

Anti-Fraud Policy

January 2021 Version 4

- Last reviewed: November 2020
- Reviewed by: Sean Burke, Patricia Orme
- Last updated: November 2020
- Updated by: Sean Burke, Patricia Orme
- Authorised by: Board
- Date Authorised: January 2021

Anti-Fraud Policy

January 2021 Version 4

Table of Contents

1. Introduction
2. Purpose
3. Scope
4. Definition
5. Policy Statement
6. Reducing the Potential for Fraudulent Activity
7. Responsibilities of Staff
8. Reporting a Suspected Fraud and Investigations
9. Disciplinary Procedures and Other Actions
10. Policy Violation
11. Annual Reporting

Anti-Fraud Policy

January 2021 Version 4

1. INTRODUCTION

This document sets out the Anti-Fraud Policy for the Marine Institute.

The Marine Institute recognises the importance of protecting the Institute, its reputation and its people from the consequences of fraudulent activity. This policy outlines the processes and procedures used by the Marine Institute to identify, report and investigate suspected or actual incidences of fraud be it perpetrated or attempted to be perpetrated by Marine Institute employees, contractors, consultants (including agency staff) or external individuals/parties.

The policy supports the Marine Institute's full commitment to fostering an organisational culture that does not tolerate fraud and strengthens accountability, honesty and integrity. The Marine Institute has a zero tolerance approach to any form of fraud.

2. PURPOSE

The purpose of this policy is to:

- define fraud and actions deemed to be fraudulent;
- allocate the responsibilities for the overall management of reporting and investigating suspected fraud;
- establish processes to report and investigate incidences of suspected fraud;
- describe the actions to be taken by people if they suspect fraud is occurring; and
- emphasise the Marine Institute's zero tolerance to fraud.

3. SCOPE

The policy applies to all Marine Institute employees, whether employed on a permanent, temporary, casual, contract or secondment basis; and contractors, consultants (including agency staff) and volunteers (for the purpose of this policy collectively referred to as "people"). It relates to all Marine Institute funds, expenditure and assets including research grants and other projects administered by the Institute.

Human Resources is responsible for ensuring that, upon commencement of employment, all employees are aware of, have access to, and comply with this policy. The relevant functions within the Marine Institute engaging contractors, consultants (including agency staff) should also ensure they are aware of, have access to, and comply with this policy.

The Marine Institute is committed to the highest standards of ethical conduct and integrity and strives to conduct its business with efficiency, fairness and impartiality. All people working with the Marine Institute should ensure that they are familiar with the relevant Marine Institute policies, procedures and regulations, including:

Anti-Fraud Policy

January 2021 Version 4

- The Marine Institute Code of Conduct and The Marine Institute Code of Ethics;
- The Marine Institute Staff Handbook;
- The Financial Policies and Procedures;
- The Marine Institute Procurement Handbook and Travel & Subsistence Guidelines;
- Marine Institute Human Resource policy and procedures;
- Marine Institute Protected Disclosures Policy;
- Marine Institute Information Technology, Cyber Security and Data Protection Policies.

This Policy should also be considered in conjunction with The Code of Practice for the Governance of State Bodies, the Civil Service Code of Standards and Behaviours (2004), the Ethics in Public Office Acts 1995 and 2001, Protected Disclosures Act 2014, obligations under Section 19 of the Criminal Justice Act 2011, Official Secrets Act and all National and European Union obligations and requirements

4. DEFINITION

The term “fraud” is commonly used to describe a wide range of misconducts including deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, false pretence, false accounting and collusion in the foregoing. For the purposes of this policy, the term “fraud” includes attempted fraud. It often involves the use of deception to make a personal gain for oneself, a connected party or a third party, or a loss for another – intention is the key element that distinguishes fraud from irregularity. Corruption is the abuse of power for private gain. Conflict of interest exists where the impartial and objective exercise of official functions of a person are compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest.

For practical purposes fraud may be defined as the use of deception to obtain an advantage or attempt to obtain an advantage, avoid an obligation or cause loss to another party.

It is not possible to give an exhaustive listing of the activities and behaviours which constitute fraud, but examples of fraudulent behaviour may include:

- Knowingly creating false or misleading financial reports;
- Offering or accepting gifts or hospitality in return for favourable decisions;
- Claiming payment for goods not received or services not performed;
- Claiming payment for time not worked;
- Submitting false or exaggerated claims for reimbursement of expenses;
- Forging or altering documents;

Anti-Fraud Policy

January 2021 Version 4

- Purchasing items for personal use with Marine Institute funds;
- Theft, misappropriation or unauthorised use of Marine Institute property;
- Unauthorised use of confidential or proprietary information;
- Disclosing confidential, sensitive or proprietary information to unauthorised parties;
- Undue influence by senior management on staff to undertake a fraud or act inappropriately;
- Not adhering to Public Procurement Procedures – disclosing confidential information to other parties
- Blackmail or extortion;
- Corruptly adjusting records including those relating to the results of research;
- Use of IT infrastructure, computers or data to defraud or attempt to defraud or to commit cyber-crime;
- Other acts of deception, including falsification, misappropriation, concealment, destruction, or misuse of documentation used for normal business purposes.

