



Waterford and Wexford Education and Training Board

Detection and Reporting of Fraud Policy

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Detection and Reporting of Fraud Policy

1.0 Purpose

Waterford and Wexford Education and Training Board (herein called WWETB) is committed to always conducting its business affairs in an honest and fair manner. This fraud policy addresses the responsibility of management and staff members for the detection and reporting of fraud or suspected fraud.

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

2.0 Scope

This policy is limited to financial and asset related fraud within WWETB and applies to all staff members including temporary staff, contractors, consultants, vendors, service providers, partners, affiliates, third parties or any other person who provides services to WWETB through an official arrangement.

3.0 Responsibilities

3.1 Governance and Compliance

- To ensure the Policy is reviewed and approved by the Governing Body.

3.2 Management Team

- To familiarise themselves and adhere to the terms of the policy.
- To ensure that all staff members in their unit/department are aware of, and adhere to, this policy at all times.
- To maintain and enforce the standards and guidelines established within this policy.
- To familiarise themselves with the types of improprieties that might occur in their department.
- To remain vigilant for any indication of improper activity.
- To put in place controls to avoid such occurrences.
- To take any corrective actions to ensure adequate controls are implemented to prevent reoccurrence of improper actions.
- To provide support and advice to all staff members on the practices and procedures set out in this policy
- To consult as appropriate with members of the Senior Management Team on the application of this policy.



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3.3 Staff Responsibilities

- To familiarise themselves with the terms of this policy
- To conduct their business in such a way as to mitigate the risk of fraud occurring in the workplace.
- To remain alert to the possibilities of fraud and be on guard for any improper or dishonest activity taking place.
- To report any suspicions of improper or dishonest behaviour to their Line Manager immediately.

3.4 HR Responsibilities

To mitigate the risk of fraud by establishing the prior record of a potential employee, Human Resources may:

- Undertake security checking of staff.
- Issue appropriate rules of conduct on appointment.
- Assist line managers in implementation, and operation, of WWETB Disciplinary Procedures when necessary.
- Ensure employment policies, including those regarding fraud/corruption and guidance on appropriate information technology use, are included in any induction programmes for staff at all levels.
- Provide updates on this and other relevant employment policies, including code of conduct.

3.5 Internal Audit Unit (herein referred to as IAU) Responsibilities:

Where fraud or corruption are suspected or detected by management, Internal Audit may:

- Advise management on the conduct of investigations.
- Provide specialist forensic and IT resources where required in more complex cases.
- Evaluate whether fraud or corruption identified in specific cases poses systemic risk to WWETB.
- Carry out an investigation into a specific risk area if engaged by the Audit Committee.



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4.0 Policy

4.1 Fraud

For the purpose of this policy, fraud shall include but not be limited to the intentional action or omission with regards to the following:

- Theft or misappropriation of WWETB 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 a staff member's decision making while serving WWETB.
- Accepting a commission from or paying same to a third party.
- Blackmail or extortion.
- Intentionally making false or fictitious entries in the books or records of WWETB.
- Knowingly creating and/or distributing false or misleading financial reports.
- Paying of excessive prices or fees where justification thereof is not documented.
- Violation of WWETB 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 WWETB.
- A dishonourable, irresponsible or deliberate act against the interests of WWETB.

4.2 Reducing the Potential for Fraudulent Activity

WWETB employs a range of actions to reduce the potential for fraudulent activity including written policies and procedures requiring transactions to be properly authorised and providing for sufficient segregation of duties.

The IAU carries out a risk-based programme of audits to provide independent assurance of the adequacy of the systems of internal controls established by management, including controls for the prevention and detection of fraud and corruption. Audit programmes take account of the possibility of fraud and corruption.

4.3 Reporting Fraud

It is the responsibility of all staff members 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, may be considered to be an accessory after the fact and may be subject to WWETB's disciplinary procedures. Also, persons who threaten retaliation against a person reporting a suspected fraud shall be subject to WWETB's approved disciplinary procedures.

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Great care must be taken in dealing with suspected dishonest or fraudulent activities to ensure that investigations are carried out in line with the principles of natural justice and due process and to avoid:

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

In the case of all staff and management, the incident, facts, suspicions or allegations should not be discussed with anyone inside or outside WWETB 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.

