

## Anti-Fraud & Anti-Bribery Policy

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0.1	March 2019	3 year review carried out in March 2019, no changes required, DOJ consulted and they are content that the PBNI reflects the DOJ Anti-Fraud and Anti-Bribery Policy and Response Plan. Updates have been made to reflect a change in the Nominated office and job titles.
0.2	November 2024	Review carried out. Fraud response plan separated in standalone document. Minor updates & National Fraud Initiative reference included.

## Alternative Formats

This documentation can be made available in alternative formats such as large print, Braille, disk, audio tape or in an ethnic-minority language upon request. Requests for alternative formats can be made to the Probation Board using the following contact information:

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# Anti-Fraud and Bribery Policy

## 1. INTRODUCTION

- 1.1. Fraud costs the public sector millions of pounds every year and diverts resources from those who need them. It undermines public and political confidence in public services and can have a detrimental impact on staff morale across an organisation. PBNI requires staff members at all times to act honestly and with integrity, and to safeguard the public resources for which they are responsible. Fraud is not a victimless crime.
- 1.2. We are entrusted with taxpayers' money, and we must look after it in the same way that we look after our own. So we all must be aware of;
  - *What constitutes fraud;*
  - *The potential for fraud;*
  - *Steps to prevent fraud in the first instance; and*
  - *What to do in the event of fraud or if we suspect fraud has occurred.*

## Policy Statement

- 1.3. This Anti-Fraud policy sets out the actions we must take and the responsibilities we have to prevent fraud.
- 1.4. PBNI is committed to the values of probity and accountability which foster a positive organisational culture. PBNI requires all staff, at all times, to act honestly and with integrity, and safeguard the public resource for which they are responsible. PBNI takes a zero tolerance approach to fraud, reporting instances of fraud to the police where necessary, and taking all appropriate steps to recover monies lost as a result of fraud perpetrated against PBNI.
- 1.5. Managing the risk of fraud and bribery is seen by the PBNI in the context of managing a wider range of risks. PBNI promotes an anti-fraud and anti-

bribery culture by encouraging management to create conditions in which staff members have neither the motivation nor the opportunity to commit fraud or either offer or accept bribes. Professional staff is the first line of defence against these issues, supported by the establishment and maintenance of carefully designed and consistently operated procedures. Managers have prime responsibility for establishing internal control arrangements to minimise the risk of fraud, corruption and other irregularities within their business areas.

## **Policy Scope**

- 1.6. PBNI encourages anyone having reasonable suspicions of fraud or bribery to report them in accordance with the fraud response plan, or the PBNI whistleblowing policy. It is also PBNI policy that no one will suffer in any way as a result of reporting a reasonably held suspicion. For these purposes "reasonably held suspicions" shall mean any suspicion that is believed by the individual to be true and which is raised in good faith.
- 1.7. All cases of suspected fraud or bribery in PBNI must be reported to the Department of Justice. The Department will then report these suspected frauds to the Comptroller and Auditor General in the Northern Ireland Audit Office and the Department of Finance (DoF). This should only be done by the Department.

## **2. WHAT IS FRAUD AND WHAT ARE ITS IMPACTS?**

- 2.1. Fraud is defined in criminal and civil law and in various disciplinary and regulatory processes.
- 2.2. The Fraud Act 2006 became law in Northern Ireland in January 2007 and created a new general offence of fraud which can be committed in three ways:

- By false representation;
- By failing to disclose information; or
- By abuse of position.

2.3. It also established a number of specific offences to assist in the fight against fraud. These include an offence of possessing articles for use in fraud and an offence of making or supplying articles for use in fraud.

2.4. For the purposes of this document, fraud covers **any deception which harms the PBNI's interests**. It may involve:

- manipulation, falsification or alteration of records or documents;
- suppression or omission of the effects of transactions from records or documents;
- recording of transactions without substance;
- misappropriation (theft) or wilful destruction or loss of assets including cash;
- deliberate misapplication of accounting or other regulations or policies;
- bribery and corruption;
- deception and collusion;
- money laundering; and
- computer fraud, for example fraud in which IT equipment is used to manipulate computer programmes or data dishonestly, or where the existence of an IT system was a material factor in the perpetration of the fraud.