5. POLICY STATEMENT

It is the policy of the Marine Institute to promote a culture of integrity and honesty and to safeguard the Institute's resources by ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk through the following:

- operating an effective system of governance and internal control;
- promoting the necessity and requirement for high standards of personal conduct through the Marine Institute code of conduct;
- having related written policies, procedures and guidelines applicable to staff of the Marine Institute;
- ensuring the appropriate segregation of duties across the Institute;
- delegating approval authority across a range of suitably qualified and trained personnel;
- promoting a culture of transparency including the application of procedures in accordance with the good faith 'whistleblowing policy' (Protected Disclosures Policy) for those reporting allegations of fraud;
- ensuring that appropriate management resources and structures are in place across the Institute in order to detect any incidence of fraud;
- timely and appropriate management of any allegation of fraud in accordance with relevant policies and procedures;
- equal and fair treatment of all individuals who become the subject of a fraud allegation;
- information will only be disclosed where it is necessary for the investigation of the matters concerned, where it is required by law or for other legitimate reasons.

Anti-Fraud Policy

January 2021 Version 4

- employees must commit to keeping the reporting of suspected fraudulent activity confidential as it is important that all evidence is preserved and protected from the outset.

Persons who cover up, obstruct, fail to report or monitor a fraud that they become aware of, will be considered to be an accessory after the fact and may be subject to disciplinary action. Persons who threaten retaliation against a person reporting a suspected fraud shall be subject to disciplinary action. Great care must be taken to avoid incorrect accusations or unfair treatment. Persons reporting a fraud knowing it to be false shall be subject to disciplinary action.

It is Marine Institute policy to investigate all cases of suspected fraud and, when appropriate, to pursue legal remedies available under the law.

Any act of fraud involving members of staff ascertained upon investigation, or pursuant to a criminal conviction, or through acknowledgement by the member(s) of staff concerned, shall result in the appropriate disciplinary and legal actions against the member(s) of staff to include the possibility of termination of employment, restitution and/or forwarding information to the appropriate authorities for criminal prosecution. Where appropriate, suspected fraud will be reported to the Gardaí or other appropriate civil authorities for investigation.

6. REDUCING THE POTENTIAL FOR FRAUDULENT ACTIVITY

The Marine Institute employs a range of actions to reduce the potential for fraudulent activity including written policies and procedures requiring transactions to be properly authorised and providing for sufficient segregation of duties and supervision of staff.

Those members of staff with management or supervisory responsibilities should ensure that all members of staff unit and any people working with their teams are aware of the Marine Institute policies and procedures and that these policies and procedures are adhered to at all times.

The Marine Institute will regularly review its policies and procedures to ensure that appropriate measures for combating fraud are maintained.

7. RESPONSIBILITIES OF PEOPLE

The overall responsibility for this policy rests with the Board of the Marine Institute. **The responsibility for the implementation of the policy is delegated to a Designated Officer. The Designated Officer is the Director of Corporate Services.** The CEO will be responsible for convening investigations and related matters.

Anti-Fraud Policy

January 2021 Version 4

It is the responsibility of members of staff and people working with the Marine Institute to be familiar with the types of fraud that might occur in their area of responsibility and to be alert for any indication that improper activity, misappropriation or dishonest activity is or was in existence and to put in place controls to prevent such occurrences.

People should review and keep up to date with all policy updates and reminders issued by Corporate Services, IT and the Data Protection Officer, some of which will provide guidance on fraud risk and mitigating against the risk of fraud. In reviewing and updating the risk register on a quarterly basis, the Senior Leadership Team and Joint Risk Officers should consider the risk of fraud, any actions needed to mitigate against same and any briefings which should be given to our People.

Indications of potential fraud include requests for changes of supplier or employee bank details (these should be confirmed verbally as well as in written form), invoices or other documentation without adequate support or detail, urgent requests to bypass normal control processes and staff not taking holidays.

It is the responsibility of all people working in the MI to be alert for any indication that improper activity, misappropriation or dishonest activity is or was in existence and to comply with agreed control frameworks to prevent such occurrences. Every member of staff has a duty to ensure that public funds are safeguarded, whether they are involved with cash or payments systems, receipts, stocks, fixed assets, EU projects, grants or dealing with contractors, suppliers or other 3rd Parties. People working with the MI should alert their line manager, contract manager, supervisor etc. where they believe the opportunity for fraud exists or where they have identified weakness in the system of internal controls.

