

Digital Hub Development Agency

Anti-Fraud Policy

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1. INTRODUCTION

The Digital Hub Development Agency (DHDA) is committed to the prevention of fraud and to the promotion of an anti-fraud culture.

DHDA operates a zero-tolerance attitude to fraud.

The purpose of this policy is to promote a culture which deters fraudulent activity, to facilitate the prevention, detection and investigation of fraud, to provide direction and assistance to those who may identify suspected fraud or corruption, to set out key responsibilities with regard to fraud prevention and detection as well as to set out some of the relevant penalties and sanctions for the committal of fraud.

This document sets out the DHDA's Anti-Fraud Policy and provides guidance on the procedures to follow in reporting and investigating suspected cases of fraud. This policy is an integral part of the DHDA's risk management process.

This Policy is part of a suite of policies and should be read in conjunction with:

- The Code of Business Conduct for Employees
- The Code of Conduct for Board Members
- The Protected Disclosures (Whistleblowing) Policy
- The Employee Disciplinary Policy

2. POLICY STATEMENT

DHDA is committed to protecting all funds and assets with which it is entrusted.

It operates a zero-tolerance attitude to fraud. DHDA requires all staff members and external parties at all times to act honestly and with integrity and to safeguard the public resources for which the Agency is responsible. Fraud is an ever-present threat to these public resources and hence must be a concern to all employees and third parties engaged by DHDA.

It is committed to, to the extent feasible, investigating thoroughly and immediately all cases of attempted, suspected and proven fraud and all appropriate sanctions will be sought against perpetrators of fraud, including criminal, civil and disciplinary sanctions.

3. SCOPE

Fraud may occur internally within the DHDA or externally.

The Anti-Fraud Policy applies to any fraud, or suspected fraud, involving DHDA employees, staff members, agency workers, co-sourced workers, temporary staff and

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interns etc. It also applies to DHDA Board and Committees, agency contractors and external parties including consultants and vendors doing business with DHDA.

4. DEFINITION OF FRAUD

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.

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. This includes Fraud affecting financial interests of European Union as outlined in the Criminal Justice (Theft and Fraud Offences) Act 2001 as amended.

Fraud could be carried out by an individual or a group of individuals colluding with each other either within or outside of DHDA.

Many acts that come within the above definition of fraud are criminal offences and the term "fraud" is used as a collective term for a number of statutory offences. One such offence is created under Section 6 of the Criminal Justice (Theft and Fraud Offences) Act 2001 which states that "A person who dishonestly, with the intention of making a gain for himself or another, or causing loss to another, by any deception induces another to do or refrain from doing is guilty of an offence".

Corruption (and every reference to "fraud" in this policy is to be taken as a reference to "fraud and corruption") may be defined as: "[t]he offering, giving, soliciting, or acceptance of an inducement or reward which may influence any person to act inappropriately." (UK Audit Commission). The corrupt person does not have to benefit directly from their deeds, they may be unreasonably using their position to give some advantage to another.

Fraud occurs in a variety of ways. Typically, fraud can include (but is not limited to):

- Cheque and credit-card fraud
- Bogus, invalid and unsolicited invoices paid by an organisation
- Theft, misappropriation or unauthorised use of DHDA time, funds, property or other assets
- Paying of excessive prices or fees to third parties with the aim of personal gain
- Advanced fee fraud where fees are paid before work is satisfactorily completed
- No works - where works being claimed for have not been carried out at all
- Upselling - contractors or other parties employed by the Agency attempting to sell additional services to grantees for personal gain

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- Deliberate misrepresentation of identification and/ or qualifications
- Fictitious applications for grants
- Knowingly submitting fraudulent or duplicate receipts or falsifying an expense report
- Forgery or alteration of documents
- Destruction or removal of records
- Accepting or offering kickbacks or bribes for preferential treatment, for example in the supplier selection or work allocation process
- Using or disclosing commercial or customer-related data without appropriate authorisation. This includes disclosing confidential information to external parties
- Employees seeking or accepting cash, gifts or other benefits from thirds parties in exchange for preferment of the third parties in their dealings with the Agency
- Any corrupt activities e.g. bribery

This is not an exhaustive list.

