



**etb**

Bord Oideachais agus Oiliúna  
Mhaigh Eo, Shligigh agus Liatroma  
Mayo, Sligo and Leitrim  
Education and Training Board

**MAYO, SLIGO AND LEITRIM ETB POLICY NAME:**

**Fraud Policy**

**POLICY CONTROL SHEET**

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# FRAUD POLICY

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## 1. Purpose

Mayo Sligo and Leitrim Education and Training Board (MSLETB) is committed to conducting its business affairs in an honest and fair manner at all times. This 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 within MSLETB.

## 3. Policy Statement

It is the policy of MSLETB to identify and promptly investigate any possibility of fraudulent or related dishonest activities pertaining to MSLETB 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.

Any act of fraud ascertained under investigation, or pursuant to a criminal conviction, or through written acknowledgement 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 we would normally expect to recover all costs in addition to the recovery of losses.

## 4. Definitions

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 MSLETB 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 MSLETB
- 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 MSLETB
- Knowingly creating and / or distributing false or misleading financial reports
- Paying of excessive prices or fees where justification thereof is not documented
- Violation of MSLETB 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 MSLETB
- A dishonourable, irresponsible or deliberate act against the interests of MSLETB

For the purposes of this policy, an employee refers to a staff member who receives remuneration, either full or part time from MSLETB. The policy also includes anyone who provides services to MSLETB 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.

### 5.1. Responsibility of Management<sup>1</sup>

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<sup>2</sup> (SMT) in MSLETB, 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 are implemented to prevent reoccurrence of improper actions

### 5.2. Responsibility of Employees

It is the responsibility of employees to conduct their business in such a way as to mitigate the risk of 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. Reducing the Potential for Fraudulent Activity

MSLETB 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. Those members of staff with management or supervisory responsibilities should ensure that all members of staff in their unit are aware of MSLETB policies and procedures and that these policies and procedures are adhered to at all times.

### 6.1. Internal Audit

The Internal Audit Unit – Education and Training Boards (IAU-ETB) 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.

Where fraud or corruption are suspected or detected by management, IAU-ETB may:

- Advise management on the conduct of investigations;
- Provide specialist forensic and resources where required in more complex cases;

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<sup>1</sup> Note: For the purposes of this policy document, the term “management” refers to those MSLETB personnel in charge of a section / service / programme area. It includes the Chief Executive, Directors, APOs, Adult Education Officers, School Principals, Training Centre Manager and Assistant Managers, FET centre / programme heads or those who are budget holders.

<sup>2</sup> The Senior Management Team (SMT) consists of the Chief Executive, Director of Organisational Support and Development, Director of Schools and Director of Further Education and Training.

- Evaluate whether fraud or corruption identified in specific cases poses systemic risk to MSLETB
- The IAU-ETB may carry out an investigation into a specific risk area if engaged by the Audit Committee of MSLETB.

## **6.2. Human Resources**

A key preventative measure to deter fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees in terms of their propriety and integrity.

Human Resources may:

- Undertake security checking of staff
- Issue appropriate rules of conduct on appointment
- Assist line managers in implementation, and operation, of MSLETB 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 employees at all levels
- Provide updates on this and other relevant employment policies, including codes of conduct.

## **7. Reporting Suspected Fraud**

### **7.1. Responsibility for Reporting**

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, may be considered to be an accessory after the fact and may be subject to MSLETB's disciplinary procedures. Also, persons who threaten retaliation against a person reporting a suspected fraud shall be subject to MSLETB's approved disciplinary procedures.

### **7.2. Reporting Considerations**

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 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 MSLETB 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.

### 7.3. Reporting Procedures

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 his / her manager 'once removed' (the line manager's manager), or, if considered inappropriate to do so, to the next manager in-line.
- Once a report of suspected fraud is made to a relevant party, that person should report the suspicion to a member of the SMT, except if:
  - the suspected fraud involves a Director<sup>3</sup>, in which case the suspicion should be reported directly to the Chief Executive.
  - the suspected fraud involves the Chief Executive, in which case the suspicion should be reported to the Chairperson of the Board of MSLETB.
- 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 MSLETB's [Protected Disclosures Policy](#).

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<sup>3</sup> Director: i.e. Director of Organisational Support and Development, Director of Schools and Director of Further Education and Training

## 8. Procedures for the Investigation of Alleged Fraud

### **Director of Organisational Support and Development coordinates**

- Informs CE and relevant heads.

The Director of Organisation Support and Development (DOSD) will (except in any case involving his / her office) have responsibility for coordinating MSLETB's response and will seek expert legal advice if required. The DOSD 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.



### **Director conducts initial investigation**

- Preliminary view on whether further action required
- If there are reasonable grounds: take any immediate actions necessary to prevent further loss.

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 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 MSLETB's Disciplinary Procedures) and / or the decision as to whether further investigation is required.



### **CE appoints investigating Committee and Chair**

- Finance Officer investigates (with external expertise if required and CE approval)
- Written report.

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 officer of the ETB 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 ETB officers, will issue a decision on the matter and determine whether internal disciplinary procedures should be invoked.

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.



### **Committee submits report to CE**

- CE issues decision and communicates decision to accused person(s)
- Copy of report to MSLETB Audit Committee and Board.

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.

## Key Points:

- The overarching aim is to minimise loss to MSLETB.
- 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 ETB review/investigation. In this instance MSLETB will assist as required by the Gardaí.
- The DOSD will notify MSLETB's insurer at an early stage to ensure that insurance matters are dealt with promptly and properly.
- 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 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 addressed. The Audit Committee will report the findings, conclusions and recommendations, following consultation with the Board

## 9. 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.

## 10. Notifying the Department of Education and Skills

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

## 11. 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 MSLETB policies and employment law.

## 12. Implementation and Review

This policy will be reviewed annually by the SMT in line with best practice, or in light of changes in legislation and guidance from sources such as the IAU-ETB, C&AG, DES and Department of Public Expenditure and Reform (DPER).

The date of implementation is which is the date of noting of this policy by the Board of MSLETB.



**MSLETB Report of Suspected Fraud**

<b>Full Description of Incident / Situation of Concern</b>	
<b>Reported by:</b>	
<b>Date of report:</b>	
<b>Reported to:</b>	
<b>Approved on behalf of MSLETB:</b>	
<b>Date:</b>	