### **3. WHAT IS BRIBERY AND WHAT ARE THE IMPACTS?**

3.1 The Bribery Act 2010 came into force on the 1<sup>st</sup> July 2012 and was intended to provide a stricter definition of bribery than was provided in the Fraud act 2006 and other legislation. The legislation creates the following four statutory offences:

- The general offence of offering, promising or giving a bribe
- The general offence of requesting, agreeing to receive, or accept a bribe

- The offence of bribing a foreign public official to obtain or retain business
- A new corporate offence of failing to prevent bribery

3.2 The first three offences listed above relate to the individual and make it a criminal offence to give or receive a bribe. These offences apply to everyone, including individuals in the public service.

3.3 Consequences of an individual being convicted of any of the first three offences listed above can involve a prison sentence of up to 10 years and personal liability for senior officers of PBNI, in relation to the corporate offence of failing to prevent bribery.

3.4 The fourth offence mentioned above relates to the offence committed when a corporate body fails to take the necessary measures to prevent bribery on their behalf. This includes staff, or other third parties, such as a contractor, an agent, or a service provider irrespective if it is for charitable or educational aims or purely public functions.

3.5 Examples of potential impacts on PBNI of a case or cases of bribery can include unlimited fines, reputational damage, costs associated with investigations and legal representation etc.

## **4. RESPONSIBILITIES**

4.1. Annex 4.9 of Managing Public Money (NI) sets out in general terms an organisation's responsibilities in relation to fraud. The same approach to the management of fraud risk is used to counter the risk of bribery. This document can be accessed via the following [link](#).

### **Accounting Officer**

4.2. As PBNI Accounting Officer, the Chief Executive is responsible for ensuring the establishment and maintenance of a sound system of internal control that supports the achievement of organisational policies, aims and objectives. The system of internal control is designed to respond to and manage the whole range of risks that PBNI faces. In broad terms, managing the risk of fraud and bribery involves:

- Assessing the PBNI's overall vulnerability to fraud and bribery;
- Identifying the areas most vulnerable to fraud risk and bribery risk;
- Evaluating the scale of risk associated with fraud and bribery;
- Responding to the risks;
- Measuring the effectiveness of the fraud bribery risk strategies; and
- Reporting suspected cases of fraud and bribery to the Department of Justice.

### **Director of Operations**

4.3. Overall responsibility for managing the risk of fraud and bribery at corporate level has been delegated to the **Director of Operations** as the PBNI's Fraud and bribery **Nominated Officer**. Other Senior Leadership members also have a key responsibility to take steps, as are reasonably open to them, to prevent and detect fraud.

4.4. His/her responsibilities include:

- Developing fraud risk profiles and undertaking a regular review of the risks associated with each of the key organisational objectives in order to keep the profile current;
- Establishing an effective anti-fraud and anti-bribery policy and fraud and bribery response plan commensurate to the level of risk identified in the risk profile;
- Developing appropriate fraud targets;
- Designing an effective control environment to prevent fraud and bribery commensurate with the risk profile;
- Establishing appropriate mechanisms for:



- Developing reporting fraud and bribery risk issues;
  - reporting significant incidents of fraud and bribery to the Accounting Officer;
  - reporting to DOJ in accordance with Managing Public Money (NI) Annex 4.7; and
  - co-ordinating assurances about the effectiveness of anti-fraud policies to support the Statement on Internal Control
- 
- Liaising with PBNI Audit and Risk Committee;
  - Making sure that all staff members are aware of the organisation's anti-fraud policy and of their own responsibilities in helping to combat fraud;
  - Developing skill and experience competency frameworks;
  - Ensuring that appropriate anti-fraud training and development opportunities are available to appropriate staff in order to meet the defined competency levels;
  - Ensuring that vigorous and prompt investigations are carried out if fraud or bribery occurs or is suspected;
  - Taking appropriate legal and/or disciplinary action against perpetrators;
  - Taking appropriate disciplinary action against supervisors where supervisory failures have contributed to the commission of fraud or bribes;
  - Taking appropriate disciplinary action against staff who fail to report fraud or bribery;
  - Ensuring that organisations convicted of the corporate offence of failing to prevent bribery are not considered for PBNI contracts;
  - Taking appropriate action to recover assets; and
  - Ensuring that appropriate action is taken to minimise the risk of occurrences in future.

