



# **Policy Statement on Fraud & Corruption Information and Guidelines for Staff**

**Version 2: February  
2023**

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## **1. Introduction**

- 1.1 One of the basic principles of public sector organisations is the proper use of public funds. Louth and Meath Education and Training Board recognises employees are honest and professional and recognises that fraud or corruption committed by a minority is wholly unacceptable as it ultimately leads to a reduction in the resources available for our students, trainees and learners. Where resources are wrongfully diverted and not used for their intended purpose LMETB's ability to improve education and training outcomes for our customer s is affected.
- 1.2 Fraud or corruption may occur internally or externally and may be perpetrated by staff, service users, suppliers, contractors or development partners, individually or in collusion with others.
- 1.3 This Policy is part of a suite of policies and should be read in conjunction with:
  - Code of conduct
  - Policy for the making of Protected Disclosures
  - Risk management policy
  - Ethics in Public Office Act 1995
  - Standards in Public Office Act 2001
  - Code of Practice for the Governance of ETBs (clr 18/15)

This policy will be considered for review biannually by the Executive in line with best practice, or in light of changes in legislation and guidance from sources such as Internal Audit, the Comptroller & Auditor General and funding Departments.

## **2. Policy statement**

- 2.1 LMETB is committed to maintaining high standards in the delivery of its services and the management of the public funds entrusted to it. In adhering to the principles of integrity, objectivity and honesty LMETB is opposed to fraud and corruption in the way that it conducts its business. All members of staff are expected to share this commitment. All appropriate sanctions will be sought against those found to have committed fraud or corruption, including criminal, civil and disciplinary sanctions.

## **3. Purpose**

- 3.1 The objective of this policy is to promote a culture which deters fraudulent activity and to facilitate the prevention and detection of fraud and the development of procedures which will aid in the investigation of fraud and related offences and which will ensure that such cases are dealt with in a timely and appropriate way. This policy is intended to provide direction and assistance to employees who may identify suspected fraud or corruption. The overall aim of the policy is to:
  - Improve the knowledge and understanding of LMETB employees, irrespective of their position, about the risk of fraud and corruption within the organisation and its unacceptability;
  - Assist in promoting a climate of openness and a culture and environment

- where employees feel able to raise concerns responsibly;
  - Set out LMETB's responsibilities in terms of deterrence, prevention, detection and investigation of fraud and corruption;
  - Ensure that appropriate sanctions are considered following an investigation, including any or all of the following:
    - Criminal prosecution;
    - Civil prosecution;
    - Disciplinary action;
    - Civil recovery of any monies lost as a result of fraud.
- 3.2 The policy provides a framework for responding to suspicion of fraud or corruption. Employees must report any suspicion of fraud or corruption as soon as they become aware of them. LMETB will not penalise or threaten penalisation against an employee for reporting suspicions in which they have a reasonable belief. An employee who reports suspicions that they know or reasonably ought to know to be false will be subject to investigation and may result in disciplinary action.
- 3.3 All employees must co-operate with LMETB and other relevant statutory bodies to facilitate the elimination of fraud and corruption by:
- Providing information and intelligence
  - Co-operating with investigations, and
  - Complying with this policy.

#### **4. Scope**

- 4.1 This policy applies to all employees of LMETB.

#### **5. Definitions of Fraud and Corruption**

- 5.1 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.
- 5.2 For practical purposes fraud is defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party. The criminal act is the attempt to deceive and attempted fraud is, consequently, treated as seriously as accomplished fraud.
- 5.3 Corruption is broadly defined as the offering or acceptance of inducements, gifts, favours, payment or benefit in kind which may influence the action of any person. The corrupt person may not benefit directly from their deeds; however, they may be unreasonably using their position to give some advantage to another.
- 5.4 Computer fraud is where information technology equipment has been used to manipulate programs or data dishonestly (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. Theft or fraudulent use of computer time and resources is included in this definition.

## **6. Roles and Responsibilities**

### **6.1 Chief Executive**

- 6.1.1 The Chief Executive (CE) has overall responsibility for the funds entrusted to LMETB. The CE will ensure that adequate policies and procedures are in place to protect LMETB from fraud or corruption.
- 6.1.2 The CE shall if s/he has reason to suspect that any material misappropriation of the money for which s/he is the Accounting Officer, or any fraudulent conversion or misappropriation of the Board's property, may have taken place, report the matter to the Audit Committee and the Internal Audit Unit as soon as practicable as well as to the C&AG.
- 6.1.3 The CE, where appropriate, will direct that the Gardaí are notified.

### **6.2 Line Managers**

- 6.2.1 All managers are primarily responsible for ensuring that policies, procedures and processes within their work areas are adhered to.
- 6.2.2 Managers should ensure that all employees within their areas of responsibility are aware of fraud and corruption risks and understand the importance of protecting LMETB against them. They should be alert to the possibility that unusual events or transactions could be symptoms of fraud or corruption.
- 6.2.3 Line managers at all levels have responsibility to ensure that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively. As part of that responsibility line managers need to:
- Inform LMETB employees of this policy and the Code of Conduct as part of their induction process;
  - ensure that all employees for whom they are accountable are made aware of the requirements of this policy;
  - assess the risks to which systems, operations and procedures are exposed;
  - develop and maintain effective controls to prevent and detect fraud or corruption. This must include clear roles and responsibilities, supervisory checks, and separation of duties;
  - ensure that controls are being complied with in their areas of responsibility;
  - ensure that pre-employment screening, induction and regular training for employees involved in internal control systems takes place to ensure that their responsibilities are regularly highlighted and reinforced;
  - encourage an anti-fraud and corruption culture among staff.

