



INVEST NI

ANTI-FRAUD POLICY

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Version Control

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Version	Author / Reviewer	Review Date	Reason for change	Next Review Date
1.0		February 2013	First Publication	
2.1	Keith Millar	30 September 2014	Full review completed	
2.2	Keith Millar	08 January 2015	Response plan revised in consultation with Internal Audit	01 January 2017
3.0	Colin Morelli	05 June 2019	Full review completed. Fraud Response Plan removed and is now a standalone document. Further substantial changes to structure and format of the policy in order to align it to DfE's Anti-Fraud Guidance and other established best practice, including DoF Fraud Proofing Guidance. Change to Departmental notification ('Raising Concerns' mailbox).	31 May 2022
3.1	Colin Morelli	27 May 2020	Review completed with minor clerical amendments, including clarification of DfE contact and clarification of role of Fraud Investigation Oversight Group.	31 May 2022
3.2	Colin Morelli	7 th February 2023	Review completed. Notification process changed to reflect immediate notification to DfE in the event that fraud is alleged or suspected. Other minor clerical amendments made including changes to job titles.	31 st January 2026

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1.0 INTRODUCTION

- 1.1 There is a continuing need to raise staff awareness of our responsibility to safeguard public resources against the risk of fraud. The overall purpose of this Anti-Fraud Policy is to detail Invest NI's approach and the responsibilities of all members of staff in relation to the prevention, detection and treatment of fraud.
- 1.2 Invest NI has a separate Fraud Response Plan, which sets out the procedures to be followed in the event of fraudulent activity being suspected or alleged.
- 1.3 Invest NI requires all staff to act honestly and with integrity at all times and to safeguard the public resources for which they are responsible. Fraud is an ever present threat to those resources and must be considered a concern to all members of staff. Invest NI will not accept any level of fraud or corruption and is committed to ensuring that opportunities for fraud and corruption are minimised and that any case is investigated thoroughly and dealt with appropriately.
- 1.4 If staff become aware of wrongdoing, there may be some circumstances in which they are afraid to voice their concerns, especially if the case involves a more senior member of staff. The Public Interest Disclosure (NI) Order outlines the protection available for individuals who raise genuine concerns relating to wrongdoing, including action that may constitute a criminal offence (e.g. fraud). Invest NI's Raising Concerns Policy seeks to reassure staff that it is safe to speak up if they are concerned about something in the workplace, while the Raising Concerns Guidance for Staff and Managers details the process by which staff can do so.
- 1.5 This Anti-Fraud Policy is based on guidance issued by, among others, the Northern Ireland Audit Office (NIAO), The Department for the Economy (DfE) and the Department of Finance (DoF), and is subject to periodic review.

2.0 WHAT IS FRAUD?

- 2.1 Prior to the Fraud Act 2006 becoming law in Northern Ireland in January 2007, there was no precise legal definition of the term "fraud". The Fraud Act, however, created a new general offence of fraud and indicated that fraud could be committed in three ways – by false representation; by failure to disclose information; and by abuse of position. The Fraud Act 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. The Fraud Act repealed some of the offences previously covered under the Theft legislation. However, many of the Theft Act (Northern Ireland) 1969 offences remain, most notably Theft itself and False Accounting (Section 1 and 17 offences).

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2.2 While the Fraud Act now provides a legal definition of “fraud”, this Anti- Fraud Policy essentially covers fraud in its widest sense, as understood by a member of the general public. As such it covers cases of theft, false accounting, bribery and corruption, conspiracy to defraud, money laundering etc.

Theft:

2.3 Dishonestly appropriating the property of another with the intention of permanently depriving them of it (Theft Act (Northern Ireland) 1969). This may include the removal or misuse of funds, assets or cash.

False Accounting:

2.4 Dishonestly destroying, defacing, concealing or falsifying any account, record or document required for any accounting purpose, with a view to personal gain or gain for another, or with intent to cause loss to another or furnishing information which is or may be misleading, false or deceptive (Theft Act (Northern Ireland) 1969).

Bribery and Corruption:

2.5 The Bribery Act 2010 came into effect on 1 July 2011. It defines four new criminal offences of offering or paying a bribe; requesting or receiving a bribe; bribing a foreign public official; and failure of commercial organisations to prevent bribery by persons associated with them. For offences committed before 1 July 2011, which involved the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the authority, its members or officers, these will fall under the Prevention of Corrupt Practices Acts.

2.6 It is important that, given the nature of the business in which Invest NI is engaged, all staff are cognisant of the requirements and obligations placed upon them by the Invest NI Gifts & Hospitality Policy and Anti-Bribery and Corruption Policy. Failure to comply with these may result in fraudulent activity requiring the enforcement of this Anti-Fraud Policy and Response Plan.