8. REPORTING A SUSPECTED FRAUD AND INVESTIGATIONS

Reporting

Acting reasonably and in good faith, staff must report suspected fraudulent activity without delay to the Designated Officer (the Director of Corporate Services). An employee can also report suspected fraud to their manager, the Director of their service area or the CEO, and others working with the Marine Institute can report to their contract manager or supervisor or the Director of Corporate Services or CEO. Those individuals should then report the matter to the Designated Officer. In the event that the nature of the suspected fraud is such that the Designated Officer should not be advised, in those circumstances, the report may be made to the Chair of the Audit and Risk Committee.

People are required to keep the report of suspected fraud confidential so as to ensure all evidence is protected from the outset. The person should not discuss the matter with the individual suspected of fraudulent activity.

Anti-Fraud Policy

January 2021 Version 4

It is very important to note that people are not required or entitled to investigate matters themselves to find proof of their suspicion and should not endeavour to do so.

All people need to do, and should do, is disclose the information that they have, based on a reasonable belief that fraudulent activity has or will take place. While it is important to take care to avoid incorrect accusations, no person will be penalised for getting it wrong, so long as the person had a reasonable belief that the information disclosed, showed, or tended to show, fraudulent activity.

Anonymous reporting is discouraged but, where supported by evidence, will form the basis of an investigation.

All reports will be treated confidentially and information will only be disclosed where it is necessary for the investigation, required by law or for other legitimate reasons.

Investigations

People working with the Marine Institute are required to cooperate with any investigations into fraudulent activity.

When a disclosure of alleged wrongdoing is made, an initial screening process involving a risk assessment will be undertaken by the Designated Officer. The screening process will involve an assessment of the disclosure to seek to determine whether or not it should be treated as a potentially protected disclosure. The Designated Officer will then request the employee / person reporting the fraud to make their report of suspected fraud under the Protected Disclosures Act 2014 and the matter will proceed in accordance with the Marine Institutes Protected Disclosures Policy. If it is unclear whether information qualifies as a potentially protected disclosure, the Designated Officer will treat the information as a protected disclosure (and protect the identity of the discloser until satisfied that the information is not a protected disclosure). The Protected Disclosures Act 2014 is intended to provide a robust statutory framework to protect workers who raise concerns regarding potential wrongdoing that has come to their attention in the workplace. (see Protected Disclosures Policy)

Upon receipt of a report of suspected fraud, the Designated Officer will inform the CEO, the HR Manager and Director the service area where the fraud is alleged to have occurred, unless the nature of the fraud makes this inappropriate. The Chair of the ARC will also be advised of actions taken.

The following will take place:

- In the case of a protected disclosure, investigations will proceed in accordance with the provisions of the Marine Institute Protected Disclosures policy and that policy takes precedence over the provisions of this policy where any conflict arises.

Anti-Fraud Policy

January 2021 Version 4

- An investigating Officer will be appointed by the CEO and will have access to all necessary records and staff members, under the ultimate control of the CEO. The CEO may request support from internal auditors, the Audit & Risk Committee or external service providers. The Investigating Officer may co-opt other people and resources as required to assist under the ultimate control of the CEO. Other people who may be co-opted onto the investigating Committee include, but are not limited to, the HR Manager, the Finance Manager, other members of the Senior Leadership Team. The Investigating Team may also include other relevant people, including representatives from our IT Team, external specialists and legal counsel which the committee considers necessary to its deliberations.
- If after an appropriate investigation has been undertaken, it is determined that a fraud occurred, then the findings will be addressed and appropriate actions taken where necessary.
- In conjunction with the relevant Service area director and any other members of the Investigating Team, the Designated Officer will consider any control failures, risk impacts and actions needed to mitigate against future re-occurrence.

9. DISCIPLINARY PROCEDURES AND OTHER ACTIONS

The HR Manager will consider all cases involving allegations of misconduct by an employee and will advise whether disciplinary procedures should be invoked.

Under section 19 of the Criminal Justice Act 2011, the Institute is obliged to report all cases of suspected fraud to the Gardaí. It is the Marine Institute's policy to, where appropriate, pursue legal remedies available under the law.

The Marine Institute reserves the right to take a separate civil action against any individual it believes were or are involved in a fraudulent activity concerning the organisation to recover wrongfully obtained assets from those individuals through alleged fraudulent activities.

10. POLICY VIOLATION

Where a member of the Marine Institute has been found in breach of this policy including instances of where an individual covered up, obstructed, failed to report or monitor a fraud that they became aware of or if the Marine Institute believes that a deliberately false fraud allegation has been made then the Marine Institute may take appropriate action against that individual under the Marine Institute Disciplinary Policy, up to and including dismissal as appropriate.

Anti-Fraud Policy

January 2021 Version 4

11. ANNUAL REPORTING

The designated officer shall maintain a confidential record of all allegations received and investigations carried out under this policy.

An Annual Report will be prepared and submitted to the Internal Audit and Risk Committee in relation to fraud allegations received by the Marine Institute in the preceding calendar year. The Annual Report will give summary details of any fraudulent activity investigations and reviews carried out during the year whilst preserving the anonymity of those suspected of such activity.