## **Managers**

- 4.5. Managers are responsible for preventing and detecting fraud by such actions as:

- 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 that their systems continue to operate effectively;
- Regularly reviewing and testing the control systems for which they are responsible;
- Where frauds or acts of bribery have taken place, implementing new controls to reduce the risk of similar offence recurring; and
- Ensuring compliance with the Anti Fraud policy and Response Plan.

### **All PBNI Staff Members**

4.6. Every member of staff is responsible for:

- Ensuring that their conduct complies with PBNI's Code of Ethics and the seven principles of public life as set out in the first report of the Nolan Committee, 'Standards in Public Life' (see Annex A). Employees have a responsibility to carry out their duties carefully and honestly and to follow procedures and guidance from managers. Such diligence will ensure that PBNI operates with integrity and in the best interests of the public. PBNI expects all members of staff to lead by example in ensuring opposition to fraud and corruption;
- Acting with propriety in the use of official resources and the handling and use of public funds whether they are involved with cash or payments systems, receipts or dealing with suppliers;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud or bribery (staff may find the information contained in Annexes C, D and E helpful);

Annex C	provides examples of possible indicators of fraud.
Annex D	provides examples of common methods and types of fraud.

Annex E	provides examples of good management practice which may assist in combating fraud.
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- Reporting details immediately through the appropriate channels if they suspect that a fraud has been committed;
- Co-operating fully with staff conducting internal checks, reviews or fraud investigations and;
- Assisting management in conducting fraud investigations

## **Internal Audit**

4.7. It is not the responsibility of Internal Audit to prevent fraud, bribery and error. The fact that an audit is carried out may, however, act as a deterrent. The primary role of Internal Audit is to provide an independent appraisal of internal controls within the PBNI's financial and management systems. In conducting this role, Internal Audit may identify financial irregularity.

4.8. Internal Audit is responsible for:

- Considering the risks of fraud and corruption in the course of its assurance activities and providing assurance that PBNI promotes an anti-fraud culture;
- Assisting in the deterrence and prevention of fraud and bribery by examining the effectiveness of control commensurate with the extent of the potential risk in the PBNI's various operations and giving independent assurance to the Accounting Officer on the adequacy of these arrangements;
- Providing assurance that management has reviewed its risk exposures and identified the possibility of fraud as a business risk;
- Acting as an independent section for staff to report suspected frauds;
- Maintaining expertise on counter-fraud measures for PBNI;
- Providing assistance, where required by management, in the investigation of fraud, but with a clear understanding that in so doing they are not fulfilling their primary internal audit role; and

- Considering fraud risk in every internal audit undertaken.

### **PBNI's Audit and Risk Committee**

- 4.9. PBNI's Audit and Risk Committee has responsibility for providing assurance and advice in terms of PBNI's audit function. It reviews the PBNI Anti-Fraud Policy and receives the reports of Internal Audit, External Audit and any other Investigating Officers where suspected fraud or bribery has been investigated. It also receives quarterly updates on suspected and proven fraud cases from the Head of Finance and regularly considers fraud and bribery risk management issues.
- 4.10. The Audit and Risk Committee is responsible for advising the Accounting Officer and the Board on:
- Management's assessment of the PBNI's risk of fraud and bribery, and the suitability of their response to it; and
  - PBNI's anti-fraud policies and arrangements for investigations.

### ***External Auditors***

- 4.11. The role of PBNI's external auditors (that is, the Northern Ireland Audit Office [NIAO]) is to determine if the financial accounts represent a "true and fair view". In doing so the NIAO will carry out its work with due regard to the possibility of fraud having occurred. Where such cases are identified the external auditor will notify senior management for them to carry out their investigations. It must however be reiterated that it is not the responsibility of the external auditor, or Internal Audit unit, to detect cases of fraud. This is primarily a management responsibility.

