

INTERNAL INVESTIGATION

FOR ICPAK FORENSIC AUDIT WORKSHOP

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October 2013



OXFAM

WHAT IS AN INVESTIGATION

- A fact-finding exercise to gather evidence to establish facts following an allegation or suspicion of malpractice about a person.
- **Key Elements**
 1. **Fact Finding**
 2. **Evidence**
 3. **Allegation or Suspicion**



WE SHALL GO THROUGH...

INVESTIGATION PROCESS

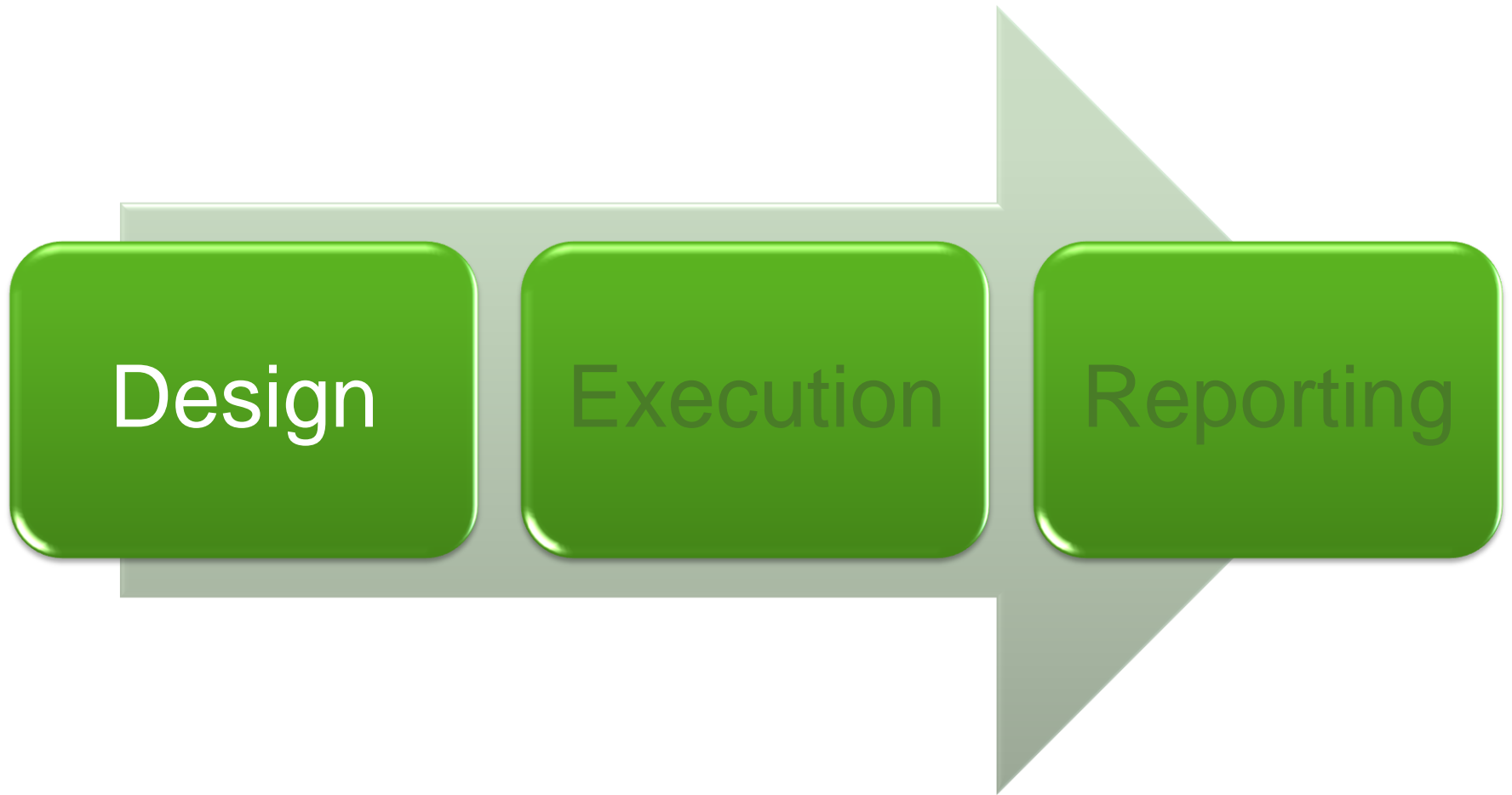
Design

Execution

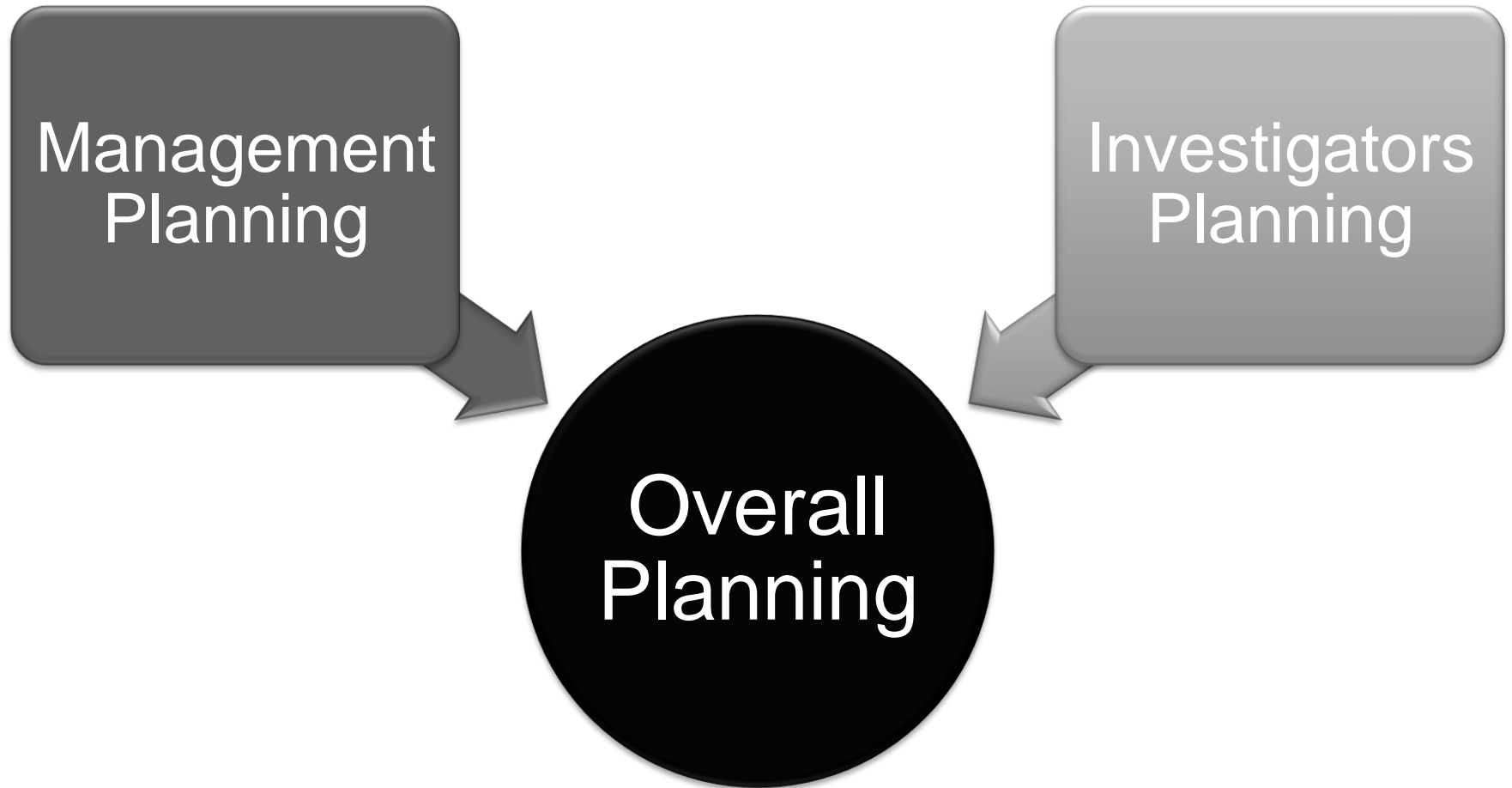
Reporting



DESIGN

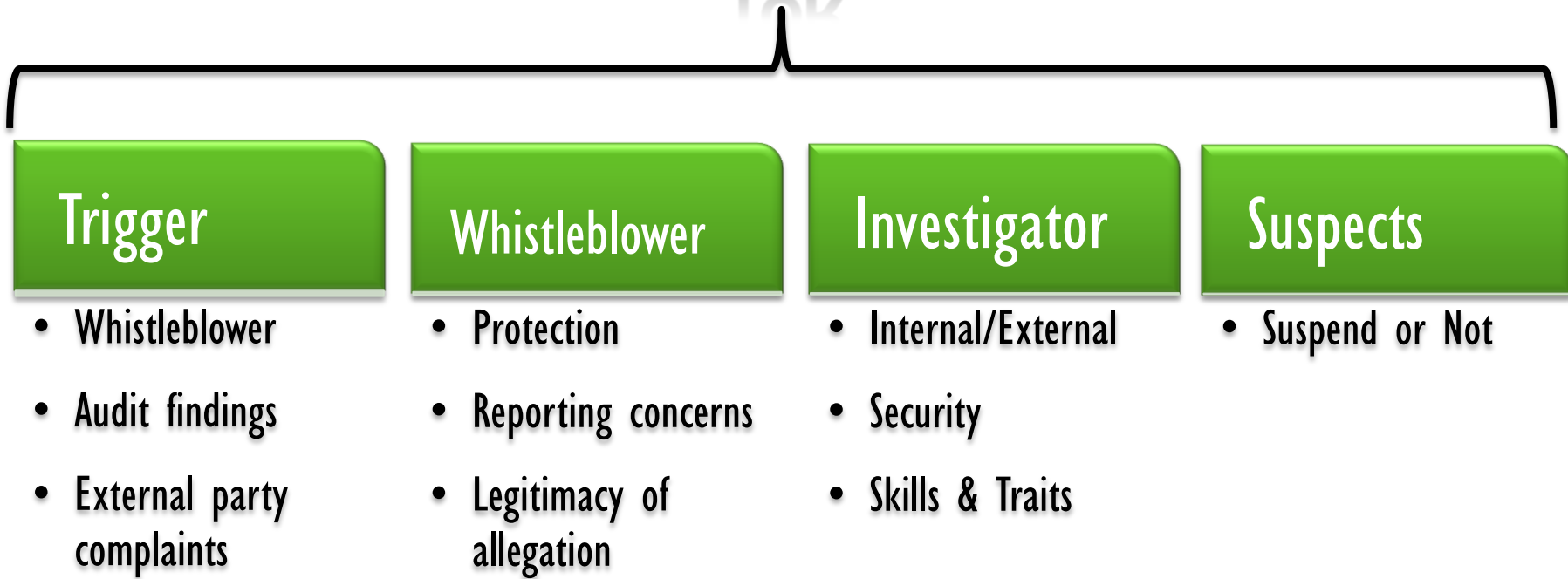


DESIGN/PLANNING



MANAGEMENT CONSIDERATION

TOR



SUSPEND OR NOT?

- ***Consider the grounds.***

Sufficient reason?
Substantial suspicion

- ***Consider the risk.***

Interference with evidence?
Could they steal more money?

- ***Consider the implications.***

Local laws? Could someone else interfere with evidence? Security of other staff/whistle blowers/witnesses? Time to reveal there are under suspicion



INVESTIGATION PLAN

WHAT IS IT?

- A plan sets out what you are going to do and when.

WHY IS IT IMPORTANT?

- A clear process to follow, assists organisation.
- Auditable and transparent
- planning and preparation, accommodate staff working practices, time scales, preservation of evidence.



