

How to deal with suspected fraud

A Guide for HSC managers



As a manager you have an important role to play in safeguarding HSC resources. This includes having measures in place to prevent and detect fraud, being aware of fraud risks and knowing the actions to take where fraud is suspected.

Do be responsive to staff concerns

Your organisation needs to encourage staff to voice any reasonably held suspicion as part of developing an anti-fraud culture. As a manager you should treat all staff concerns seriously and sensitively.

Do act in accordance with policy

Your organisation's Fraud Response Plan sets out the process that you should follow where fraud is suspected.

Do evaluate the allegation objectively

Before you take the matter further, you need to determine whether any suspicions appear to be justified. Be objective when evaluating the issue. Consider the facts as they appear, based on the information you have available.

Do note details

Note all relevant details. Refer to the checklist opposite for recommended actions.

Do advise the appropriate person

Where enquiries suggest that a fraud has been attempted or perpetrated, your Fraud Liaison Officer (FLO) must be notified.

Do deal with the matter promptly

Any delay may cause the organisation to suffer further financial loss.

CHECKLIST

Initial action checklist upon discovering a potential fraud:

1. Document date, time and details of initial report/discovery.
2. Report the matter to your Fraud Liaison Officer (contact details are in your organisation's Fraud Response Plan).
3. Take notes of all observations and actions (if something is worth taking a mental note, it is worth a written note).
4. Maintain confidentiality (only inform those people who need to know about the suspected act). Unwarranted disclosure can seriously damage potential successful investigations.
5. Write out in full the suspected act or wrongdoing including:
 - What is alleged to have occurred; Who is alleged to have committed the act; Is the activity continuing; Where did it occur; What is the value of the loss or potential loss; Who knows of the activity.
6. Identify all documentary and other evidence connected to the activity and protect it from damage or contamination.
7. Identify any potential witnesses.
8. Where appropriate, secure and/or remove suspect's access to relevant computers/systems.

Useful Documents

The following policy documents are available within your organisation for guidance in fraud related matters.

- ◆ *Fraud Policy*
- ◆ *Fraud Response Plan*
- ◆ *Anti-Bribery Policy*
- ◆ *Raising a Concern At Work / Whistle Blowing Policy*

Have you considered the fraud risks that are present in your service area?

Some examples of potential fraud risks and the controls that should be considered are set out below.

Area	Examples	Suggested controls to consider
Staff	<ul style="list-style-type: none"> • Timesheet • Travel/Expenses • Working elsewhere whilst on sick leave • Misrepresentation of skills/ qualifications/experiences • Theft • Passwords 	<ul style="list-style-type: none"> • Who is authorised to approve? • Have the claimed hours been worked? • Has an appropriate manager confirmed details on the claim? • Are the claimed journeys accurate and been undertaken? • Has all previously approved leave been deducted? • Is the employee aware of the sick leave policy? • Is the employee aware of all relevant policies in relation to submitting claims? • Have all appropriate pre-employment checks been undertaken and verified prior to the offer of a job being made? • Is there adequate management/audit/asset control of all HSC supplies? • Have random verification checks been undertaken? • Are all staff aware of password protocols and that passwords should never be shared?
Contractors	<ul style="list-style-type: none"> • False Invoicing • Manipulating of the contract management process • Non-disclosure of conflicts of interest • Bid-rigging • Collusion 	<ul style="list-style-type: none"> • Are all staff aware of the importance of adherence to the contract management process? • Do amounts on invoice/requisition order match? • Are the amounts invoiced in accordance with agreed contract? • If sub-contractors are used, has this been agreed in advance and included in the agreed Contract? • Have procurement thresholds/variation limits been reviewed? • Are all staff appropriately trained on each stage of the contract management process that is applicable to them? • Is there a process to segregate and rotate duties where possible? • Have all passwords and permissions been removed from those staff who move departments? • Is there a regular review that the contract is being delivered as agreed? • Are all staff aware of the requirement to disclose any potential conflict of interest?
Income Related	<ul style="list-style-type: none"> • False Invoicing • Duplicate Invoicing • Payment diversion • Creating false customer accounts to generate payment 	<ul style="list-style-type: none"> • Is there a process to segregate and rotate duties as often as possible? • Have all appropriate checks been undertaken prior to approving payments? • Only designated officers should have the authority to change bank details. • Do officers call back customers to request verification of changes to details? • Are bank details regularly reviewed? • Are all staff appropriately trained and aware how to raise any suspicions? • Are all staff aware of the requirement to disclose any potential conflict of interest?
Public	<ul style="list-style-type: none"> • Providing false information to claiming exemption from HSC charges • Abuse of travel costs • Abuse of direct payment scheme • Theft 	<ul style="list-style-type: none"> • Have all possible checks of the details provided been undertaken? • Have appropriate receipts been provided and checked against the original agreement? • Is there a process for monitoring the service that is provided against the Contract that has been agreed? • Are appropriate checks in place to reduce the likelihood of potential theft?

If you have any queries or require advice and guidance please contact Counter Fraud Services

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