### ***Service Users and Members of the Public***

- 4.12. If service users or the public have any suspicions regarding irregularities within PBNI, they are positively encouraged to report such concerns directly to the contacts named in the Fraud and Bribery Response Plan.

### ***Contractors, Partners and Other Associated Bodies***

- 4.13. Contractors, partners and other bodies working with PBNI are expected to conform to the same high standards of conduct and integrity to which PBNI operates. Such partners:

- Are expected to have adequate internal controls in place to prevent fraud and must provide an assurance to PBNI before the signing of any contracts that they are fully in compliance with the Bribery Act 2010.
- Must co-operate with PBNI's anti-fraud policy.

Those responsible for the engagement of contractors or external consultants should provide them with a copy of this policy as they may not have access to PBNI's intranet site. Under the section 7 corporate offence of failing to prevent bribery PBNI is responsible for ensuring the compliance of these contractors and consultants to the Bribery Act 2010. PBNI can be held legally responsible for any cases of bribery carried out by these bodies while carrying out work for PBNI.

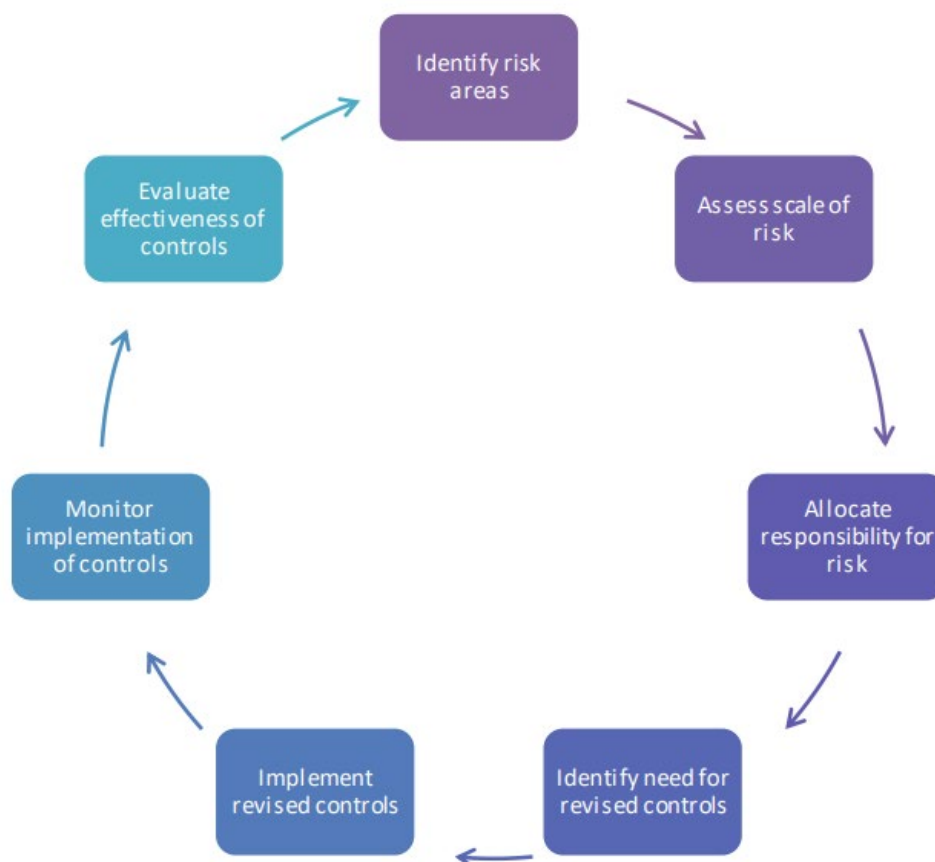
## **5. NATIONAL FRAUD INITIATIVE**

- 5.1. The National Fraud Initiative (NFI) is an effective data matching exercise. It compares information held by different organisations and within different parts of an organisation to identify potentially fraudulent claims and overpayments. The Comptroller and Auditor General for Northern Ireland can undertake data matching exercises, requesting data from a range of public bodies, for the purposes of assisting in the prevention and detection of fraud.

