

Fraud awareness policy and response plan

1. Introduction

1.1. This policy sets out the responsibilities of all staff in deterring and preventing loss of public funds. The policy describes the internal response and actions that we need to take within the ICO to both deter and prevent fraud, and to respond to any suspicion of fraud that comes to our attention. That said, it is important to remember that fraud could be carried out by people outside the ICO and each of us need to be aware of this in our dealings with external parties.

1.2. Any suspicion of fraud will be investigated as set out in this plan. Any proven instance of fraud will result in disciplinary action being taken against any member of staff involved. The policy of the Commissioner is to notify the police in circumstances where there is evidence that a crime may have been committed.

1.3. The Staff Code of Conduct sets out standards which staff are to meet, particularly in relation to the safeguarding of public funds.

1.4 This policy applies to any irregularity, or suspected irregularity, involving employees as well as consultants, vendors, contractors, and/or any other parties with a business relationship with this organisation. Any investigative activity required will be conducted without regard to any person's relationship to this organisation, position or length of service.

1.5 All Managers have a duty to familiarise themselves with the types of improprieties that could possibly occur within their areas of responsibility and to be alert for any indications or irregularity.

2. What is fraud?

2.1. For practical purposes, as far as this document is concerned, fraud may be taken to mean the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

2.2. The essential elements of fraud are dishonesty, which can include non-disclosure of important facts, and deprivation (of use of an asset) or risk of deprivation.

2.3. The term is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.

3. Responsibilities

3.1. Individual members of staff are responsible for:

- Acting with propriety in the use of official resources and in the handling and use of public funds, whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers.
- Reporting immediately to their line manager or next most senior manager if they suspect that a fraud has been committed or see any suspicious acts or events.

3.2. In addition to those individual responsibilities, managers are responsible for:

- Identifying the risks to which systems and procedures are exposed.
- Developing and maintaining effective controls to prevent and detect fraud.
- Ensuring that controls are complied with.

4. Objectives of this Plan

4.1. The objectives of having a widely circulated and understood response plan are:

- To deter fraud by publicising steps that will be taken if any is discovered.
- To set out managers' responsibilities in this area.
- To set out clear guidance on the appropriate steps to be taken if managers become aware of, or suspect that, fraud may be taking place.

4.2. The steps set out in the Plan have been devised with the aims of:

- Minimising delay in taking any appropriate action.
- Reducing the impact of any fraud which takes place.
- Ensuring that any possible frauds are investigated.
- Preventing or minimising losses of funds.
- Maximising the possibility and amounts of recovery.
- Identifying perpetrators of fraud and increasing the likelihood of successful disciplinary or legal action.
- Minimising the possibility of adverse publicity.
- Ensuring that lessons learned from any instances of suspected fraud are acted upon.

5. Reporting

5.1. Immediately that fraud is discovered or suspected, the matter should be reported, by the Line Manager in 3.1 above, to the Deputy Chief Executive Officer, or a person nominated by them, who will decide what further action is appropriate.

6. Immediate Considerations and Actions

6.1. The primary objective should be to ensure that public funds are protected. So, the initial investigation should attempt to determine whether there is any possibility of further offences taking place. If there is thought to be any possibility of recurrence, then actions which should be considered include:

- Freezing bank accounts.
- Suspending BACS or cheque payments.
- Suspending individuals.

7. Enquiries

7.1. Enquiries into the possibility of fraud taking place should commence, without delay, at any time that fraudulent activity is suspected. Facts need to be established, steps taken to protect any individual who may have been unwittingly involved and to ensure that any evidence that is discovered can be used in any subsequent action that might be necessary. To assist in this, it may be appropriate to involve the Police where there is evidence that a criminal offence may have taken place.

8. Recovery Action

8.1. Prompt action is likely to be important in maximising recovery of any funds which have been lost or are thought to be vulnerable as a result of the fraud.

8.2. Consideration should be given to involving other parties such as:

- The Bank Manager to discuss the desirability or possibility of recalling BACS/CHAPS payments, cancelling cheque payments or withdrawing and replacing pre-printed payment stationery.
- A legal adviser for advice on recovery of other assets.

9. Reporting Action

9.1. In instances where fraud has been discovered, the circumstances of the fraud and action taken should be reported to the Information Commissioner who will be responsible for:

- Reporting the matter to our Sponsor Unit at the Department for Digital, Culture, Media and Sport.
- Reporting the incident in any required returns.
- Reporting the matter to our internal auditors and the Audit Committee.

10. Disciplinary/Legal Action

10.1. Where evidence of fraud is discovered and those responsible can be identified:

- Appropriate disciplinary action will be taken in line with the disciplinary procedure, which is set out in the Staff Handbook.

- When legal action is considered appropriate, full co-operation will be given to investigating and prosecuting authorities.

11. Further Action

11.1. A full report on the circumstances and outcome of any fraud or suspected fraud will be produced. The report will cover the identification of any shortfall in current procedures which contributed to the committing of the fraud, recommendations on actions which could be taken to prevent or reduce the effect of any future occurrence and who will be responsible for considering these.