

**Counter Fraud Policy**

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**Counter Fraud Policy**

1. **Why does the Council have a Counter Fraud Policy?**

Derry City & Strabane District Council is committed to the prevention of fraud, the promotion of an anti-fraud culture and operates a zero tolerance attitude to fraud. The Council is committed to protecting the public money it looks after and to making sure that the opportunity for fraud and corruption is reduced to the lowest possible risk. Where there is the possibility of fraud, corruption and financial impropriety, the Council will deal with it in a controlled manner.

Attempted and suspected fraud will be thoroughly investigated and where appropriate referred to the Police Service of Northern Ireland (PSNI) at the earliest juncture.

The Council expects all employees, agency staff, contractors, consultants, suppliers and service users to be fair and honest, and to give any help, information and support needed to deal with fraud, corruption and financial impropriety.

The Council will maintain robust control mechanisms to both prevent and detect fraud and corruption.

Our Fraud Response Plan at section 4 provides more information regarding the reporting and investigation of suspected fraud / financial impropriety. Concerns may also be raised using the Council’s Raising Concerns Policy. Details on how to raise and report a concern are detailed in the Raising Concerns policy. Alternatively, the Council has a Complaints Policy – ‘Complaints Handling Procedure: Policy and Organisational Guidance’ for dealing with concerns raised by the wider public. Further information can also be found on the Councils website.

1. **Who does the Counter Fraud Policy apply to?**

This Counter Fraud Policy is concerned with internal and external fraud committed against Derry City & Strabane District Council by Council employees, suppliers of goods and services, contractors in the course of their work or other persons.

This policy applies to all Council workers (temporary, permanent, part time, full time and previous) and any agency staff, volunteers or consultants undertaking Council work. It also applies to those contractors working for the Council on Council premises and suppliers and service users.

Derry City & Strabane District Council requires all council workers, volunteers, contractors and consultants to act at all times honestly and with integrity and to safeguard the public resources for which they are responsible. The Council will not accept any level of fraud. Consequently, any case will be thoroughly investigated and dealt with appropriately. Derry City & Strabane District Council is committed to ensuring that opportunities for fraud are minimised.

This Policy covers the prevention, detection and management of fraud and fair dealing in matters pertaining to fraud. It aims to raise the awareness of fraud and its prevention in the Council environment and to give guidance to both the reporting of suspected fraud and how the investigation of that fraud will proceed.

This Policy explains the Council’s position on fraud and corruption and includes ‘Our Fraud Response Plan’, which provides more detailed guidance on how the Council will deal with fraud and corruption. ‘Our Fraud Response Plan’ is not limited to fraud and corruption but is applicable to any suspected act of financial impropriety that may put the Council’s resources and assets at risk.

The Council is committed to preventing fraud from occurring and to developing an anti-fraud culture. To achieve this, the Council will:

• Develop and maintain effective controls to prevent fraud;

• Ensure that if fraud occurs a prompt and vigorous investigation takes place;

• Take appropriate disciplinary and legal action; and

• Review systems and procedures to prevent similar frauds.

It is Derry City & Strabane District Council’s policy that there will be consistent handling of all attempted, suspected or proven fraud cases without regard to the position held or length of service of the individual(s) involved.

1. **Fraud Risk Management Roles and Responsibilities**

Everyone in an organisation contributes to the management of fraud risk. This starts at the top where senior management set the tone of the organisation and promote an anti-fraud culture throughout the organisation.

The Chief Executive

The Chief Executive has overall responsibility and is accountable for the effectiveness of fraud risk management. The Chief Executive is responsible for:

* Developing and maintaining an effective control environment to prevent fraud.
* Ensuring that prompt and vigorous investigations are carried out if fraud occurs.
* Ensuring that all staff are aware of the organisation’s counter-fraud policy and know what their responsibilities are in relation to combating fraud.
* Ensuring that appropriate anti-fraud training opportunities are available to all staff.
* Taking appropriate disciplinary / legal action against perpetrators of fraud.
* Taking disciplinary action against a line manager or supervisor where supervisory failure has contributed to the commission of the fraud.
* Taking appropriate action to recover assets and losses.
* Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.

Directors

The Directors are responsible for establishing and maintaining a sound system of internal control that supports the achievement of Council policies, aims and objectives. The system of internal control is designed to respond to and manage the whole range of risks faced by Derry City & Strabane District Council. It is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk will be seen in the context of the management of this wider range of risks.