5.2. PBNI provides payroll and trade creditors data sets to identify cases of suspected fraud and overpayments. Participation in the NFI represents a key element of PBNI's anti-fraud policy.

## 6. FRAUD RISK ASSESSMENTS

6.1 A major element of good corporate governance is a sound assessment of the organisation's business risks. The key to managing the risk of fraud is the same in principle as managing any other business risk and should be approached systematically at both the organisational and the operational level. The assessment of risk should be part of a continuous cycle rather than a one-off event: as systems and the environment change, so do the risks to which PBNI will be exposed. Figure 1 below sets out the key stages of a risk management cycle to help deal with fraud. Internal Audit is available to offer advice and assistance on risk management/ internal control issues. In addition Annex F provides Guidance on Performing an Assessment of Fraud Risks.



## **7. LINKAGES**

7.1. This policy is linked to the following PBNI policies:

- Conflicts of Interest Policy
- PBNI Code of conduct
- Whistleblowing Policy
- Hospitality and Gifts Policy
- Procurement Policy
- Disciplinary Policy
- Grievance Policy

## **8. MONITORING AND EVALUATION**

8.1. The operation of the policy will be monitored through the review and control mechanisms identified under roles and responsibilities.

8.2. Evaluation of the operation of the policy will be considered by the Director of Operations as and when cases are completed.

## **9. REVIEW**

9.1. This policy will be reviewed 3 years from the date of approval.

9.2. Interim reviews may also be prompted by feedback, challenge or identified best practice.

## **10. BREACH OF POLICY PROVISION**

10.1. Breach of the Board's policy and response plan may merit consideration under the Board's Disciplinary Policy or any of the other policies listed in paragraph 10 above.

## **11. CONCLUSION**

11.1. The circumstances of individual frauds and bribes will vary. PBNI takes fraud and corruption extremely seriously and actively seeks to prevent any level of fraud and all bribery. All cases of actual or suspected fraud will be vigorously and promptly investigated and appropriate action - including the recovery of assets wrongfully obtained - will be taken. Staff must report suspected fraud, bribery or other suspicious activity immediately.



### **The Seven Principles of Public Life**

The seven principles below were identified in the first report of the Nolan Committee and should be the hallmark of all public servants' behaviour. They apply equally to temporary staff, secondees and contractors working within PBNI.

#### **Selflessness**

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

#### **Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

#### **Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

#### **Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

#### **Openness**

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

#### **Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

### **Leadership**

Holders of public office should promote and support these principles by leadership and example.

## **Annex B**

### **Further Information**

Further information and guidance to supplement this document is available from the following sources:

#### **Managing Public Money Northern Ireland (MPMNI)**

This document sets out the main principles for dealing with resources used by public sector organisations in Northern Ireland. It can be accessed via the following link: <https://www.finance-ni.gov.uk/publications/managing-public-money-ni-mpmni>

#### **Memorandum of Understanding (MOU) with PSNI**

A Memorandum of Understanding (MOU) is in place with the PSNI setting out the working relationship between the Northern Ireland public sector and PSNI in respect of the investigation and prosecution of suspected fraud cases. The MOU sets out best practice and business areas should ensure that the guidance is adhered to. The MOU can be viewed via the following link:

[www.afmdni.gov.uk/fiap/browse.asp?branch=3&category=15&maxres=20&start=0&orderby=2](http://www.afmdni.gov.uk/fiap/browse.asp?branch=3&category=15&maxres=20&start=0&orderby=2)

#### **Procurement Fraud risk guide**

This document is available via the link below:

NIAO - Managing Fraud Risk in a Changing Environment. A Good Practice Guide - Published 17 November 2015, which can be accessed via the following link.

[http://www.niauditoffice.gov.uk/fraud\\_good\\_practice\\_guide.pdf](http://www.niauditoffice.gov.uk/fraud_good_practice_guide.pdf)

Anyone involved in anti-fraud procedures is encouraged to read the above documents.