Fraud can also take the form of computer fraud. This is where information technology equipment has been used to manipulate programs or there is data dishonesty (for example, by altering, substituting or destroying records, or creating spurious records), or where the use of an IT system was a material factor in the perpetration of fraud.

5. DHDA RESPONSIBILITIES

DHDA is committed to the highest standards of governance, openness and accountability in all processes. The Board of DHDA, and its subcommittee the Audit and Risk Committee are responsible for oversight of the Anti-Fraud Policy. The role of management is to develop and monitor a risk management framework (which the Board have oversight over) in the organisation to reduce the likelihood of fraud and to ensure that the policy is effective. It is the responsibility of DHDA to:

- Ensure it has suitable policies, procedures and controls in place to safeguard itself against fraud and theft;
- Ensure that it clearly communicates its policy on fraud to all staff members;
- Ensure that this policy is publicly available on www.thedigitalhub.com;
- Ensure that an annual report on fraud and theft is prepared for the consideration of the Audit and Risk Committee and the Board;
- Carry out vigorous and prompt investigations if fraud occurs;
- Take appropriate legal and/or disciplinary action against perpetrators of fraud; and
- Take appropriate action against management and/or staff members where their failures have contributed to the commissioning of fraud.

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The Chief Executive Officer of DHDA carries overall responsibility for ensuring an anti-fraud culture within the organisation with monitoring and oversight of the Board.

6. SENIOR MANAGEMENT TEAM RESPONSIBILITIES

The senior management team of DHDA is expected to promote an anti-fraud culture and to set an example by complying fully with procedures and controls. The day to day responsibility for the prevention and detection of fraud rests with the Senior Management Team which are responsible for:

- Identifying the risks to which systems, operations and procedures are exposed;
- Developing and maintaining effective controls to prevent and detect fraud;
- Ensuring that controls are being complied with;
- Providing induction and regular training for staff members involved in internal control systems to ensure that their responsibilities are regularly highlighted and reinforced; and
- Ensuring the rotation of staff members where possible and appropriate / necessary.

Members of the Senior Management Team will be provided with copy of this policy and required to acknowledge receipt.

7. BOARD RESPONSIBILITIES

It is the responsibility of the Board of DHDA to ensure that an appropriate Anti-Fraud Policy is in place and with the support of the Audit and Risk Committee, to monitor its implementation through periodic reports from the CEO. Board Members have a responsibility also to ensure they adhere to the provisions of this policy.

8. EMPLOYEE RESPONSIBILITIES

It is the responsibility of all staff to read and be familiar with the contents of this policy and to report any suspected cases of fraud or fraud risk in line with the Protected Disclosures (Whistleblowing) Policy. Every employee has a responsibility to:

- Ensure that public funds/assets entrusted to them are safeguarded;
- Comply with the code of conduct and behaviour as set from time to time by DHDA;
- Inform the Human Resources Department and respective senior manager in writing of gifts or hospitality which may give the appearance of a past, present or future conflict of interest.
- Inform the appropriate senior manager in writing of any outside interests that may conflict or impinge on their duties;
- Alert senior management in writing to perceived weaknesses in the control system;

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- Assist in any investigation that may arise in respect of fraud or suspected fraud.
- Employees must report any suspected cases of fraud or fraud risk in accordance with the DHDA's Protected Disclosures (Whistleblowing) Policy.

9. CONTRACTOR RESPONSIBILITIES

It is the responsibility of DHDA outsourced contractors and agents to adhere to the same principles and guidelines in relation to Fraud as it applies to all DHDA staff, this provision will be included in all DHDA external contracts.

10. INTERNAL AUDITOR RESPONSIBILITIES

Internal audit provides reasonable assurance to DHDA management that the organisation's significant risks are being appropriately managed with an emphasis on internal controls and governance processes by:

- Promoting procedure manuals which identify controls which should be in place;
- Providing clear recommendations where control weaknesses have been identified;
- Ensuring risk management and systems of controls are continually being monitored by departments in response to a constantly changing environment;
- Ensuring audit work takes account of the possibility of fraud;
- If appropriate and in accordance with agreed professional audit procedure, assisting in fraud investigations as and when is required.