Management

All Line Managers have a responsibility for maintaining documented control systems and must be seen to be setting an example by complying fully with all procedures, regulations and controls.

The responsibility for preventing fraud lies with management through:

* Assessing the types of risk (including fraud risk) involved in the operations for which they are responsible.
* Ensuring that an adequate system of internal control exists within their areas of responsibility.
* Ensuring that controls are being complied with and their systems continue to operate effectively.
* Reviewing and regularly testing the control systems for which they are responsible.
* Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place; and
* Ensuring compliance with anti-fraud policies and the fraud response plan.

However, while Managers are responsible for assessing and controlling the level of risk within their areas of authority, it is the responsibility of all staff to be aware of fraud and take the necessary steps to minimise the risk to the Council.

Managing the risk of fraud is the same in principle as managing any other business risk. It is best approached systematically both at organisational and operational level. Managers should identify risk areas, assess the scale of risk, allocate responsibility for managing specific risks and implement and test controls to minimise the risks.

Management also have a responsibility to familiarise themselves with common fraud techniques in areas for which they have control. This should include being alert to signs which may indicate that fraud is taking place. These are often referred to as fraud indicators. More detail on these is included within the Appendix on page 15.

Management also have a responsibility to support the implementation of this policy and co-operate with Internal Audit, other services and personnel involved in undertaking investigative work. When applicable, management will assist the PSNI in the detection, reporting and investigation of fraud, corruption and financial impropriety, including prosecution of offenders.

Assurance Section

The Assurance Section is responsible for:

* Carrying out fraud investigations in line with the organisation’s fraud response plan and other related organisational policies.
* Delivering fraud awareness training to Employees and Elected Members.
* Completing an Annual Fraud Assessment.
* Reviewing all fraud related risks regularly to ensure that they have been documented and are being managed appropriately.

Internal Audit

Internal Audit is responsible for:

* Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of controls.
* Ensuring that management has reviewed its risk exposures and identified the possibility of fraud as a business risk.
* Carrying out fraud investigations in line with the organisation’s fraud response plan and other related organisational policies.

Council workers (including agency workers), volunteers, contractors and consultants

Council workers (including agency workers), volunteers, contractors and consultants have a responsibility to protect the assets and reputation of the Council and are expected to be alert to the potential for fraud. Line Managers will be expected to brief staff on the common types of fraud perpetrated in their areas of responsibility.

Derry City & Strabane District Council must have, and be seen to have, the highest ethical and personal standards and be honest and objective in their work. Every member of staff is responsible for:

* Acting with propriety in the use of official resources and in the handling and use of public funds. This is the case whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers.
* Conducting themselves in accordance with the Council Code of Conduct and with the seven principles of public life set out in the first report of the Nolan Committee ‘Standards in Public Life’. These principles are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
* Being alert to the possibility that unusual events or transactions could be indicators of fraud and alerting managers where they believe the opportunity for fraud exists.
* Reporting known or suspected frauds.
* Assisting in the investigation of suspected fraud.

Planning

In February 2022, the Northern Ireland Audit Office (NIAO) published a report on Planning in Northern Ireland. Following a series of Public Accounts Committee (PAC) hearings, the PAC published its own report in March 2022. Both reports highlighted Planning Risk to be one of the most significant risks facing Councils. The reports indicated that in addition to fraud and corruption risks within the planning system, there is also the risk of fraud being committed against the planning system. As a result of this they stated that Planning authorities need to be alive to the potential risks from third parties and have controls in place to mitigate those risks.

Therefore, as a result of this and in addition to the responsibilities outlined above for all Council staff, those involved in making planning decisions must also ensure that:

* Professional Codes of Conduct are adhered to at all times.
* Clear guidance is in place, in terms of policies and procedures for the planning process. This guidance must be readily accessible and understood by all those involved in the planning process.
* They have a sound understanding of the legal requirements around planning decisions, reinforced through regular awareness training.
* They receive regular training on probity in decision-making.
* They are aware of and adhere to relevant policies including conflicts of interest, gifts and hospitality and raising concerns.
* The process for arriving at planning decisions is open, transparent and impartial.
1. **How will the Council respond? Our Fraud Response Plan Statement**

Introduction

This section of our Counter Fraud Policy sets out the responsibilities of staff and the action that should be taken in relation to suspected fraud and / or financial impropriety.