Conspiracy to Defraud:

2.7 Conspiracy to defraud is a common law crime which has been preserved in Statute. It is an offence for two or more persons to agree by dishonesty to embark on a course of conduct which, if the agreement is carried out in accordance with their intentions, will necessarily amount to or involve some third party being deprived of something which is his or to which he is entitled or might be entitled.

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Money laundering:

- 2.8 While public sector organisations are not normally covered within the list of “relevant persons” to which the Money Laundering Regulations 2007 apply, as a matter of good practice bodies should consider the risk that their systems and processes are at from being used to launder money. Where there is considered to be a risk of such activity bodies should take appropriate actions which may include appointing a money laundering reporting officer and complying with other elements of the Money Laundering Regulations.

3.0 REPORTING FRAUD

- 3.1 Invest NI’s **Fraud Response Plan** details the avenues in place for reporting suspicions of fraud. Alternatively staff may wish to raise such matters through Invest NI’s whistleblowing arrangements which are detailed in its **Raising Concerns policy and procedures**. These documents are available on the Invest NI intranet. Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud discovered or reported.

4.0 RESPONSIBILITIES

- 4.1 While Annex 4.7 of Managing Public Money Northern Ireland sets out the general responsibilities of public sector organisations in relation to fraud, this section details the specific responsibilities for Invest NI staff.

Invest NI Chief Executive (Accounting Officer):

- 4.2 Invest NI’s Chief Executive, as Accounting Officer, is responsible for establishing and maintaining a sound system of internal control that supports the achievement of Invest NI’s policies, aims and objectives. The system of internal control is designed to respond to and manage the whole range of risks that Invest NI faces. The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively.
- 4.3 Managing fraud risk will be seen in the context of the management of this wider range of risks.

Executive Director of Finance:

- 4.4 Overall responsibility for managing the risk of fraud at an organisational level has been delegated to the Executive Director of Finance (**EDF**). The EDF’s responsibilities include:
- (a) Developing a fraud risk profile and undertaking a regular review of the fraud risks associated with key organisational activities in order to keep the profile current;

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- (b) Establishing an effective anti-fraud policy and fraud response plan, commensurate to the level of fraud risk identified in the fraud risk profile;
- (c) Developing fraud targets where appropriate;
- (d) Designing an effective control environment to prevent fraud commensurate with the fraud risk profile;
- (e) Establishing appropriate mechanisms for reporting fraud risk issues, including: reporting significant incidents of fraud to the Accounting Officer; reporting to DfE's Corporate Governance Team, who will in turn report to DoF and the Comptroller & Auditor General (C&AG) in accordance with MPMNI Annex 4.7; and coordinating assurances about the effectiveness of this Anti-Fraud Policy and the Fraud Response Plan;
- (f) Liaising with the Invest NI Audit & Risk Committee and Internal Audit Committee;
- (g) Making sure that all staff are aware of this Anti-Fraud Policy and their responsibilities in relation to combating fraud;
- (h) Ensuring that appropriate anti-fraud training and development opportunities are available to appropriate staff;
- (i) Ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected, where appropriate by trained and experienced investigators;
- (j) Taking appropriate legal and/or disciplinary action against perpetrators of fraud;
- (k) Taking appropriate disciplinary action against supervisors where supervisory failures have contributed to the commission of fraud;
- (l) Taking appropriate disciplinary action against staff who fail to report their suspicions of fraud;
- (m) Taking appropriate action to recover assets; and
- (n) Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.

Executive Director, People and Culture

4.5 The Executive Director, People and Culture (EDPC) is responsible for ensuring all internal fraudulent activity is managed in line with this Policy with respect to:

- (a) Ensuring that vigorous and prompt investigations are carried out if internal fraud occurs or is suspected;

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- (b) Taking appropriate legal and/or disciplinary action against perpetrators of internal fraud;
- (c) Taking appropriate disciplinary action against supervisors where supervisory failures have contributed to the commission of fraud;
- (d) Taking appropriate disciplinary action against staff who fail to report their suspicions of fraud;
- (e) Taking appropriate action to recover assets; and
- (f) Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future

4.6 The EDPC will also liaise directly with the members of FIOG or with the EDF in such cases to ensure consistency of approach and reporting.

Fraud Investigation Oversight Group:

4.7 While overall responsibility for the management of the risk of fraud sits with the Executive Director of Finance, the day to day application of the Fraud Response Plan is devolved to the Fraud Investigation Oversight Group (FIOG), which comprises the Director of Finance, Risk and Assurance Division, the Director of City and Growth Deals, the Senior Risk Manager and one of the Grade 7s from Offers and Claims. Representation from other business areas will also be requested where applicable. The FIOG meets regularly to review current cases of suspected or alleged fraud and is responsible for:

- (a) Deciding the actions to be taken at the outset of any investigation, including notification to DfE;
- (b) Making recommendations, where relevant, to the EDF about next steps, including further investigation;
- (c) Seeking advice where required from, among others, the Head of Internal Audit, DfE's Fraud and Raising Concerns Officer, Invest NI's Legal Advisor (or external legal advisors) and representatives from specific business areas;
- (d) Documenting the decision making process for all cases.