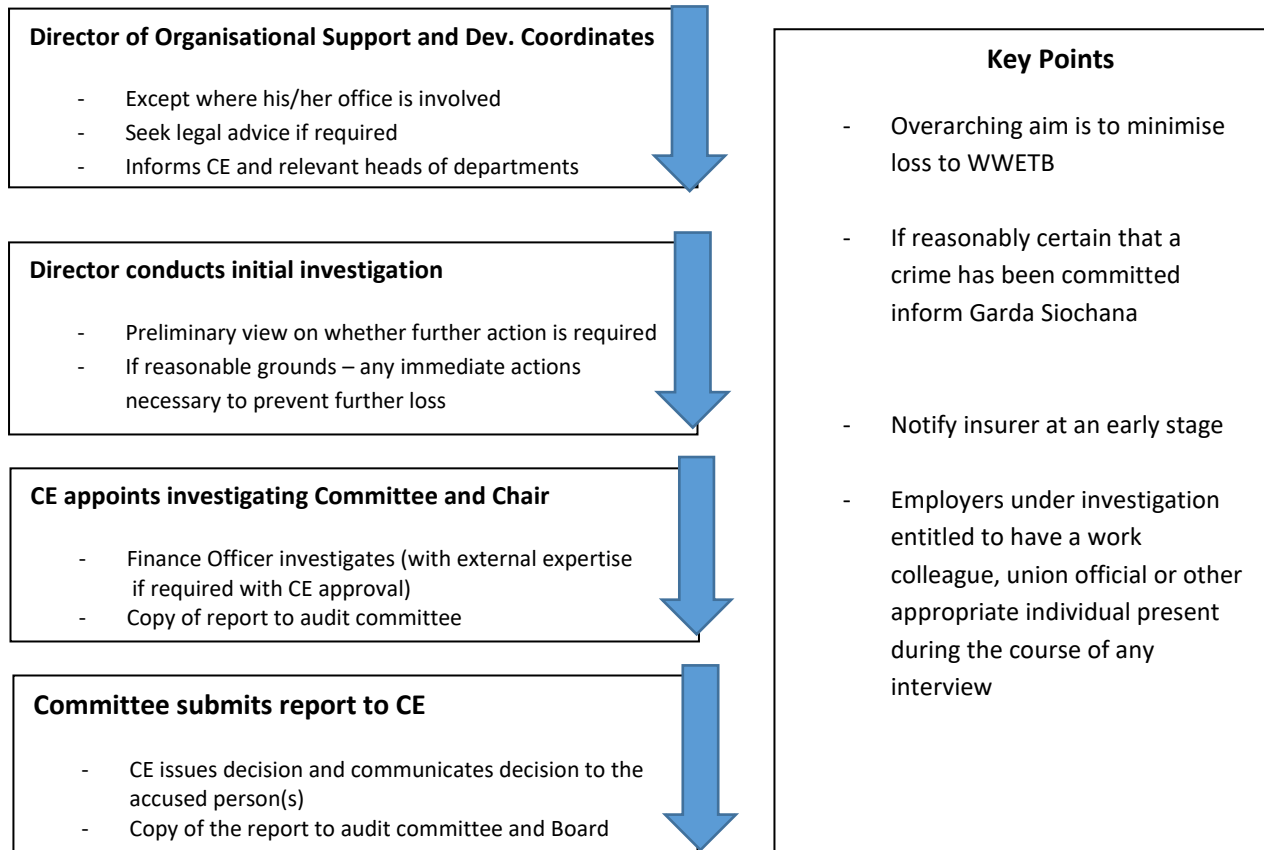
Fraud can be detected at any level within the organisation and the following principles should apply in the reporting of suspected fraud:

- A person who suspects that a 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 Senior Management Team (herein referred to as 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.
- If a member of staff wishes to have the incident treated confidentially, they can refer to WWETB Policy for the making of Protected Disclosures by WWETB workers.

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4.4 Procedure for the Investigation of Alleged Fraud



The Director of Organisation Support and Development (herein referred to as DOSD) will (except in any case involving his/her office) have responsibility for coordinating WWETB’s response and will seek expert legal advice, if required. The DOSD will inform the Chief Executive (herein referred to as 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 DOSD, 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 the initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud or dishonest activity, the CE, in consultation with the DOSD and other relevant Officers, will decide if any actions are necessary to prevent further loss. This may require the suspension of the member(s) of staff (which will take place in accordance with WWETB’s Disciplinary Procedures) and/or the decision as to whether further investigation is required.

This policy may be updated at any time (without notice) to ensure changes to the WWETB’s business practices are properly reflected in this policy. Please ensure that you check the WWETB’s intranet for the most up to date version.



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Each case will be considered individually in accordance with the expert advice obtained with a view as to what further action is necessary and how such actions should be undertaken, the DOSD 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. If Gardaí are carrying out an investigation, this takes priority from an internal WWETB review/investigation. In this instance WWETB will assist as required by the Gardaí.

When further investigation is required, an investigating committee and a chairperson will be appointed by the CE for each case. All meetings of the committee will be treated as confidential and shall be fully documented. Investigation work will normally be led by the Finance Manager or other officer of the ETB appointed by the CE. In circumstances where the investigation requires the use of technical expertise which the Finance Manager (or other WWETB officer 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 DOSD and relevant WWETB officers, will issue a decision on the matter and determine whether internal disciplinary procedures should be invoked.

The DOSD and the 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.

Staff 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 DOSD will notify WWETB'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 needs to be



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addressed. The Audit Committee will report the findings, conclusions and recommendations, following consultation with the Board.

4.5 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.

4.6 Notifying the Department of Education

THE CE and the DOSD will consider reporting to the Department of Education 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 and Auditor General's Office as part of the statutory audit for the period in which the fraud came to the attention of WWETB.

4.7 References for Staff Members 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 WWETB policies and employment law.

5.0 Policy Breaches

As outlined above, if a staff member violates this policy, disciplinary actions may follow in line with normal WWETB Disciplinary Policies. The disciplinary action to be taken will depend on the circumstances and the seriousness of the violation.

The repayment of losses will be sought in all cases and we would normally expect to recover all costs in addition to the recovery of losses.

6.0 Policy Review and Update

The policy contained within these documents will be in place for three years following approval of a review and amendments. An earlier review can take place should exceptional circumstances arise resulting from this policy; in whole or in part, being insufficient for the purpose and/or if there are legislative changes that render this policy obsolete.



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Appendix A: Fraud Incident Report



wwetb

Bord Oideachais agus Oiliúna
Phort Láirge agus Loch Garman
Waterford and Wexford
Education and Training Board

INCIDENT REPORT (Fraud Policy)

Full Description of Incident:

Reported by: _____ (Staff Name and Number)
Date of Report _____ (DD/MM/YYYY)
Reported to: _____
Title: _____

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