Staff will often be the first to notice the potential for financial impropriety or indeed actual fraud. Staff suspicious of fraud should in the first instance and if appropriate report their concerns to their Manager. The requirement to alert Management is not confined to suspicions about other members of staff, but includes any misgivings staff may have about contractors, consultants, suppliers and service users. If necessary a route other than the Manager may be used to raise such concerns e.g.

* Chief Executive
* Director
* Lead Finance Officer
* Lead Assurance Officer
* Lead Legal Services Officer
* Lead Human Resources Officer
* Assurance Manager
* Internal Audit Manager

Preliminary Fact-Finding Reviews

When concerns or allegations of Fraud / Financial Impropriety are received by Management, all information must be passed to the Lead Assurance Officer.

Upon receipt of information, the Lead Assurance Officer, in conjunction with the Assurance Manager and Internal Audit Manager, will make an initial assessment to determine the following:

* Whether to recommend to the Lead Officer / Head of Service / Director that liaison with the Lead Human Resources Officer is required as the matter should be considered under the relevant Human Resources procedures.
* Whether to have a preliminary fact finding review carried out in the area in which the information was received with a view, in particular, to ascertaining whether there are any indicators of fraud or financial impropriety. Alternatively, it may be the case that the preliminary investigation will result in the area in which the concern was raised being included for review as part of the normal internal audit planning process.
* Whether to immediately convene a meeting of a Fraud Response Group.
* Whether to recommend to the Lead HR Officer / Head of Service / Director and Chief Executive that a formal report be made to the PSNI.

If it is felt that, after the initial assessment, the case does not relate to fraud or financial impropriety, the details may be referred directly to management for further investigation.

The Fraud Response Group

Where the preliminary fact finding review indicates that fraud and / or financial impropriety may have occurred, a group of senior officers will convene to make a decision on the next steps. This team will be known as the Fraud Response Group. The Fraud Response Group will consist of a Director, the Lead Assurance Officer, the Lead Legal Services Officer, the Assurance Manager, the Internal Audit Manager a representative from Human Resources and the Lead Officer / Head of Service from the Department involved if appropriate. The Fraud Response Group will appoint a Chairperson which would normally be the most senior officer sitting on the group. The Assurance Manager, Internal Audit Manager or a representative from management will present findings from the preliminary fact finding review to the Fraud Response Group.

If the Fraud Response Group is satisfied that there is a case to be answered, immediate steps will be taken to safeguard any evidence and prevent further losses (if applicable).

A decision to undertake a full investigation or to inform the PSNI will not be taken unless and until the Chief Executive has been consulted. If an allegation of fraud also involves the investigation of the conduct of Council Officers, that aspect of the investigation will be conducted in accordance with the Council’s Disciplinary Procedures.

The Fraud Response Group will consider the available evidence and then decide on the further action to take. The Fraud Response Group may decide on a number of actions including, but not limited to, the following:

* To confirm there is sufficient evidence to support the allegations.
* To request Internal Audit carry out an investigation.
* To refer the matter to be dealt with under the relevant Human Resources policies.
* To consider referral to the PSNI (Chief Executive approval required)
* To appointment external resources to assist.

If staff are implicated at this stage and it would appear that there is sufficient evidence to justify future disciplinary action, the possibility of suspension will be considered by the Fraud Response Group, in conjunction with the relevant Director. Staff should not be dismissed prior to a thorough investigation. In such circumstances, the Council’s disciplinary procedure will apply.

All details will need to be recorded fully, accurately and in a manner that is accessible. The access rights and the authority to gain access to records is important:

(i) If Internal Audit is carrying out the investigation the authority is detailed in the Local Government (Accounts and Audit) (Amendment) Regulations (Northern Ireland) 2006 and also set out in the Charter for Internal Audit, which has been approved by the Council’s Assurance, Audit & Risk Committee.

(ii) If management is tasked with carrying out the investigation then it is the Fraud Response Group which gives the authority.

Staffing issues

A representative from the Council’s Human Resources Section will sit on the Fraud Response Group to provide advice / guidance on employee rights and disciplinary implications (if necessary).

It is important in any investigation that enquiries are conducted within the parameters of relevant laws and regulations.