The audits undertaken by Internal Audit will be prioritised to reflect the levels of potential risks to the organisation and the frequency of reviews will be dependent on resources available to the audit unit. An annual internal audit is carried out on internal controls to support the Board's Statement on Internal Control as required by the Code of Practice for the Governance of State Bodies.

11. HR RESPONSIBILITIES

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 staff in terms of their propriety and integrity. Human Resources responsibilities are as follows:

- To check the references of all new resources (including agency, co-sourced and other contracted staff);
- To request confirmation from senior management of satisfactory completion of probationary periods for their staff;
- To issue appropriate rules of conduct on appointment;
- To ensure employment policies, including those regarding fraud, are included in

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induction programmes and refresher training for staff members at all levels;

- To monitor turnover and leave patterns of staff members;
- To provide updates on an annual basis on this and other relevant employment policies.

12. CONTROLS

The senior management of DHDA is responsible for designing, implementing and maintaining robust systems of internal control to prevent, deter and detect fraud. The Board and Audit & Risk Committee provide oversight on the systems of internal control.

There are many ways in which DHDA acts to prevent fraud. Staff members should be aware of the potential for fraud and work to ensure that controls are in place to guard against this possibility.

DHDA has in-built system controls to reduce the possibility of fraud, including:

- Ensuring that appropriate segregation of duties is in place so that all work is organised in such a way that no one individual has responsibility for all aspects of a process. For example, there is segregation of employees responsible for checking eligibility and recommending payments from those responsible for authorising and making payments.
- Authorised signatory lists for payments
- Authorisation approval limits for staff members
- Ensuring that Procedures Manuals are in place and updated regularly
- Systems of review (e.g. certification checks, verification checks, internal audit, risk assessment and management)
- Periodic internal audits take place in relation to fraud prevention and detection
- Ensuring that appropriate due diligence is undertaken of suppliers
- Carrying out HR vetting of staff
- Ensuring that grants towards works are inspected in accordance with the relevant grant scheme rules
- Provide appropriate fraud awareness training
- Regular financial review and reporting of financial position up the management chain
- Regular review by senior management that the systems of control are adequate and effective
- Applying relevant external (e.g. Department of Finance/DPER, EU Regulation) and internal guidelines and procedures
- Proper, efficient and prompt collection, receipt, and accounting for and monitoring of monies

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- Checks to ensure that DHDA is complying with all relevant legislation
- When systems and/or procedures for DHDA are being designed, managed and used, fraud prevention must be taken into consideration. All systems should be designed not just to meet the requirements of legislation, be it national or European, but also to include checks and controls which prevent fraud.

13. INVESTIGATION

- Workers of DHDA (including current and former employees, independent contractors, trainees and agency staff) shall report any fraud or irregularities in line with the Protected Disclosures (Whistleblowing) Policy and the investigation procedures will be as set out in the Protected Disclosures (Whistleblowing) Policy.
- Any investigation will be conducted without regard to the position of authority or importance that the suspected wrongdoer may hold or have with DHDA.
- All reports of fraud or suspected fraud must be taken seriously and will be treated with discretion and in accordance with the principles of natural justice, objectivity, impartiality, confidentiality and due process as outlined in the Protected Disclosures (Whistleblowing) Policy.
- All workers who report suspected fraudulent activities are protected to ensure that they are not disadvantaged, discriminated or bullied in any way as a result of their disclosure (see DHDA Protected Disclosures (Whistleblowing) Policy).
- Those who are not staff members/workers (i.e. those not covered by the Protected Disclosures (Whistleblowing) Policy) should report any case of suspected fraud or irregularities to: Fiach Mac Conghail, Chief Executive Officer of DHDA at fmacconghail@thedigitalhub.com

14. IMPLICATIONS OF NON-COMPLIANCE WITH THE ANTI-FRAUD POLICY

Non-compliance with the Anti-Fraud Policy by DHDA employees may be treated as a disciplinary matter and will be dealt with in accordance with the procedures outlined in DHDA's Disciplinary Policy.

Non-compliance with the Anti-Fraud Policy by any other party to whom it applies, may result in a recommendation to terminate their contract with DHDA.

