



Business Services
Organisation

FRAUD POLICY



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	BSO's IT Security Policy		
	BSO's Fraud Response Plan		

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INTRODUCTION

1. BSO is committed to the prevention of fraud and the promotion of an anti-fraud culture to ensure the proper use of the public funds with which it has been entrusted. The overall purpose of this policy is to provide a definition of fraud and to outline the key responsibilities regarding the prevention of fraud. The procedures to be followed in the event of a fraud being detected or suspected are detailed in our Fraud Response Plan. The Policy should be read in conjunction with BSO's Whistleblowing policy. These documents are available on BSO's intranet.
2. BSO operates a **zero-tolerance** attitude to fraud. It requires staff at all times to act honestly and with integrity, to safeguard the public resources for which they are responsible and to report all suspicions of fraud. All staff, regardless of grade, have a duty to minimise the risk of fraud in BSO. Staff are assured that any information which they provide will be treated confidentially subject to legal requirements. Every case of attempted, suspected or proven fraud will be thoroughly investigated and where appropriate referred to the Police Service of Northern Ireland (PSNI) at the earliest juncture. BSO will seek to recover funds and assets lost through fraud. After full investigation, BSO will take civil, criminal and/or disciplinary action in all cases where it is appropriate to do so. BSO is committed to ensuring that opportunities for fraud are reduced to the lowest possible level of risk.
3. This policy is concerned with internal and external fraud committed against the BSO by BSO employees, suppliers of goods and services, contractors in the course of their work or other persons.

WHAT IS FRAUD?

4. Fraud is a criminal offence. The key legislation which may be used to prosecute fraud is the Fraud Act 2006. The Act refers to three main offences of 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.

The term fraud is usually used to describe depriving someone of something by deceit, which might either be straight theft, misuse of funds or other resources, or more complicated offences such as false accounting and the supply of false information. For an offence to have occurred, the person must have acted dishonestly and have acted with the intent of making a gain for themselves or anyone else, or inflicted a loss (or a risk of loss) on another. This Policy refers to fraud in its widest sense. Examples of fraud are included at Appendix A.

5. For practical purposes, fraud may be considered to be the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party, ***whether for personal gain or for the benefit of a third party***. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.
6. Computer fraud is where information technology equipment has been used to manipulate programs or data dishonestly or where an IT system was a material factor in the perpetration of a fraud. Further guidance on IT Security is contained in BSO's IT Security Policy.
7. The Fraud Act 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.

BSO POSITION ON FRAUD

8. The BSO Board is committed to maintaining an anti-fraud culture in the organisation so that all staff who work in the BSO are aware of the risk of fraud, of what constitutes a fraud and the procedures for reporting it. The BSO adopts a zero-tolerance approach to fraud and will not accept any level of fraud within the organisation. It is also BSO policy that there will be a thorough investigation of all allegations or suspicions of fraud and robust action will be taken where fraud is proven in line with the BSO's Fraud Response Plan.

9. BSO Board encourages anyone having reasonable suspicions of fraud to report it in line with the BSO Fraud Response Plan. It is the policy of the BSO, which will be rigorously enforced, that no employee will suffer in any way as a result of reporting reasonably held suspicions of fraud. For these purposes “reasonably held suspicions” shall mean any suspicions other than those that are raised maliciously. ***BSO management will respond in these circumstances in line with its procedures.*** Further guidance on the protection afforded to staff is contained in the BSO’s policy on Whistle Blowing.

10. On referral of actual or suspected fraud to Counter Fraud Services, following CFS conducting a Preliminary Enquiry, CFS will make recommendations and if appropriate the matter will be referred to CFS for full investigation. If required following the fraud investigation undertaken by CFS and if appropriate the matter will be referred by the FLO through CFS to the PSNI with a view to pursuing a criminal prosecution. BSO will also seek to recover all losses resulting from the fraud, if necessary through civil court proceedings.

11. After investigation of any allegation of potentially fraudulent activity, in line with the BSO’s Fraud Response Plan, BSO will, in conjunction with CFS, consider the most appropriate course of action/sanction in accordance with the DoH sanctions and redress policy which includes inter alia criminal, civil or disciplinary. However, where relevant, any or all can be applied. Where fraud involving a BSO employee comes to light, BSO may instigate disciplinary action against the employee which may result in dismissal.