Concluding on Investigations

At the conclusion of investigations into fraud and / or financial impropriety the Fraud Response Group may consider that further follow up management investigations are necessary (which may or may not result in disciplinary action). If this is the case the Chair of the Fraud Response Group will write to the relevant Lead Officer / Head of Service / Director indicating that further follow up investigations should be considered.

Where fraud and / or financial impropriety are detected then disciplinary procedures will be instigated and this may lead to dismissal of the individual or individuals concerned. Where relevant, the Council will co-operate fully with the PSNI and pursue prosecutions where possible.

Reporting on Investigations

The investigation will be carried out as a matter of urgency and the report will be submitted initially to the Chief Executive and the Fraud Response Group. The Assurance, Audit & Risk Committee (AARC) and the NIAO will be advised of the outcome of all investigations where actual fraud has occurred / been identified. Summary reports will be provided to the AARC and the detailed reports will be available for inspection upon Members’ request. The investigation report will not be presented to the Assurance, Audit and Risk Committee until investigations are concluded in order to avoid prejudicial reporting.

If there is disciplinary or court proceedings and / or PSNI involvement then summary reports will be presented to AARC when proceedings are concluded.

Third party investigations

The Council is committed to working and co-operating with other organisations to prevent organised fraud and corruption. Wherever possible, the Council will be prepared to help and exchange information with other Councils and third party organisations to deal with fraud. Reporting on such work will be discussed and agreed with the third party and depend on the nature of the investigatory work and the associated risks.

Reporting on the System of Internal Control

After the conclusion of an investigation, Internal Audit, where appropriate, will compile a report for departmental management on any control issues that have arisen as a result of the investigation. This report will provide management with key findings and recommendations for improvement, where deficiencies in the control environment have precipitated an investigation into fraud or financial impropriety. A summary report will also be presented to the Council’s Assurance, Audit & Risk Committee highlighting significant system weaknesses and recommendations for improvement. Internal Audit will conduct a follow up review to determine progress against recommendations made and report the results of the follow up review to the Assurance, Audit & Risk Committee. As with the investigation report, systems reports will not be presented to the Assurance, Audit and Risk Committee until investigations are concluded in order to avoid prejudicial reporting.

The National Fraud Initiative

The Council participates in the National Fraud Initiative (NFI) along with other public bodies. The NFI uses data matching to compare sets of data, such as 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 on those concerned. Where a match is found, it indicates that there may be an inconsistency that requires further investigation.

1. **Communication, Support and Training**

All Council workers, agency staff, contractors and consultants will have access to this policy. A copy of the policy will be available on the Council’s intranet site for review by staff and on the Councils website for review by third parties. If further information or support is required in relation to the policy, please contact the Lead Assurance Officer, Assurance Manager or Internal Audit Manager for advice and guidance. Training and awareness of this policy is included as part of the Council’s Fraud Awareness Training programme.

1. **Monitoring, Review and Evaluation**

This policy will be reviewed again in June 2029 or sooner if there are any legislation changes required or as a result of new guidance. If there are any updates to the policy to reflect legislative changes or new best practice then the updated policy will be presented to the Assurance, Audit and Risk Committee for review and approval.

**Appendices**

**Appendix 1 – Fraud Definitions**

Prior to 2007 there was no legal definition of fraud and in response to the growing threat of fraud the Government introduced The Fraud Act 2006. The legislation became effective from the 15th January 2007. The Fraud Act now provides for a general offence of fraud, with three defined ways of committing fraud. An individual can be prosecuted under the Fraud Act 2006 if he/she makes a false representation, fails to disclose information or abuses his/her position.

Fraud by false representation

If a person dishonestly makes a false representation and intends by making the representation to make a gain for himself or another, or to cause loss to another or expose another to risk of loss. A representation is false if it is untrue or misleading, and the person making it knows that it is, or might be, untrue or misleading;

Fraud by failing to disclose information

If a person dishonestly fails to disclose to another person information which he/she is under a legal duty to disclose and intends, by failing to disclose the information, to make a gain for himself or another, or to cause loss to another or expose another to risk of loss; and

Fraud by abuse of position

If a person is in a position of trust and abuses it by working it to make a gain for themselves or someone else then they can be prosecuted under the fraud act for fraud by abuse of position.