### **Access to Procedures**

Managers must make sure that all members of staff have access to the relevant aspects of procedures referred to above. Managers must also ensure that employees have access to any up to date divisional/branch procedures relating to the services that they provide.

### **Understanding and Complying with Procedures**

Staff are responsible for making sure that they read and understand the rules and regulations that apply to them, and act in line with them. Additionally, any officer who is issued with instructions specific to his/her post must ensure that these instructions are complied with.

### **Non-compliance with Procedures and Guidance**

If anyone breaks these rules and regulations, PBNI may take formal action against them.



**Possible Indicators of Fraud**

- 1) Missing expenditure vouchers and unavailable official records
- 2) Crisis management coupled with a pressured business climate
- 3) Profitability declining
- 4) Excessive variations to budgets or contracts
- 5) Refusals to produce files, minutes or other records
- 6) Related party transactions
- 7) Increased employee absences
- 8) Borrowing from fellow employees
- 9) An easily led personality
- 10) Covering up inefficiencies
- 11) Lack of Board oversight
- 12) No supervision
- 13) Staff turnover is excessive
- 14) Figures, trends or results which do not accord with expectations
- 15) Bank reconciliations are not maintained or can't be balanced
- 16) Excessive movement of cash funds
- 17) Multiple cash collection points
- 18) Remote locations
- 19) Unauthorised changes to systems or work practices
- 20) Employees with outside business interests or other jobs
- 21) Large outstanding bad or doubtful debts
- 22) Poor morale
- 23) Excessive control of all records by one officer
- 24) Poor security checking processes over staff being hired
- 25) Unusual working hours on a regular basis
- 26) Refusal to comply with normal rules and practices
- 27) Non taking of leave
- 28) Excessive overtime
- 29) Large backlogs in high risk areas
- 30) Lost assets
- 31) Lack of thorough investigations of alleged wrongdoing

- 32) Offices with excessively flamboyant characteristics
- 33) Employees suffering financial hardships
- 34) Placing undated/post-dated personal cheques in petty cash
- 35) Employees apparently living beyond their means
- 36) Heavy gambling debts
- 37) Signs of drinking or drug abuse problems
- 38) Conflicts of interest
- 39) Lowest tenders or quotes passed over with scant explanations recorded
- 40) Managers bypassing subordinates
- 41) Subordinates bypassing managers
- 42) Excessive generosity
- 43) Large sums of unclaimed money
- 44) Large sums held in petty cash
- 45) Lack of clear financial delegations
- 46) Secretiveness
- 47) Apparent personal problems
- 48) Marked character changes
- 49) Excessive ambition
- 50) Apparent lack of ambition
- 51) Unwarranted organisation structure
- 52) Absence of controls and audit trails
- 53) Socialising with clients – meals, drinks, holidays
- 54) Seeking work for clients
- 55) Favourable treatment of clients – e.g. allocation of work
- 56) Personal creditors appearing at the workplace
- 57) Altering contract specifications
- 58) Contract not completed to specification
- 59) Contractor paid for work not done
- 60) Grants not used for specified purpose, e.g. leasing capital equipment instead of purchasing them
- 61) Falsification of travel warrants (this was an issue for PBNI before the revised client travel procedures were put in place when ensuring travel is reimbursed after the journey has taken place on receipt of a valid ticket)



**Common Methods and Types of Fraud**

- 1) Payment for work not performed
- 2) Forged endorsements
- 3) Altering amounts and details on documents
- 4) Collusive bidding
- 5) Overcharging
- 6) Writing off recoverable assets or debts
- 7) Unauthorised transactions
- 8) Selling information
- 9) Altering stock records
- 10) Altering sales records
- 11) Cheques made out to false persons
- 12) False persons on payroll
- 13) Theft of official purchasing authorities such as order books
- 14) Unrecorded transactions
- 15) Transactions (expenditure/receipts/deposits) recorded for incorrect sums
- 16) Cash stolen
- 17) Supplies not recorded at all
- 18) False official identification used
- 19) Damaging/destroying documentation
- 20) Using copies of records and receipts
- 21) Using imaging and desktop publishing technology to produce apparent original invoices
- 22) Transferring amounts between accounts frequently
- 23) Delayed terminations from payroll
- 24) Bribes
- 25) Over-claiming expenses
- 26) Skimming odd pence and rounding
- 27) Running a private business with official assets
- 28) Using facsimile signatures
- 29) False compensation and insurance claims



- 30) Stealing of discounts
- 31) Selling waste and scrap.

