

FRAUD POLICY

Dublin & Dun Laoghaire ETB
May 2016

1. Purpose

Dublin & Dun Laoghaire Education & Training Board (DDLETB) is, and wishes to be seen by all, as being honest and opposed to fraud in the way it conducts its business. DDLETB's fraud policy addresses the responsibility of employees and management for the detection and reporting of fraud or suspected fraud.

2. Scope

This policy is limited to financial and asset related fraud.

3. Policy

It is the policy of DDLETB to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the ETB and, when appropriate, to pursue legal remedies available under the law. DDLETB aims to promote a culture which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct.

Any act of fraud ascertained upon investigation, or pursuant to a criminal conviction, or through written acknowledgment by the employee(s) concerned, shall result in the appropriate disciplinary and legal actions against the employee(s) and/or entities, to include the possibility of termination of employment, and in all instances forwarding information to the appropriate authorities for criminal prosecution. The repayment of losses will be sought in all cases and DDLETB would normally expect to recover all costs in addition to the recovery of losses.

4. Definitions

For the purposes of this policy, fraud shall include but not be limited to:

- Theft or misappropriation of DDLETB assets
- Submitting false claims for payments or reimbursement
- Accepting or offering a bribe or accepting gifts or other favours under circumstances that might lead to the inference that the gift or favour was intended to influence an employee's decision-making while serving the DDLETB
- Accepting a commission from or paying same to a third party
- Blackmail or extortion
- 'Off Books' accounting or making false or fictitious entries
- Knowingly creating and/or distributing false or misleading financial reports
- Paying of excessive prices or fees where justification thereof is not documented
- Violation of DDLETB's procedures with the aim of personal gain or to the detriment of the organisation
- Wilful negligence intended to cause damage to the material interest of DDLETB
- A dishonourable, irresponsible or deliberate act against the interests of DDLETB

For the purposes of this policy, an employee refers to a staff member who receives remuneration, either full or part time from DDLETB. The term also includes any volunteer who provides services to DDLETB through an official arrangement with the ETB.

5. Responsibility for the Detection and Prevention of Fraud

Staff at all levels are responsible for exercising due diligence and control to prevent, detect and report acts of fraud. Those who fail to carry out these responsibilities will be subject to disciplinary action up to and including termination of employment.

Responsibility of Management

It is the responsibility of management to be familiar with the types of improprieties that might occur in their area and be alert for any indication that improper activity, misappropriation or dishonest activity is or was in existence in his or her area, and put in place controls to avoid such occurrences.

Management are required to support and work with the Senior Management Team (SMT) in DDLETB, with other involved public departments, agencies and law enforcement bodies, in the detection, reporting and investigation of dishonest or fraudulent activity, including the prosecution of offenders. If a fraud is detected in an area, management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.

Responsibility of Employees

It is the responsibility of all employees to conduct their business in such a way as to prevent fraud occurring in the workplace. Employees must also be alert to the possibilities of fraud and be on guard for any indications that improper or dishonest activity is taking place.

6. Reporting Fraud

It is the responsibility of all staff to report any suspicions of fraud without delay according to the procedure laid out below. Persons who cover up, obstruct, fail to report, or monitor a fraud that they become aware of, or ought to have been aware of, will be considered to be an accessory after the fact and may be subject to DDLETB's disciplinary procedure. Also, persons who threaten retaliation against a person reporting a suspected fraud shall be subject to DDLETB's approved disciplinary procedure.

Great care must be taken in dealing with suspected dishonest or fraudulent activities to avoid:

- Incorrect accusations
- Alerting suspected individuals to an investigation underway
- Treating employees unfairly
- Making statements that could lead to claims of false accusations or other charges.

In the case of all employees and management, the incident, facts, suspicions or allegations should not be discussed with anyone inside or outside the ETB unless specifically directed to do so by the ETB Officer investigating the incident. In particular, the matter should not be discussed with the individual suspected of fraud.