All appropriate sanctions will be sought against perpetrators of fraud, including criminal, civil and disciplinary sanctions. Disciplinary sanctions will be dealt with in accordance with the procedures outlined in the DHDA's Disciplinary Policy.



15. DO'S AND DON'TS

DO ...	
... report your suspicions promptly	Follow the procedures in the Protected Disclosures (Whistleblowing) Policy or if you are not covered by that Policy report to the Chief Executive Officer of DHDA.
... make a note of your concerns	<p>Record all relevant details, such as: -</p> <ul style="list-style-type: none"> a. your name, position in the organisation, place of work and confidential contact details; b. the date of the alleged wrongdoing (if known) or the date the alleged wrongdoing commenced or was identified; c. whether or not the alleged wrongdoing is still ongoing; d. whether the alleged wrongdoing has already been disclosed and if so, to whom, when, and what action was taken; e. information in respect of the alleged wrongdoing (what is occurring / has occurred and how) and any supporting information. Include names, dates, times etc; f. the name of any person(s) allegedly involved in the alleged wrongdoing (if any name is known and you consider that naming an individual is necessary to expose the wrongdoing disclosed); and g. any other relevant information. <p>Notes do not need to be overly formal, but should be timed, signed and dated.</p> <p>Timeliness is most important.</p>
... retain any evidence you may have	The quality of evidence is crucial and the more direct and tangible the evidence, the better the chances of an effective investigation.



DON'T	
... approach the person you suspect or try to investigate the matter yourself	<p>There are special rules relating to the gathering of evidence for use in criminal cases. Any attempt to gather evidence by persons who are unfamiliar with these rules may impact the case.</p> <p>You are not required or entitled to investigate matters yourself to find proof of your suspicion and should not endeavour to do so.</p>
... be afraid of raising your concerns	<p>The matter will be treated sensitively and will be treated confidentially to the extent possible subject to the following occasions: -</p> <ul style="list-style-type: none"> a) the person to whom the disclosure was made or referred shows that he or she took all reasonable steps to avoid so disclosing any such information, (b) the person to whom the disclosure was made or referred reasonably believes that the person by whom the disclosure was made does not object to the disclosure of any such information, (c) the person to whom the disclosure was made or referred reasonably believes that disclosing any such information is necessary for— <ul style="list-style-type: none"> (i) the effective investigation of the relevant wrongdoing concerned, (ii) the prevention of serious risk to the security of the State, public health, public safety or the environment, or (iii) the prevention of crime or prosecution of a criminal offence, <p style="text-align: center;">or</p> (d) the disclosure is otherwise necessary in the public interest or is required by law. <p>Furthermore, the Law provides protection for workers that raise reasonably held concerns through the appropriate channels. See Protected</p>

	Disclosures (Whistleblowing) Policy for more detail.
... convey your concerns to anyone other than authorised persons	There may be a perfectly reasonable explanation for the events that give rise to your suspicion. Don't convey your concerns to anyone other than authorised persons - doing so impacts on any protection afforded to you, increases your exposure to potential defamation actions and may harm innocent persons. See Protected Disclosures (Whistleblowing) Policy for more detail for those coming within the ambit of that policy.

16. EFFECTIVE DATE AND REVIEW OF THIS POLICY

The Anti-Fraud Policy will come into effect immediately upon approval by the Audit and Risk Committee and the Board.

In the interests of maintaining best practice, the contents of this Anti-Fraud Policy will be reviewed by the Audit and Risk Committee annually.

Version number	Summary of Revision	Date of approval
1		13 12 2018
2	<ul style="list-style-type: none"> Minor formatting changes 	17 October 2019
2	<ul style="list-style-type: none"> No changes proposed at this stage. <p>Note: this policy may require an update prior to October next year to account for changes arising from the Criminal Justice (Theft and Fraud Offences) (Amendment) Bill 2020</p>	7 October 2020
3	<ul style="list-style-type: none"> Definition of fraud expanded to include Fraud affecting financial interests of European Union as outlined in the Criminal Justice (Theft and Fraud Offences) Act 2001 as amended. 	6 October 2021