



*Dunbartonshire and Argyll & Bute
Valuation Joint Board*

BUSINESS IRREGULARITY PROCEDURES

July 2021

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Document Version Control

Business Irregularities Procedures			
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Preface

All Internal Audit work for the Valuation Joint Board is carried out by West Dunbartonshire Council's Shared Service Manager – Audit & Fraud. This extends to any investigation of alleged or suspected Business Irregularities relating to finance in line with the Joint Board's Counter Fraud and Corruption Strategy and Disciplinary Procedures. HR&OD support is provided by WDC and the Chief Officer – People & Technology will lead on any alleged or suspected breaches of HR policies.

Business Irregularities include, but are not limited to, the following:-

- misappropriation or embezzlement of monies, materials etc. placed in the employee's charge;
- intentional distortion of records for any fraudulent purposes;
- misuse of the Joint Board/WDC's ICT infrastructure;
- misuse of the Assessor/ERO/Joint Board's data and information.

Should the Assessor & ERO be the subject of any alleged or suspected business irregularity the matter should be brought to the attention of the Treasurer who will adopt the roles of the Assessor in the following procedure.

Procedure

No Investigatory work is to be undertaken by any Officer of the Joint Board without the express approval of the WDC Chief Officer – Resources for allegations relating to financial issues (in his/her absence, the Shared Service Manager – Audit & Fraud), or, for alleged breaches of HR policies or procedures, the Chief Officer – People & Technology (in his/her absence, the Strategic HR Manager).

1. The Joint Board's Management Team will make arrangements to ensure that, where it is suspected or known that business irregularities have occurred the matter will be reported immediately to them in order that an investigation can be considered by either the:
 - **Chief Officer - Resources (in his/her absence, the Shared Service Manager – Audit & Fraud); or**

- **Chief Officer - People & Technology (in his/her absence, the Strategic HR Manager)**

This includes anonymous allegations and all categories within the Public Interest Disclosure Act (1998).

2. The Assessor & ERO, or in his/her absence, the Depute Assessor & ERO, having been informed of a suspected or known defalcation, shall immediately contact the Chief Officer – Resources or the Chief Officer – People & Technology, requesting that an investigation be carried out. The Chief Officer – Resources and the Chief Officer – People & Technology will thereafter make preliminary enquiries and report back to the Assessor/Depute as soon as possible. The Treasurer, or his/her appointed representative, has authority of audit as detailed in Financial Regulation I2 to:
 - Enter at all reasonable times any Board premises or land.
 - Have access to all records, documents and correspondence relating to financial and other transactions of the Board.
 - Require and receive such explanations as are necessary concerning any matter under examination, and
 - Require any employee of the Board to produce cash, stores, or any other Board property under his/her control.
3. Only the Chief Officer – Resources and the Chief Officer – People & Technology can approve the commencement of an investigation and this expressly includes the gathering of initial information, and intelligence. It is for the Chief Officer – People & Technology to approve the interrogation of any ICT hardware and/or systems. This authority will be exercised on behalf of the Chief Officer – Resources or the Chief Officer – People & Technology by Internal Audit staff or the nominated Investigation Officer. All senior management should ensure that, in relation to suspected or known business irregularities, no work of an investigatory nature is carried out by anyone other than the designated investigation team. Such action may compromise a later investigation, invalidate evidence and prevent a proper resolution of a case being achieved. It is solely for members of the Internal Audit Section or nominated Investigation Officers to carry out investigatory work, although it may be that the assistance of the Joint Board is requested by those Officers carrying out this work as part of the exercise of gathering evidence.
4. Depending on the nature and anticipated extent of the allegations, the Investigation Officer will normally work closely with management and other agencies, such as the Police, to ensure that all allegations and evidence are properly investigated and reported upon. Investigations will be undertaken without unreasonable delay. The Assessor must be made aware of any investigation and kept up to date as appropriate. In circumstances where there has been a potential breach of employee policies/procedures and there is the potential for disciplinary proceedings, HR should be involved and work jointly with Internal Audit to undertake the investigation.