Fraud can be detected at any level within the organisation and the following general principles should apply in the reporting of suspected fraud:

- A person who suspects that fraudulent practice may be operating should, in the first instance, report the matter to their immediate line manager. Should it be considered inappropriate to make such a report to their direct line manager, the report should be made to their manager 'once removed' (the Line manager's manager).
- Once a report of suspected fraud is made to a relevant party, that person should report the suspicion to a member of the SMT.

A Fraud Incident Report should be completed by the person reporting the suspected fraud.

No investigation of the suspected fraud should take place until the SMT has been informed.

7. Procedures for the Investigation of Alleged Fraud

The Head of Organisation Services (HOS) will (except in any case involving his or her Office) have responsibility for coordinating the DDLETB's response and will seek expert legal advice, if required.

The HOS will inform the Chief Executive (CE) and relevant Officers identified by the CE and other Heads of Function and/or Managers as appropriate, and keep them informed of developments.

The HOS, on behalf of the CE, will conduct an initial investigation to gather factual information and reach a preliminary view as to whether further action is required. Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud or a dishonest activity, the CE, in consultation with the HOS and other relevant Officers, will decide if any actions are necessary to prevent further loss. This may require the suspension of the member or members of staff (which will take place in accordance DDLETB's Disciplinary Procedure) and/or the decision as to whether further investigation is required.

Each case will be considered individually in accordance with the expert advice obtained with a view to minimising the losses (both monetary and otherwise) to DDLETB. Having reached a decision as to what further action is necessary and how such actions should be undertaken, the HOS will liaise with the relevant managers.

In all instances of suspected fraud, the Garda Síochána should be notified as soon as it becomes reasonably certain that a crime has been committed. The criminal aspect of any fraud is a matter for the criminal justice machinery of the State and early engagement with the Gardaí is important.

When further investigation is required, an Investigating committee and a chairperson will be appointed by the Chief Executive (CE) for each case. All meetings of the committee will be treated as confidential and shall be fully documented with investigation work normally led by the Finance Manager or other officer of DDLETB appointed by the CE. In circumstances where the investigation requires the use of technical expertise which the Finance Manager (or other officer of DDLETB appointed by the CE) may not possess, the Investigating committee may appoint external specialists (subject to the approval of the CE) to lead and/or contribute to the investigation.

Upon completion of its investigation, the Investigating committee will submit a written report of its findings and its recommendation(s) to the CE who, in consultation with the HOS and relevant DDLETB officers, will issue a decision on the matter and determine whether internal disciplinary procedures should be invoked.

The HOS and line manager will communicate the decision to the person(s) accused of the fraud or related dishonest activity.

The Audit Committee and Board should be issued with a copy of the report.

Employees who are under investigation shall be entitled to have a work colleague, union official or other appropriate individual present during the course of any interview that is conducted in connection with the alleged fraud or related dishonest activity with a view to defending their case.

The HOS will notify the ETB's insurer at an early stage to ensure that insurance matters are dealt with promptly and properly.

The CE and the SMT will be responsible for dealing with any enquiries from the press and other media. The Audit Committee will, at an appropriate time, consider the results of the investigation and assess whether there is a weakness in the Board's systems of internal control which need to be addressed. The Audit Committee will report the findings, conclusions and recommendations, following consultation with the Board.

8. Accounting for Loss, Restitution and Recovery

The school/centre incurring the loss from a dishonest or fraudulent act will normally suffer the loss until monies can be recovered through insurance or restitution.

9. Notifying the Department of Education & Skills

The CEO and the HOS will consider reporting to the Department of Education & Skills (DES) the confirmed fraud, indicating what steps have been taken to address the weaknesses in the systems of internal control related to the fraud. It is also a matter that will be presented to the Comptroller & Auditor General's Office as part of the statutory audit for the period in which the fraud came to the attention of DDLETB.

10. References for Employees Disciplined or Prosecuted for Fraud

Where there is a request for a reference for a member of staff who has been disciplined or prosecuted for fraud or a dishonest activity, the Human Resources Manager shall prepare any reply to a request for a reference, having regard to the ETB policies and employment law.

11. Review of Fraud Policy

This fraud policy will be reviewed tri-annually by the Senior Management Team.