The Fraud Act 2006 supplements other legislation, such as the Theft Act (NI) 1969 and the Theft (NI) Order 1978. In addition, the UK Bribery Act 2010 clarifies the law in relation to bribery and corruption – refer to Council’s Anti Bribery Policy.

The term fraud is commonly used to describe the use of deception, to deprive, disadvantage, or cause loss to another person or party. This can include theft, the misuse of funds or other resources or more complicated crimes such as false accounting and the supply of false information. The term fraud is used generically in this policy and covers criminal acts such as bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation and collusion.

While the Fraud Act now provides a legal definition of ‘fraud’, this Policy covers fraud in its widest sense, as understood by a member of the general public. As such it covers cases of theft, false accounting, bribery and corruption to defraud, money laundering etc.

**Appendix 2 – Fraud Indicators / ‘Red Flags’**

Fraud indicators are clues or hints that a closer look should be made at an individual, area or activity. Fraud indicators do not mean that a fraud is actually taking place and it would usually require a combination of a number of indictors to be present before an investigation would be warranted. Examples of fraud indicators or red flags are as follows:

* Staff under stress without a heavy workload.
* Unexplained wealth and sudden change in lifestyle.
* Staff always working late.
* New staff resigning quickly.
* Original documents being lost and replaced by photocopies.
* Suppliers / contractors / customers insisting on dealing with a particular member of staff.
* Use of correcting fluids.
* Cosy relationships with suppliers / contractors / customers.
* Reluctance of staff to take leave.
* Sudden changes in behaviour.
* Staff refusing promotion.
* Unusual employee behaviour (e.g. a supervisor who opens all incoming mail, refusal to comply with normal rules and practices, fails to take leave, managers by-passing subordinates, subordinates by-passing managers, living beyond means, regular working of long hours, job dissatisfaction / unhappy employee, secretiveness or defensiveness).
* Unrecorded transactions or missing records (e.g. invoices, contracts).
* Disorganised operations in such areas as accounting, purchasing or payroll.
* Crisis management coupled with a presurrised business environment.
* Absence of controls and audit trails (e.g. inadequate or no segregation of duties, lack of rotation of duties).
* Low levels of review or approval.
* Policies not being followed.
* Inadequate monitoring to ensure that controls work as intended (periodic testing and evaluation).
* Lack of interest in, or compliance with, internal controls.
* Documentation that is photocopied or lacking essential information.
* Alterations to documents.
* Missing documents such as expenditure vouchers and official records.
* Excessive variations to budgets or contracts.
* Bank and ledger reconciliations are not maintained or cannot be balanced.
* Excessive movements of cash or transactions between accounts.
* Numerous adjustments or exceptions.
* Duplicate payments.
* Large payments to individuals.
* Unexplained differences between inventory checks and asset or stock records.
* Transactions not consistent with the entity’s business.
* Deficient screening for new employees including casual staff, contractors and consultants.
* Employees in close relationships in areas where segregation of duties is a key control.
* Unauthorised changes to systems or work practices.
* Lowest tenders or quotes passed over with minimal explanation recorded.
* Single vendors.
* Unclosed but obsolete contracts.
* Defining needs in ways that can be met only by specific contractors.
* Splitting up requirements to remain under purchase control limits e.g. procurement thresholds or to avoid prescribed controls.
* Vague specifications.
* Disqualification of any qualified bidder.
* Chronic understaffing in key control areas.
* Excessive hours worked by key staff.
* Consistent failures to correct major weaknesses in internal control.
* Management frequently override internal control.
* Lack of common sense controls such as changing passwords frequently, requiring two signatures on cheques or restricting access to sensitive areas.

**Appendix 3 – Types of fraudulent activity**

The following are some of the main types of fraudulent activity:

Fraud

A fraud is an [intentional](http://en.wikipedia.org/wiki/Intent_%28law%29) [deception](http://en.wikipedia.org/wiki/Deception) made for personal gain or to damage another individual. Fraud covers matters such as:

* Alteration or falsification of documents or records.
* Omission of transactions or their effects from financial records or other documents.
* Creating false transactions.
* Misappropriation of Council property, including cash or misuse of Council facilities, including telephone and stationery.
* Corruption – may be defined as including all acts demonstrating a lack of integrity, including bribery. Corruption covers matters such as:
* Accepting bribes, gifts or undue hospitality from other parties in return for favorable treatment.
* Failure to follow Council procedures without satisfactory explanation and/or approval regarding quotations and tenders to knowingly benefit a particular supplier, whilst not corruption per se, represents a breakdown in application of Council procedures and will be investigated as such.

