make any reasonable changes to systems and procedures to mitigate against similar frauds recurring. Internal Audit will be utilised,

as appropriate, to investigate the area where the fraud occurred to provide assurance that systems and procedures have been improved and are operating effectively. Internal Audit would be available to offer advice and assistance on matters relating to internal control, if considered appropriate.

## **6. Reporting Arrangements**

- 6.1** InterTradelreland will be required to provide an annual return of frauds for the Sponsor/Partner/Finance Departments as appropriate. It is the responsibility of the Audit & Risk Assurance Committee to report all frauds in this way.

## **7 Conclusion**

- 7.1** Any queries in connection with this response plan should be made to the Director of Corporate Services.