

National Assembly for Wales
Governance and Audit

Fraud Response Plan

Cynulliad
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National
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Wales



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Fraud Response plan

Reporting a Fraud or Suspected Fraud:

involving an employee or outside individual or organisation:

If someone suspects that a fraud has occurred, he/she must report it immediately. They can do this either by the mechanisms set out in the Whistleblowing Policy or directly to one of the following people:

- Line Manager
- Head of Service;
- Director of Finance and Finance Team; and
- Chief Executive and Clerk.

Additionally, staff must report all concerns to the Head of Internal Audit.

However the fraud is reported the person reporting the fraud receives the same protections that apply to anyone making a disclosure under the Whistleblowing Policy.

Involving an Assembly Member

In these cases, the Chief Executive and Clerk must be informed and will initiate any investigation.

Responsibility for Investigation:

Once a fraud has been reported, the overall responsibility for investigation lies with the Head of Internal Audit. The Head of Internal Audit may then utilise the skills and expertise of suitably qualified staff in order to undertake detailed investigations and this may include the Director of Finance and the Finance Team.

In the event that the fraud involves the Head of Internal Audit, the overall responsibility lies with the Chief Executive and Clerk.

The Chief Executive and Clerk will retain overall responsibility for any investigation involving an Assembly Member.

Investigating a Fraud:

Reports of fraud or suspected fraud will **always** be investigated. The details of an investigation will vary depending on the scale and nature of the fraud and on the person(s) implicated. However, the following principles will apply to cases involving employees or outside persons and organisations.

- The Head necessary to suspend a member of staff while an investigation is conducted, this will be done via normal HR procedures.

Reporting to External Agencies:

Sometimes it may be necessary to involve outside agencies in the investigation.

Card Provider – any fraud involving a credit card must be reported to the card provider.

The Police - where there is evidence that a fraud has been committed against the National Assembly, the matter will normally be reported to the Police except when the fraud involves a credit card and the card provider decides to investigate the matter.

External Audit (WAO) – all staff must co-operate fully with any external audit enquiries, which may have to take precedence over any internal investigation or disciplinary process. However, where possible, investigation teams will co-ordinate their enquiries to maximise the effective and efficient use of resources and information.

Post Investigation:

On conclusion of an investigation, and once evidence of a fraud is established, the following steps will normally follow:

- Disciplinary action against member of staff in line with HR procedures, or other appropriate action against any external third party;
- Management Review* of the circumstances surrounding the fraud to identify if changes need to be made to procedures to strengthen the system of control and prevent a recurrence;
- Management Review* of the extent to which the individual(s) involved in the fraud may have been involved in any other fraudulent activity;
- Report to the Audit and Risk Assurance Committee at their next meeting.

**The Chief Executive and Clerk will discuss with the Head of Internal Audit and the Chair of the Audit and Risk Assurance Committee the extent to which Internal Audit should be involved in the Management Review.*

ANNEX A

Fraud Response Plan Dos and Don'ts

Do

Make a note of your concerns:

- record all relevant details, such as the nature of your concern, the names of parties you believe to be involved, details of any telephone or other conversations with names, dates and times and any witnesses;
- notes do not need to be overly formal, but should be timed, signed and dated;
- timeliness is most important. The longer you delay writing up, the greater the chances of recollections becoming distorted and the case being weakened.

Retain any evidence you may have:

- the quality of evidence is crucial and the more direct and tangible the evidence, the better the chances of an effective investigation.

Report your suspicions promptly:

- in the first instance, report your suspicions to your line manager. If this action would be inappropriate, further guidance on disclosure can be found in the Fraud and Bribery Response Plan (above) and the Assembly Commission Whistleblowing Policy (on intranet);
- additionally, all concerns must be reported to the Head of Internal Audit .

Don't

Be afraid of raising your concerns:

- the Public Interest Disclosure Act provides protection for employees who raise reasonably held concerns through the appropriate channels (Whistleblowing);
- you will not suffer discrimination or victimisation as a result of following these procedures and the matter will be treated sensitively and confidentially.

Convey your concerns to anyone other than authorised persons:

- there may be a perfectly reasonable explanation for the events that give rise to your suspicion. Spreading unsubstantiated concerns may harm innocent persons.

Approach the person you suspect or try to investigate the matter yourself:

- there are special rules relating to the gathering of evidence for use in criminal cases. Any attempt to gather evidence by persons who are unfamiliar with these rules may destroy the case.