Theft

Dishonestly appropriating the property of another with the intention of permanently depriving them of it (Theft Act (NI) 1969). This may include the removal or misuse of funds, assets or cash.

False Accounting

Dishonestly destroying, concealing or falsifying any account, record of document required for any accounting purpose, with a view to personal gain for another, or with intent to cause loss to another or furnishing information which is or may be misleading, false or deceptive (Theft Act (NI) 1969).

Bribery

The Bribery Act 2010 came into effect on 1st July 2011. It defines four new criminal offences of offering or paying a bribe; requesting or receiving a bribe, bribing a foreign public official; and failure of commercial organisations to prevent bribery by persons associated with them. For offences committed before the 1st July 2011, which involved the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the authority, its members or officers will fall under the Prevention of Corrupt Practices Act.

Conspiracy to Defraud

It is an offence for two or more persons to agree by dishonesty to embark on a course of conduct which, if the agreement is carried out in accordance with their intentions, will necessarily amount to or involve some third party being deprived of something which is his or to which he is entitled or might be entitled.

Money Laundering

While public sector organisations are not normally covered within the list of ‘relevant persons’ to which the Money Laundering Regulations 2007 apply, as a matter of good practice bodies should consider the risk that their systems and processes are at risk from being used to launder money. Where there is considered to be a risk of such activity bodies should take appropriate actions which may include appointing a money laundering reporting officer and complying with other elements of the Money Laundering Regulations.

Planning Fraud

The planning system is susceptible to potential fraud and corruption. For example:

* developers or individuals wishing to advance their own interests may attempt to influence planning decisions;
* planning applicants may make false or misleading statements in planning applications, or provide false supporting documentation;
* planning officials and decision-makers may manipulate the planning process to the advantage of themselves or a third party; or
* planning officials and decision-makers may be subject to undue influence from third parties in relation to planning decisions.

**Appendix 4 – Examples of Fraud**

Below are examples of fraudulent activities in organisations. The list is by no means exhaustive, but these examples have been provided to help illustrate the many different kinds of fraud, which can be perpetrated.

Cash Handling

* Theft.
* Income received not brought into account.
* Illegal transfer or diversion of money.
* Changes and additions to payee details through BACS.
* Accounting records are falsified or amended to allow unauthorised payments.
* Invoices are falsified or duplicated in order to generate false payment.
* Supplier bank account details are changed in order to divert payments; and
* Unauthorised use of cheques and payable orders.

Payroll / Travel & Subsistence

* Creating fictitious employees whose pay is then obtained by the fraudster or by someone in collusion, or obtaining pay that is not consistent with the employee’s grade.
* Making false claims for allowances, travel and subsistence.

Grant Payments

* Grant funds are misappropriated.
* Grant are awarded not based on merit.

Contracting

* A contractor could be selected as a result of favoritism or who does not offer best value for money; and
* Payments made for work not carried out as a result of collusion between contractor and employee.

Purchasing

* Unauthorised use of purchasing systems in order to misappropriate goods or use services for personal gain.
* Short deliveries of goods or services.
* Acceptance of unsolicited goods or expanded orders as a result of fraudulent acceptance of attractions such as free gifts; and
* Orders placed on the internet are not delivered or goods received are not of the desired quality.

Assets

* Theft or unauthorised use of assets.

Information

* Theft of sensitive / restricted documentation or information.
* Planning Fraud Risks (NIAO Guidance)

Planning: General risks

* Planning decision-makers may be unclear as to the ethical values expected of them as holders of public office making key decisions.
* Planning decision-makers may be unclear as to what is acceptable conduct in terms of proper planning decisions.
* Planning decision-makers may be unclear as to the wider ethical and governance framework of the planning authority.
* Lack of transparency may lead to the perception of impropriety.
* Undocumented meetings may lead to the perception of impropriety.
* Lack of clarity and comprehensive documentation around planning decisions may lead to the perception of impropriety or corruption.
* Planning authorities may not have a robust system of internal controls in relation to their planning function.
* Planning decision-makers may not be provided with adequate and effective training for their role, including fraud awareness training.
* Planning decision-makers may be subject to undue influence, either directly or indirectly, e.g., via social media pressure or party political pressure.
* Planning decision-makers may be subject to undue influence from third parties in relation to zoning of land in the development plan process.
* There may be no system or process for councillors, officials or third parties to raise concerns about planning activities.
* Available sanctions may not be imposed in cases where councillors breach the Code of Conduct.