## **Annex E**

### **Examples of Good Management Practice preventative controls which may assist in combating Fraud**

- 1) All income is promptly entered in the accounting records with the immediate endorsement of all cheques.
- 2) Regulations governing contracts and the supply of goods and services are properly enforced.
- 3) Accounting records provide a reliable basis for the preparation of financial statements.
- 4) Controls operate which ensure that errors and irregularities become apparent during the processing of accounting information.
- 5) A strong Internal Audit presence.
- 6) Management encourages sound working practices.
- 7) All assets are properly recorded and provision is made known for expected losses.
- 8) Accounting instructions and financial regulations are available to all staff and are kept up to date.
- 9) Effective segregation of duties exists, particularly in financial accounting and cash/securities handling areas.
- 10) Close relatives do not work together, particularly in financial, accounting and cash/securities handling areas.
- 11) Creation of a climate which promotes ethical behaviour.
- 12) Act immediately on internal/external auditor's report to rectify control weaknesses.
- 13) Review, where possible, the financial risks of employees.
- 14) Issue accounts payable promptly and chase up any non-payments.
- 15) Set standards of conduct for suppliers and contractors.
- 16) Maintain effective security of physical assets, account documents (such as cheque books, order books), information, payment and purchasing systems.

- 17) Review large and unusual payments.
- 18) Perpetrators should be suspended from duties pending investigation.
- 19) Proven perpetrators should be dismissed without a reference and prosecuted.
- 20) Query mutilation of cheque stubs or cancelled cheques.
- 21) Store cheque stubs in numerical order.
- 22) Undertake test checks and institute confirmation procedures.
- 23) Develop well-defined procedures for reporting fraud, investigating fraud and dealing with perpetrators.
- 24) Maintain good physical security of all premises.
- 25) Randomly change security locks and rotate shifts at times (if feasible and economical).
- 26) Conduct regular staff appraisals.
- 27) Review work practices open to collusion or manipulation.
- 28) Develop and routinely review and reset data processing controls.
- 29) Regularly review accounting and administrative controls.
- 30) Set achievable targets and budgets, and stringently review results.
- 31) Ensure that staff members take regular leave.
- 32) Rotate staff.
- 33) Ensure all expenditure is authorised.
- 34) Conduct periodic analytical reviews to highlight variations to norms.
- 35) Take swift and decisive action on all fraud situations.
- 36) Ensure that employees are fully aware of their rights and obligations in all matters concerned with fraud.

**GUIDANCE ON PERFORMING AN ASSESSMENT OF FRAUD RISKS**

This annex provides guidance on how to perform an assessment of fraud risks using the template provided below

<b>Business Area:</b>		<i>[Insert name of business area]</i>				
<b>Fraud Risk Assessment of:</b>		<i>[Insert a description of the area being assessed e.g branch, process, type and value of transactions, nature of expenditure, any risks realised, any internal audit or external audit recommendations or concerns.</i>				
<b>Assessment completed by:</b>		<i>[Insert name of officer completing the assessment]</i>				
<b>Assessment reviewed and agreed by:</b>		<i>[Insert name of line manager reviewing and agreeing the assessment]</i>				
<b>Assessment agreed on:</b>		<i>[Insert date assessment is agreed]</i>				
<b>Next assessment due on:</b>		<i>[Insert date for completion of next fraud assessment]</i>				
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>FRAUD RISK</b>	<b>IMPACT (H, M, L)</b>	<b>LIKELIHOOD (H, M, L)</b>	<b>KEY CONTROLS</b>	<b>RESIDUAL RISKS</b>	<b>PLANNED ACTION</b>	<b>ACTION TAKEN</b>