12. BSO has adopted the Departmental Counter Fraud Strategy as the basis for its anti-fraud activities. The key elements of this Strategy are as follows:
 - The creation of an anti-fraud culture
 - Maximum deterrence of fraud
 - Successful prevention of fraud
 - Prompt detection of fraud
 - Professional investigation of detected fraud
 - Effective sanctions, including appropriate legal action against anyone

- found guilty of committing fraud
- Effective methods for seeking recovery of money defrauded or imposition or other legal remedies.

FRAUD PREVENTION AND DETECTION

- 13.** BSO wholeheartedly supports the role of its Counter Fraud and Probity Services Department and will ensure that appropriate fraud prevention and detection measures are implemented in accordance with guidance issued.
- 14.** BSO has implemented a range of policies and procedures that are designed to ensure probity, business integrity and minimise the likelihood and impact of incidents of fraud arising eg. mandatory fraud awareness training including refresher training every two years, control processes, consideration of fraud risks when designing new systems.
- 15.** BSO has also a robust Internal Audit service that is actively involved in the review of the adequacy and effectiveness of control systems thereby further deterring the commissioning of fraud.
- 16.** BSO participates in the National Fraud Initiative which promotes the proper spending of public money. Under this initiative BSO may share information in relation to payroll, pensions and trade creditors with other bodies responsible for auditing or administering public funds to prevent and detect fraud. Regular progress reports are provided to the Governance and Audit Committee. Further details on the Initiative can be found on the BSO webpage [here and on Northern Ireland Audit Office website here. National Fraud Initiative | Northern Ireland Audit Office \(niauditoffice.gov.uk\)](#)

KEY RESPONSIBILITIES

It is mandatory for BSO to report all incidents of suspected or actual fraud to CFPS. This function is undertaken by the Fraud Liaison Officer. However, all staff have a responsibility for fraud included the following:

17. Chief Executive

The Chief Executive is the Organisation's Accounting Officer and is responsible for the effectiveness of fraud risk assessment. The Chief Executive is also responsible for ensuring that there is a current Fraud Policy and Response Plan in place and that everyone within the Organisation is aware of their responsibilities. In addition to having anti-fraud policies and procedures, the creation and maintenance of an anti-fraud culture is critical to successfully preventing fraud.

18. Director of Finance

Overall responsibility for managing the risk of fraud has been delegated to the Director of Finance. The Director of Finance will work in conjunction with the Assistant Director of Counter Fraud and Probity Services on all fraud matters relating to BSO and the Director of Human Resources on disciplinary matters emanating from any fraud case. Advice may also be sought from the Chief Legal Adviser if required.

The Director of Finance is supported in the role by other senior managers who have operational responsibility for particular business areas, programmes and projects .

19. Fraud Liaison Officer

The Fraud Liaison Officer promotes zero tolerance policy within BSO. He/she will act as the point of contact between the Governance and Audit Committee and Counter Fraud and Probity Services reporting on cases of possible fraud involving BSO. He/she will liaise with Counter Fraud and Probity Services and the person reporting the fraud to ensure all necessary steps are being taken by BSO.

20. Governance and Audit Committee

The Governance and Audit Committee, on behalf of BSO Board, reviews the adequacy of the policy and procedure for all work related to fraud and corruption as required by the DoH and the Fraud Response Plan. The Committee is kept informed of all fraud cases either potential or actual by the Fraud Liaison Officer. The Committee also receives regular progress reports on BSO's participation in the National Fraud Initiative.

21. Counter Fraud Services (CFS)

Counter Fraud Services delivers a comprehensive fraud service which includes investigations and Preliminary Enquiries to its HSC Clients. In the first instance all suspected or actual frauds will be reported to CFS who undertake preliminary investigations on behalf of their clients, including the BSO. If it is decided that the case warrants a full investigation the case will be further referred to CFS.

All investigations undertaken by CFS are required to comply with all statutory obligations including those specified in the Police and Criminal Evidence (Northern Ireland) Order 1989, the Criminal Procedure and Investigations Act 1996, The Investigatory Powers Act 2016, Freedom of Information Act 2000, Data Protection Act 2018 and the Human Rights Act 1998.

