

# Anti- Corruption, Bribery, Fraud and Theft Policy

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## Anti- Corruption, Bribery, Fraud and Theft Policy Overview

### Description of the Policy

It is the policy of BIM to promote a culture of integrity and honesty and to safeguard BIM's resources by ensuring that opportunities for fraud, bribery and corruption are reduced to the lowest possible level of risk.

### Purpose and Objectives of the Policy

The purpose of this policy is to set out BIM's responsibilities and of those working on behalf of BIM in observing and upholding BIM's position on fraud, bribery, and corruption. It is also to promote a culture of honesty and integrity which deters fraudulent activity and to facilitate the prevention and detection of fraud, and development of procedures which will aid in the investigation of fraud and related offences and which will ensure that such cases are dealt with timely and appropriately.

### Scope of the Policy

This policy relates to fraud and is applicable to all BIM funds, expenditure, and assets, including research grants and other projects administered by BIM.

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## Anti- Corruption, Bribery, Fraud and Theft Policy

### Description

Bord Iascaigh Mhara (BIM) recognises the importance of protecting BIM, its reputation, its employees and directors from the consequences of fraudulent activity. Accordingly, BIM expects the highest standards of ethical behaviour and moral standards from all staff, directors and others who transact business with BIM. BIM is committed to preserving the highest standards of honesty, transparency, probity and accountability, and recognises that staff play a key role in achieving these aims. Wrongdoing such as fraud, theft corruption, or malpractice, or the covering up of these, can have a devastating effect on our professional reputations, working relationships and morale. Fraud is a criminal offence and if a fraud has been perpetrated it will be reported to the Gardai and to our parent Department. BIM does not tolerate bribery or corruption in any form and has a zero-tolerance policy in relation to bribery, corruption, fraud and other wrongdoing. This anti-bribery, corruption, fraud and theft policy sets out a process by which staff can report fraud, corruption or suspected fraud, corruption or wrongdoing.

### Purpose

The purpose of this policy is to set out BIM's responsibilities and of those working on behalf of BIM in observing and upholding BIM's position on fraud, bribery, and corruption. It is also to promote a culture of honesty and integrity which deters fraudulent activity and to facilitate the prevention and detection of fraud, and development of procedures which will aid in the investigation of fraud and related offences and which will ensure that such cases are dealt with timely and appropriately.

This policy sets out the responsibilities for BIM staff members and directors where fraud or suspected fraud has been identified. It provides staff and directors with information and guidelines on their duties and responsibilities in connection with suspected cases of fraud, corruption and relevant offences.

The policy covers:

- Definition of bribery, corruption fraud.
- Statement of principles.
- Procedures for reducing the potential for fraudulent activity.
- Procedures for reporting and investigating suspected fraud.

### Scope

This policy relates to fraud and is applicable to all BIM funds, expenditure, and assets, including research grants and other projects administered by BIM.

Members of staff and members of the Board should ensure that they are familiar with the relevant BIM policies, procedures, and regulations, including:

- Financial policies and procedures
- BIM Procurement Plan and T&S guidelines
- BIM HR policy and procedures
- BIM Protected Disclosures Policy
- BIM IT and Data Policy

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.

## 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. Corruption can be active or passive - corruptly offering or giving a gift, consideration or advantage to someone in return for their using their position to give favour to someone else; or corruptly requesting or accepting a gift, consideration or advantage for the same purpose. Bribery involves the giving or receiving of anything of value and could include providing business opportunities or favourable contracts.

Conflict of interest exists where a person is in a position to derive personal benefit from actions or decisions made in their official capacity.

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. Some of the following are examples of fraudulent behaviour:

- 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.
- Purchasing items for personal use with BIM funds.
- Theft, misappropriation or unauthorised use of BIM property.
- Unauthorised use of confidential or proprietary information.
- Computer and data fraud.
- Corruptly creating or using a document (which includes documents in electronic format and emails and text messages) with the intention of inducing another person to behave corruptly.

## Policy Statement

It is the policy of BIM to promote a culture of integrity and honesty and to safeguard BIM's resources by ensuring that opportunities for fraud, bribery 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 employee code of conduct;
- having related written policies, procedures and guidelines to employees of BIM;
- ensuring the appropriate segregation of duties across BIM;
- delegating approval authority across a range of 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 BIM in order to detect any incidence of fraud or corruption;
- timely and appropriate management of any allegation of fraud or corruption in accordance with relevant policies and procedures;
- equal and fair treatment of all personnel who become the subject of a fraud or corruption allegation; and,
- suspicions or allegations of potential fraud or corruption will be treated as confidential and will not be discussed with anyone inside or outside BIM.

Persons who cover up, obstruct, fail to report or monitor a fraud or corruption 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. Persons reporting a fraud knowing it to be false shall be subject to disciplinary action.

It is BIM policy to investigate all cases of suspected fraud and corruption and, when appropriate, to pursue legal remedies available under the law. Fraud is against the law once we are satisfied that a fraud has been perpetrated it will be reported to the Gardai and to other relevant authorities. Where appropriate, suspected fraud and corruption will be reported to the Gardaí or other appropriate civil authorities for investigation.

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

## Reducing the Potential for Fraudulent Activity

BIM employs a range of actions to reduce the potential for fraudulent and unethical 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 in their unit are aware of BIM policies and procedures and that these policies and procedures are adhered to at all times.

BIM will regularly review its policies and procedures to ensure that appropriate measures for combating fraud and corruption are maintained.