Line managers may seek advice from the Director of Organisation Support and Development (DOSD) on meeting these responsibilities.

- 6.2.4 All reports of fraud or corruption or suspected fraud or corruption must be taken seriously. Where a member of staff alerts a line manager to possible fraud or corruption the following steps should be taken by the line manager:
- act quickly to minimise any losses.
  - bear in mind that it is only an allegation until outcome of investigation is known.
  - preserve any evidence and move it to a safe location where practicable.

- notify the DOSD, who will advise on the most appropriate course of action and investigative process.
- ensure that a vigorous and prompt investigation is carried out and report findings immediately to the DOSD.
- if appropriate, advise the person who raised the concern of progress with the matter.

### **6.3 Employees**

6.3.1 Every employee has a responsibility to:

- Carry out their duties with due regard to relevant legislation and/or regulations and LMETB's policies and procedures;
- Be aware of fraud and corruption risks and understand the importance of protecting LMETB against them;
- Ensure that public funds/assets that are entrusted to them are safeguarded.
- Be alert to the possibility that unusual events or transactions may be indicators of fraud or corruption;
- Inform line manager of any gifts/hospitality offered in line with LMETB's code of conduct;
- Inform line manager of any outside interests that may conflict or impinge on their duties in accordance with the LMETB's Code of conduct;
- Alert line manager to weaknesses in the control system;
- Alert line manager or appropriate person in line with the Anti-Fraud Policy where they suspect that fraud or corruption has occurred or is about to occur.
- Co-operate with any investigation that may arise in respect of fraud or corruption or suspected fraud or corruption.

### **6.4 Internal Audit**

6.4.1 The Internal Audit Unit carries out a risk-based programme of audits to provide independent assurance on the adequacy of the systems of internal controls established by management, including controls for the prevention and detection of fraud and corruption. Audit programmes take account of the possibility of fraud and corruption but cannot guarantee that they are always detected. The audits carried out by Internal Audit are prioritised to reflect the levels of potential risk to the organisation and the frequency of audits will be dependent on the resources available to the Internal Audit Unit.

6.4.2 Where fraud or corruption are suspected or detected by management in LMETB, the Internal Audit Unit can:

- Advise management on the conduct of investigations;
- Provide or advise on specialist forensic and IT resources where required in more complex cases;

- Assist in the evaluation of whether fraud or corruption identified in specific cases poses systemic risk to LMETB.

6.4.3 The Internal Audit reports to the Audit Committee on the occurrence of fraud and corruption, and provides guidance to management on control issues to mitigate the risks.

## **6.5 Human Resources**

6.5.1 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 employees in terms of their propriety and integrity.

6.5.2 Human Resources will:

- undertake security vetting of staff.
- request confirmation from line managers of satisfactory completion of probationary periods for their staff.
- issue appropriate rules of conduct on appointment.
- assist line managers in implementation, and operation, of LMETB Disciplinary Procedure when necessary.
- ensure employment policies, including those regarding fraud/corruption and guidance on appropriate information technology use, are included in induction programmes for employees at all levels.
- provide updates on this and other relevant employment policies, including codes of conduct.

## **7. Employee Support**

It is not uncommon for employees to feel distressed or upset while facilitating or co-operating with difficult matters such as suspicion of fraud or corruption at work. The Employee Assistance Programme provides a confidential counselling support and referral service for all staff with personal or work-related difficulties. This is a confidential service provided by trained and experienced counsellors who are professionally qualified and bound by the codes of conduct of the professional bodies to which they belong. Contact details are available from Human Resources.

## **8. Summary guide for employees**

| <b>DO</b>  | <b>DO NOT</b>  |
|--|--|
| <p>Note your concerns: record details such as your concerns, names, dates, times, details of conversations and possible witnesses.</p> <p>Retain evidence: retain any evidence that may be destroyed, or make a note and advise your line manager.</p> | <p>Confront the suspect or convey concerns to anyone other than those authorised. Never attempt to question a suspect yourself – this could alert a fraudster or accuse an innocent person.</p> <p>Try to investigate or contact the Gardaí directly. Never attempt to gather evidence yourself unless it is about to be</p> |

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| Report your suspicion: to your line manager or appropriate person in line with the Anti-Fraud policy | destroyed. Evidence gathering must take into account legal procedures in order for it to be useful.<br><br>Be afraid of raising your concerns. Where you have a genuine suspicion that fraud or corruption is occurring you have a duty to report it. |
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## 9. Implementation Plan

- 9.1 This document will be made available to all employees via distribution to senior managers.
- 9.2 This document will be made to available to all employees via LMETB's sharepoint portal.
- 9.3 Guidance on this document is available from the Human Resources, CES and Finance sections.

## 10. Monitoring

- 10.1 Awareness of and compliance with the procedures laid down in this document will be monitored by Human Resources, together with any independent reviews by Internal Audit on a periodic basis.
- 10.2 The Head of CES, is responsible for the revision and updating of this document.

## 11. Review

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|--|--------------------------------------|
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