22. Internal Audit

The BSO's Internal Auditor is responsible for assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of controls.

23. BSO Employees

BSO staff 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 conducting themselves in accordance with the seven principles of public life set out in the first report of the Nolan Committee "Standards in Public Life". which are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

Staff should also be alert to the possibility that unusual events or transactions could be indicators of fraud and alert management where they believe there is an opportunity for fraud and report known or suspected frauds. Staff should also assist in the investigation of suspected fraud; and liaise with CFS/PSNI, where required to do so.

All staff are advised to consider their personal and business activities and whether these may be considered to conflict with their duty to the office. Any potential conflict of interest should be reported to the Chief Executive or Director of Finance for inclusion in the

Register of Interests. The paragraphs which follow further set out key responsibilities of all staff for reporting fraud:

Line Managers

Management, at all levels have primary responsibility for managing the risk of fraud. This includes having responsibility for putting in place procedures and controls to deter, prevent and detect fraud.

Individual Staff

Individual members of staff have an important role to play in combating fraud. Their responsibilities include:

- Awareness of the organisation's Fraud Policy and what part they are expected to play in it.
- Awareness of the organisation's Fraud Response Plan
- Awareness of the organisation's Whistleblowing Policy
- Completion of fraud awareness training
- Reporting any suspicions they may have where HSC resources are not being used for the correct purpose
- Reporting any suspicions of patients presenting for free HSC treatment when they are not eligible for same.
- Acting with propriety in the use of official resources and in the handling and use of corporate funds whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers;
- Reporting details immediately to their line manager or through another avenue for reporting fraud (e.g. whistle-blowing arrangements) if they suspect that fraud has been committed or see any suspicious acts or events.
- Conducting themselves in accordance with the Code of Conduct.
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
- Cooperating fully with CFS in the conduct of internal checks or reviews of fraud investigations.

AVENUES FOR REPORTING FRAUD

- 24.** BSO has available a number of avenues by which staff can raise suspicions of fraud. These are detailed in the BSO's Fraud Response Plan and Whistleblowing Policy. Concerns should be raised initially with the appropriate line manager. However, staff can raise their concerns directly with their Director, the Director of Finance or the Fraud Liaison Officer if they so wish. Staff may report any fraud/suspected fraud through the BSO website by sending a report on line. A fraud reporting **Raising a Concern** phonenumber is also operational that can be used to highlight concerns in confidence and anonymously if preferred. The telephone number for the Raising a Concern line is **0800 963396**.
- 25.** All matters will be dealt with in confidence and in strict accordance with the terms of the Public Interest Disclosure (Northern Ireland) Order 1998.
- 26.** All staff are encouraged to report any suspicious of fraud through the Fraud Liaison Officer (Hannah Francis: 028 9536 8292, email hannah.francis@hscni.net) and staff should not attempt to investigate any suspicions of fraud themselves.

CONCLUSION

- 27.** Whilst the individual circumstances surrounding each fraud will vary, BSO takes all suspected or actual fraud cases very seriously and takes appropriate action, adopting a zero-tolerance approach. All reported suspicions will be fully investigated and robust action will be taken where fraud can be proven.

Annex A

Common Methods and Types of HSC Fraud

- Theft of any HSC property including medical equipment, drugs, IT equipment, monies and general supplies
- Abuse of flexi time
- Submitting false claims for travel and subsistence
- Misuse of office equipment/stationery
- Claiming payment for work not performed
- Forged documents e.g. timesheets
- Working whilst on sick leave
- Falsifying qualifications in order to obtain employment
- Claiming free or reduced dental/ophthalmic treatment when not entitled
- Fraudulently obtaining prescriptions either for personal use or retail
- Receiving free hospital treatment when not entitled (e.g. not ordinarily resident in Northern Ireland)
- Charging patients privately whilst also claiming reimbursement under health service regulations
- Claiming for services or treatments not provided
- Creating fictitious patients
- Substituting expensive drugs for a cheaper alternative and claiming for the supply of the more expensive brands
- Submitting false invoices for goods or services not received
- Offering a personal incentive to secure a contract
- Price fixing
- Misappropriation of patient / client monies

This list is not exhaustive.