Operational Managers:

4.8 All operational managers are responsible for preventing and detecting fraud. This includes:

- (a) Assessing the types of risk (including fraud risk) involved in the operations for which they are responsible. Programme managers must

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undertake thorough fraud risk assessments for all new programmes. Each risk should be assessed in terms of likelihood and potential impact;

- (b) Ensuring that an adequate system of internal control exists within their areas of responsibility. This will include the identification of adequate and effective management controls for each risk identified;
- (c) Ensuring that controls are being complied with and their systems continue to operate effectively;
- (d) Regularly reviewing and testing the control systems for which they are responsible;
- (e) Reviewing controls and implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place;
- (f) Reassessing risks as a result of the introduction of new systems or amendments to existing systems;
- (g) Updating risk registers and control frameworks to reflect the potential for fraud within the business area. Where appropriate, strategies should be devised to combat recurrence of fraud and targets set to reduce the level of fraud;
- (h) Promptly implementing (where appropriate) the recommendations of Internal Audit and any external auditors; and
- (i) Ensuring compliance with Anti-Fraud Policy and the Fraud Response Plan.

4.9 As fraud prevention is the ultimate aim, anti-fraud measures should be considered and incorporated in every system and programme at the design stage, e.g. the design of application forms, the statement of accountability in respect of the content in completed applications, regular monitoring of expenditure etc. Further information is available at section 7 ('Fraud Risk Assessment and Fraud Proofing').

Individual Staff:

4.10 Every member of staff is responsible for:

- (a) 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;
- (b) 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". They are: selflessness, integrity, objectivity,

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accountability, openness, honesty and leadership;

- (c) Being alert to the possibility that unusual events or transactions could be indicators of fraud and alerting their line manager where they believe the opportunity for fraud exists. The Fraud Response Plan provides examples of indicators of fraud, information on the Common Methods and Types of Fraud and examples of good management practices that may assist in reducing opportunities for fraud;
- (d) Reporting details immediately through the appropriate channels if they suspect that a fraud has been committed;
- (e) Cooperating fully with whoever is conducting internal checks, reviews or fraud investigations; and
- (f) Assisting management, the Fraud Investigation Oversight Group, Internal Audit, or their agents, in conducting fraud investigations. Staff must assist investigations by making available all relevant information and by co-operating in interviews. Any information provided by staff will be treated confidentially subject to Freedom of Information requirements and/or legal obligations.

4.11 As stewards of public funds, Invest NI staff must have, and be seen to have, high standards of propriety, and carry out their role with integrity, honesty, objectivity and impartiality. As a consequence they should not receive benefits of any kind from a third party which might reasonably be seen to compromise their personal judgement or integrity. In this respect, perception is as important as reality. Staff should refer to Invest NI's Guidance on Gifts and Hospitality.

4.12 It is also essential that staff understand, and adhere to, systems and procedures including those of a personnel / management nature such as submission of expenses claims and records of absence, flexi and annual leave.

Head of Internal Audit:

4.13 The Head of Internal Audit (HIA) is available to provide advice and support to Invest NI staff regarding preliminary fact finding activity and investigations related to attempted or suspected fraud.

Internal Audit:

4.14 Internal Audit is responsible for:

- (a) Delivering an opinion to the Accounting Officer on the adequacy of arrangements for managing the risk of fraud and ensuring that Invest NI promotes an anti-fraud culture;
- (b) Completing special reviews/investigations (in conjunction with Fraud Investigation staff from the Group Service where appropriate);

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(c) Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure / risk in Invest NI's various operations; and

(d) Ensuring that management has reviewed its risk exposures and identified the possibility of fraud as a business risk.

4.15 Internal Audit does not carry primary responsibility for the prevention and detection of fraud. However internal auditors should be alert in all their work to risks and exposures that could allow fraud. Individual audit assignments therefore are planned and prioritised to assist in deterring and preventing fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure/risk.

Invest NI's Audit & Risk Committee:

4.16 The Invest NI Audit & Risk Committee is responsible for advising on Invest NI's procedures for detecting and handling fraud by reviewing the adequacy of the Anti-Fraud Policy and Fraud Response Plan. The Committee reviews a summary of all current cases of suspected or alleged fraud at each regular meeting and will provide advice in relation to fraud investigations as appropriate.

DoF's Group Internal Audit and Fraud Investigation Service:

4.17 The Department of Finance (DoF) Group Fraud Function is available to provide advice and guidance in relation to progressing investigations and help to ensure good practice is embedded across the public sector. The DfE Fraud and Raising Concerns Officer and Head of Internal Audit must be consulted before cases are referred to the Group Fraud Function.