## Hospitality and Entertainment

Employees and directors should not accept gifts or hospitality if this means that the giver might expect preferential treatment from the organisation in return. Equally, employees and directors should not offer gifts or hospitality in order to gain preferential treatment or be perceived as potentially influencing decisions. This does not mean that receiving gifts and hospitality is inappropriate in all circumstances. Gifts or hospitality should be given or received only where they are suitably modest and it is customary and proper (normal recognised business practice) to do so, provided no obligation could be expected or perceived to be expected in connection with the gifts or hospitality.

For further information, please see BIM's Hospitality and Entertainment Policy.

## Suppliers

Employees doing business through consultants, intermediaries, subcontractors, distributors, partners, agents or other third parties must ensure that such parties comply with the rules set out in this Policy and employees should be vigilant in monitoring the activities of third parties on an ongoing basis. All suppliers who tender for work in BIM must provide detailed company information that will enable BIM to undertake an appropriate assessment of the company through BIM's company search provider.

## Responsibilities of Management and the Board

The overall responsibility for this policy rests with the Board of BIM and 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.

It is the responsibility of members of staff to be familiar with the types of fraud or corruption 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.

Once a report of fraud/corruption or suspected fraud/corruption is made the manager must notify the HR Manager and Director of Corporate Services. Board members should notify the Board Secretary. The Director of Corporate Services will report the suspected wrongdoing to the CEO and the Chairperson of the Board. Where they can, members of staff must ensure all documents, records and physical evidence is preserved and protected.

If a fraud, bribery or corruption is detected in an area then the relevant manager of the unit is responsible for taking appropriate corrective action to ensure adequate controls are put in place to prevent a reoccurrence of such activity.

## Responsibilities of Staff and Directors

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. It is the responsibility of all employees to conduct their BIM business in such a way as to prevent fraud or corruption occurring in the workplace. Staff and directors of BIM are required to act in good faith and have a responsibility to report any suspicion of fraud or corruption, without delay in accordance with the procedures set down in this Policy. It is important that all evidence is preserved and protected from the outset. It should be noted that investigations are only to be undertaken by or under the explicit instructions of the Director of Corporate Services. Employees are required to cooperate with any investigations into fraudulent activity.

The options available for reporting are as follows:



#### Option A:

If a staff member suspects that a fraudulent or corruptive practices may be operating the following should occur:

1. Report the matter without delay to the line manager.
2. The line manager should then report the allegation to their Director.
3. The Director will report the allegation to the Designated Officer.
4. The Designated Officer will conduct an investigation in accordance with this policy.

#### Option B:

If a staff member suspects that a fraudulent or corruptive practice may be operating and that the line manager or director may be involved the following should occur:

1. Report the matter without delay to Designated Officer.
2. The Designated Officer will conduct an investigation in accordance with this policy.

#### Option C:

If a staff member suspects that a fraudulent or corruptive practice may be operating and that the Designated Officer or Director may be involved the following should occur:

1. Report the matter without delay to the Chair of the Audit and Risk Committee.
2. The Chair of the Audit and Risk Committee will conduct an investigation in accordance with this policy.

The Chair of the Audit and Risk Committee is Lisa Vaughan who may be contacted at [lisa@vaughan.net](mailto:lisa@vaughan.net)

Staff should also:

- Alert their line manager where they believe the opportunity for fraud, bribery or corruption exists or where they have identified weakness in the system of internal controls.
- Take care in making a report to avoid making incorrect accusations.
- Anonymous reporting is discouraged but, where supported by evidence, may form the basis of an investigation.

- Staff reporting where they believe the opportunity for fraud, bribery or corruption exists or where they have identified weaknesses in the system of internal controls should be aware that 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 BIM's Protected Disclosures Policy).

## Investigation and Disciplinary Procedures

It is BIM's policy to identify and promptly investigate any possibility of fraudulent activity against BIM and where appropriate, to pursue legal remedies available under the law.

On receipt of a report relating to fraud/corruption or suspected fraud/corruption, the designated officer will convene a Fraud Response Committee which may comprise the HR Manager, Finance Manager, and Directors as appropriate. The CEO and Chairperson of the Board will be advised of the investigation. The committee may also include other relevant staff, external specialists and legal counsel which the committee considers necessary to its deliberations.

Preliminary investigation of the facts shall normally be led by the Director of Corporate Services supported, where deemed necessary, by specialist external experts. The person suspected will be afforded an opportunity to provide an explanation as part of the preliminary investigation process.

On completion of the preliminary investigation, the Director of Corporate Services shall present a written report to the committee. A copy of this report will be provided to the CEO and the Chairperson of the Board. The Director of Corporate Services will make a recommendation if further investigations are required. The HR Manager, who is a member of the Committee, will advise whether disciplinary procedures should be invoked or if the matter needs to be referred to the Gardaí or other appropriate authorities. The committee on review of all the facts will make a decision on how to proceed. The CEO and the Chairperson of the Board will be kept informed at all stages.

The BIM reserves the right to take a separate civil action against any individual it believes were or are involved in a fraudulent or corruptive activity concerning the organisation.

## Annual Reporting and Monitoring

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 or corruption allegations received by BIM in the preceding calendar year. The Annual Report shall maintain the anonymity of all those involved and shall include information on, number of allegations received, numbers referred to another procedure, numbers investigated and dismissed, and numbers upheld and actions taken.

BIM is committed to reviewing the policy annually. The policy will be subject to periodic internal and external audit and risk assessments to ensure that it remains relevant and effective.



## Policy Violation

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