Planning: Elected Representatives

* A councillor/planning committee member may seek to unduly influence a planning official in the proper exercise of their duties.
* A councillor/planning committee member may seek to influence another councillor/planning committee member in the proper exercise of their responsibilities.
* A councillor/planning committee member may be offered, or may request, a bribe to influence a planning decision. (Note: A bribe or inducement can take many forms, e.g., cash, benefits in kind, the promise of votes at election time.)
* Planning applications submitted by councillors/planning committee members could lead to suspicions of impropriety.
* A councillor/planning committee member may manipulate the planning system to the advantage of themselves/family member/friend.
* A councillor/planning committee member may fail to declare an interest in a situation where they could use their public position for direct personal gain (e.g., in relation to land holdings).
* A councillor/planning committee member may fail to declare an interest in a situation where they could use their public position for indirect gain (e.g., for the gain of an employer, business associate, family member or friend, or by acting as a planning agent). [Note: Particular risk may attach to planning committee members who have advance knowledge of Local Development Plans and could use this to their own advantage or the advantage of others.]
* A councillor/planning committee member could be influenced in their official capacity due to a previous or prospective employment relationship, e.g. with a developer.
* A councillor/planning committee member may be subject to undue influence if they accept generous gifts, hospitality or other benefits from e.g. developers.

Planning: Officials

* A planning official may not have the necessary capability and expertise to recognise key fraud risks within the planning process that they are administering.
* A planning official may be subject to undue influence from an elected representative in the performance of their duties.
* A planning official may be offered, or may request, a bribe to influence a planning decision.
* A planning official may manipulate a planning fee to a lesser amount or process as a zero fee, in return for a bribe.
* Planning applications submitted by planning officials could lead to suspicions of impropriety.
* A planning official may manipulate internal systems/ processes for their own or a third party's advantage, e.g. to influence a planning decision to the advantage of themselves/family member/friend.
* A planning official may fail to declare an interest in a situation where they could use their professional position for personal gain (e.g. in relation to land holdings or by acting as a planning agent).
* A planning official may be subject to undue influence if they accept generous gifts, hospitality or other benefits from developers or planning applicants.
* A planning official could be influenced in their official capacity due to a previous or prospective employment relationship, e.g. with a developer.

Planning: Third Parties

* An applicant may make a false or misleading statement on a planning application.
* An applicant may provide false documentation in support of a planning application.
* A supporter of, or objector to, a planning application may make a false or misleading statement as part of their representation.
* A supporter of, or objector to, a planning application may provide false documentation as part of their representation.
* A planning agent may deceive a planning authority by falsifying documentation submitted in support of a planning application.
* A planning agent may deceive both the party on whose behalf they are acting and the planning authority, by falsifying a planning decision document, thereby causing potential financial loss to both parties and possible reputational damage to the planning authority.

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| **Document Number** | A unique identifier will be assigned to an approved policy. |
| **Responsible Officer** | Lead Assurance Officer |
| **Contact Officer** | Denise McDonnellTelephone: (028 71) 253 253 Ext 6605Email: denise.mcdonnell@derrystrabane.com  |
| **Approval** | Assurance, Audit and Risk CommitteeDate of full Council meeting at which policy approval was ratified.  |
| **Effective Date** |  |
| **Modifications** | N/A |
| **Superseded Documents** | Counter Fraud, Raising Concerns and Anti-Bribery Policy, approved December 2020. |
| **Review Date** | This policy will be reviewed again in June 2029 or sooner if there are any legislation changes required or as a result of new guidance. If there are any updates to the policy to reflect legislative changes or new best practice then the updated policy will be presented to the Assurance, Audit and Risk Committee for review and approval. |
| **File Number** |  |
| **Associated Documents** |  |

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**This information is available upon request in a number of formats including large print, Braille, PDF, audio formats (CD, MP3, DAISY) and minority languages.**

**For further information on alternative formats please contact**

**Tel 028 71 253253**

**text phone: 028 7137 6646 or**

**e-mail** **equality@derrystrabane.com**