DfE's Fraud and Raising Concerns Branch:

4.18 The Department's Fraud and Raising Concerns Branch is responsible for disseminating guidance on fraud related issues and for periodically reviewing Invest NI's Anti-Fraud Policy and Fraud Response Plan to ensure compliance with the Department's Anti-Fraud Policy and Fraud Response Plan and with developments in best practice.

4.19 The Fraud and Raising Concerns Branch is also responsible for notifying the Department of Finance and the Comptroller and Auditor General about all discovered fraud, proven or suspected, including attempted fraud, where reported by Invest NI to the DfE Raising Concerns mailbox (Raising.Concerns@economy-ni.gov.uk) and for ensuring that all cases notified to the Department of Finance and the Comptroller and Auditor General are progressed to closure.

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5.0 FRAUD RESPONSE PLAN

5.1 Invest NI's **Fraud Response Plan** sets out the processes for reporting suspicions and investigating cases of suspected or alleged fraud. While it is subject to separate and ongoing review, it should be used in conjunction with the Anti-Fraud Policy to give a complete picture of Invest NI's approach to preventing fraud and corruption and handling such cases when they arise.

6.0 FURTHER ACTION AND POTENTIAL SANCTIONS

6.1 Where fraud is suspected of an external third party, that party should be considered as high risk until such a time as it can be determined that fraud has not taken place. The third party should be managed accordingly in order to prevent loss to Invest NI funds. Options for managing such parties, including any sanctions that may be applied on a case by case basis, are set out in the Fraud Response Plan.

6.2 Where fraud involves the actions of a member of staff, discipline is the responsibility of the Executive Director, People and Culture (EDPC). In any case of serious internal fraud where the offender is not prosecuted, a decision not to take disciplinary action should be made personally by the EDPC in consultation with the Chief Executive. Where the loss is related to another public body, the relevant Accounting Officer should be consulted.

7.0 FRAUD RISK ASSESSMENT AND FRAUD PROOFING

7.1 A major element of good corporate governance is a sound assessment of the organisation's business risks. 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 operational level.

7.2 As systems and the operating environment change, so do the risks to which Invest NI will be exposed. The assessment of risk, including fraud risk, should therefore be part of a continuous cycle rather than a one-off event.

7.3 All key programmes and projects, new initiatives and business areas, and areas of significant change must be risk assessed and managed as appropriate. This includes, where appropriate an assessment of the risk of fraud. It is particularly important when developing new policies, programmes and systems that potential fraud risks are identified at an early stage and effective countermeasures developed and integrated into the design and subsequent operation. This process is commonly referred to as 'fraud proofing'.

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7.4 The Department of Finance issued guidance on fraud proofing under DAO (DoF) 04/18 ('Fraud Proofing Guidance'). It is available on the DoF website at the following link:

[DoF Fraud Proofing Guidance](#)

7.5 Invest NI's Risk Management Strategy and Policy contains further information about the organisation's approach to risk management and the key stages for identifying, assessing and monitoring risk, including the risk of fraud. The Risk Management Strategy and Policy is available on the Invest NI intranet. For further guidance, please contact Colin Morelli, Senior Risk Manager.

8.0 FRAUD FORUM

8.1 The Northern Ireland Civil Service Fraud Forum is made up of representatives from all Northern Ireland departments along with representatives from the Northern Ireland Audit Office and the Police Service of Northern Ireland. The purpose of the Forum is to act as an advisory group to assist departments and their sponsored bodies to develop robust anti-fraud arrangements. Members of the Forum are responsible for ensuring that departmental bodies are advised of fraud related developments and that new guidance is disseminated effectively. The DfE Fraud and Raising Concerns Officer attends meetings of the Forum on behalf of the Department (and its NDPBs) and circulates relevant information as appropriate.

9.0 NATIONAL FRAUD INITIATIVE

9.1 Invest NI participates in the National Fraud Initiative along with other public bodies in the United Kingdom. The National Fraud Initiative uses data matching to compare sets of data, such as the payroll, payments or benefits records of a public body against other records held by the same or another public body. This allows potentially fraudulent claims and payments to be identified. Where no match is found, the data matching process will have no material impact on those concerned. Where a match is found it indicates that there may be an inconsistency that requires further investigation.

10.0 CONCLUSION

10.1 The circumstances of individual frauds will vary. Invest NI takes fraud very seriously and will ensure that all cases of actual or suspected fraud, including attempted fraud, are vigorously and promptly investigated and that appropriate remedial action is taken. Managers should be fully aware of their responsibility to protect public funds and, as such, should always be alert to the potential for fraud.

10.2 Any queries in connection with this policy document should be directed to the Invest NI Senior Risk Manager (Colin Morelli 028 9069 8164).

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