5. If there is reasonable concern, and in appropriate circumstances, the Internal Audit Section is authorised to carry out workplace searches of all furniture, equipment and any devices made available to employees in the course of their employment which are and remain the property of the Joint Board. This shall include employee desks, lockers and work benches. Internal Audit or the Investigation Officer also reserve the right, if warranted in consultation with senior management, to search any furnishings, equipment and other objects used in or brought into the workspace.
6. On the basis of any preliminary investigation from the Shared Service Manager – Audit & Fraud or other nominated Manager, a decision shall be taken by the Assessor (or Depute) in consultation with HR, as to whether or not the employee concerned should be allocated adjusted duties or suspended with pay pending the results of further investigation.
7. In accordance with existing procedures, the employee concerned will be called to an interview (accompanied, if they so wish by their trade union representative or a work colleague) and advised of the reason for the interview, of the decision to extend the investigation and whether they are to be moved to another work location or suspended with pay pending the completion of the investigation. If it is determined that a suspension is necessary, then all Joint Board keys, passes and equipment must be removed from the employee's possession at this point.
8. If, in the course of the investigations, further interviews by the Investigation Officer are required with the employee concerned, the employee must be given the opportunity of being accompanied by their trade union representative or other person of their choice if they so wish. If it is deemed appropriate to carry out such interviews under caution (IUC) then these will only be carried out by Officers who have been trained in IUC within the Shared Service Audit & Fraud team.
9. Where disciplinary procedures appear necessary, the Investigation Officer will advise the Assessor/Depute Assessor and the Chief Officer – People & Technology of the findings.
10. Where an approved investigation (see paragraph 3 above) is carried out other than by Internal Audit, then the Shared Service Manager – Audit & Fraud must be immediately informed if any fraud (see below) is identified or suspected. Thereafter, the investigation should only be progressed under the direction of the Shared Service Manager – Audit & Fraud. Relevant senior Officers will be advised by the Shared Service Manager – Audit & Fraud of the circumstances of the fraud – this will always include the Assessor and the Treasurer.

Per the Counter Fraud & Corruption Policy, the Joint Board regards fraud as:

“The intentional distortion of financial statements or records by persons, internal or external, to the Joint Board which is carried out to conceal the misappropriation of assets, or otherwise for gain. Fraud is a deliberate act by an individual or group of individuals and is, therefore, always intentional and dishonest”.

11. Where investigatory work is carried out by HR, the Shared Service Manager – Audit & Fraud will be provided with an update on the outcome of the investigation although any disciplinary action will remain a confidential matter between Joint Board management and WDC's HR.
12. At the conclusion of the investigations when the findings are known, the employee concerned will be called to a further interview by the Assessor, Depute Assessor or nominated senior officer and advised of the broad nature of the findings and of the proposed course of action (e.g. return to place of work and normal working or possible disciplinary action).
13. In the event of disciplinary action being contemplated, the Disciplinary Policy will apply. The ultimate decision on any sanction is for the hearing manager. The Investigation report will form part of the evidence for the hearing and any relevant information will be taken into consideration by the manager during the hearing process.
14. No approach is to be made to the Police by any Joint Board officer regarding business irregularities, except by the Assessor, Depute Assessor or other senior officer acting on their express authority, normally the Shared Service Manager – Audit & Fraud or the Chief Officer – People & Technology.
15. In the event of any Police involvement in business irregularities, they must be given full co-operation whilst conducting their enquiries.
16. A record of all investigations, regardless of who has carried them out, should be maintained by Internal Audit to record summary information and outcomes of each case, including whether or not Police referral has occurred. The Shared Service Manager – Audit & Fraud will provide a report to the Joint Board in relevant circumstances.

Related Documents:

Financial Regulations
Standing Orders
Scheme of Delegation
Code of Conduct for Employees
Disciplinary Policy & Procedures
Grievance Policy & Procedures
Complaints Procedure
Counter Fraud and Corruption Strategy
Public Interest Disclosure Policy