INVESTIGATION PLAN



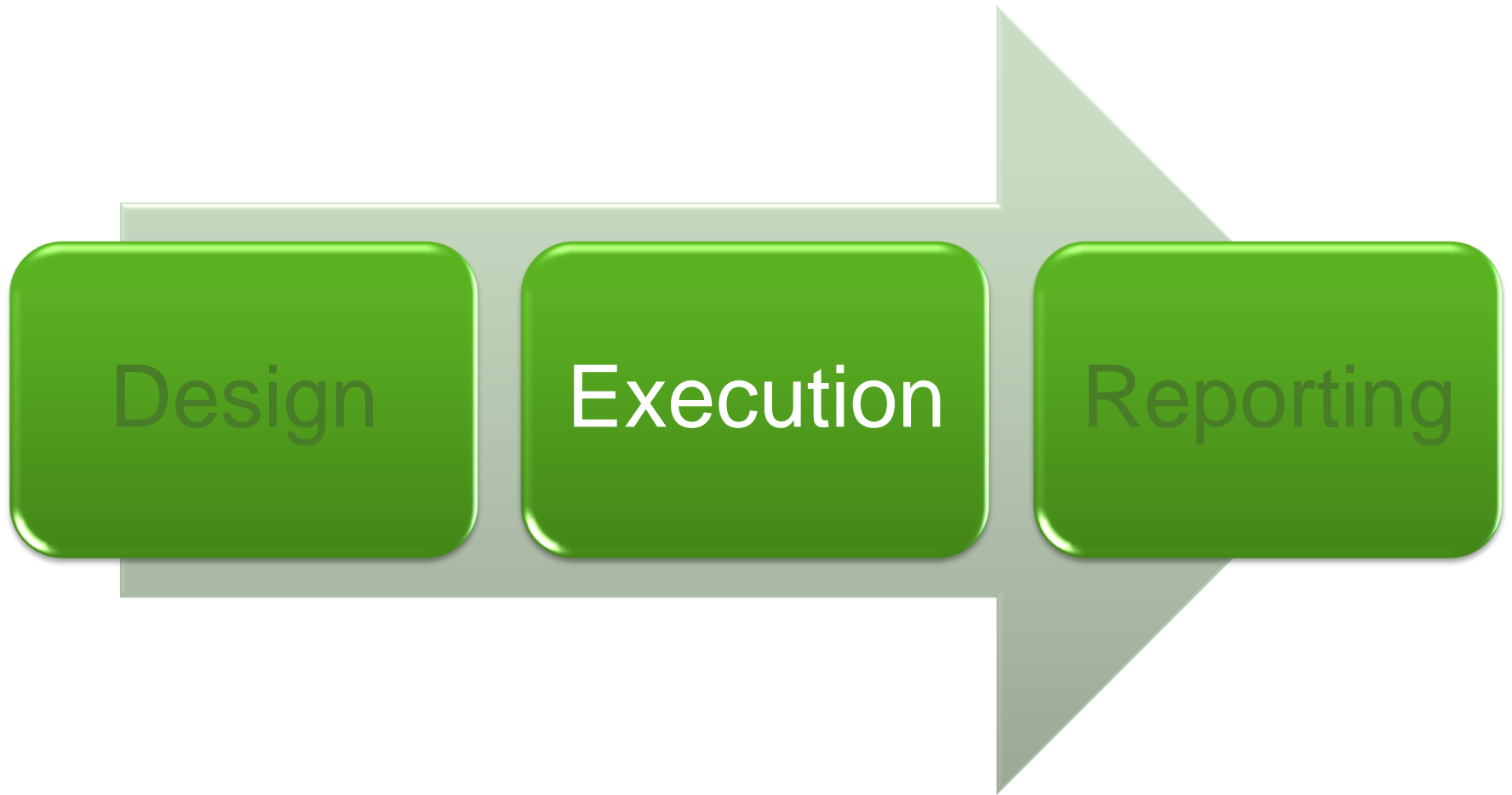
INVESTIGATION PLAN

REMEMBER, AN INVESTIGATION PLAN CAN ALWAYS EVOLVE AND CHANGE OVER THE COURSE OF AN INVESTIGATION

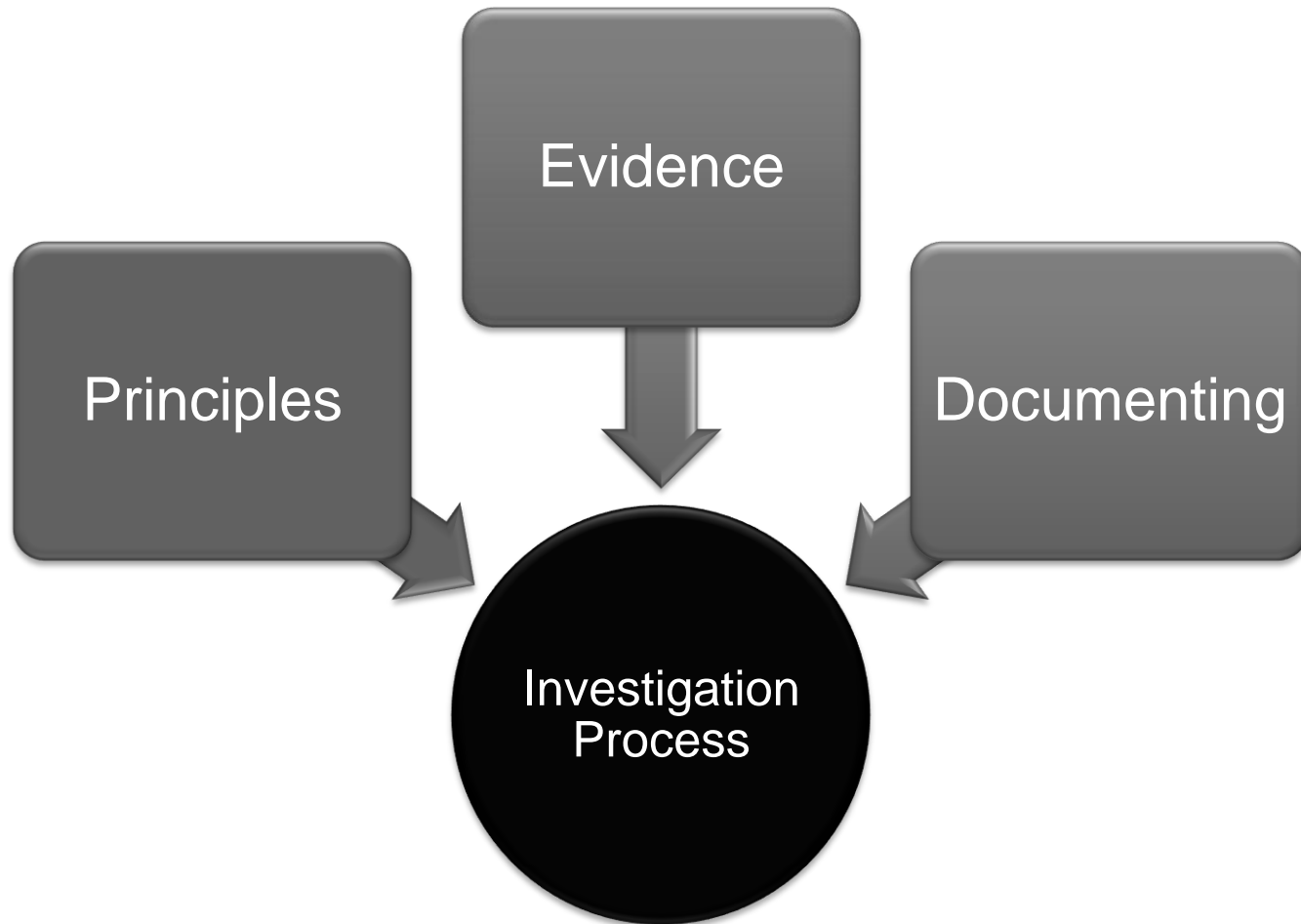
KEEP AN OPEN MIND, YOU NEVER KNOW WHERE EVIDENCE AND INTERVIEWS MAY TAKE YOU!



EXECUTION



EXECUTION



KEY PRINCIPLES OF AN INVESTIGATION



EVIDENCE

DOCUMENTARY

NON DOCUMENTARY

INTERNAL
DOCUMENTS

EXTERNAL
DOCUMENTS

FORENSIC EVIDENCE

INTERVIEW

STATEMENTS

DOCUMENTARY EVIDENCE

**THINK OF ONE
EXAMPLE OF
DOCUMENTARY
EVIDENCE.**



WHY DOCUMENT?

This will be the evidence used if the case is used in HR disciplinary procedures or is given to Police,

Remember, you are not the decision maker, you are the investigator- Someone else will need to read your report and consider the evidence in order to make an informed decision.

WHY DOCUMENT?

Also, for your own protection..... In court your actions will be considered and some civil claims can take several years to go through the system, could you remember a conversation you had four years ago?



INTERVIEW TIPS

Interview your suspects – It is NOT an interrogation !

Interviewing is a skill that is learnt over time,

Pointers

- Plan
- In the interview – Tell me Explain Describe
- After the interview - At the end of the interview inform the suspect what will happen next. Follow up on suspect responses

Record Witness Statements

- “I was, I saw, I did”



ALL EVIDENCE MUST BE:

1

•Secured

2

•Reliable

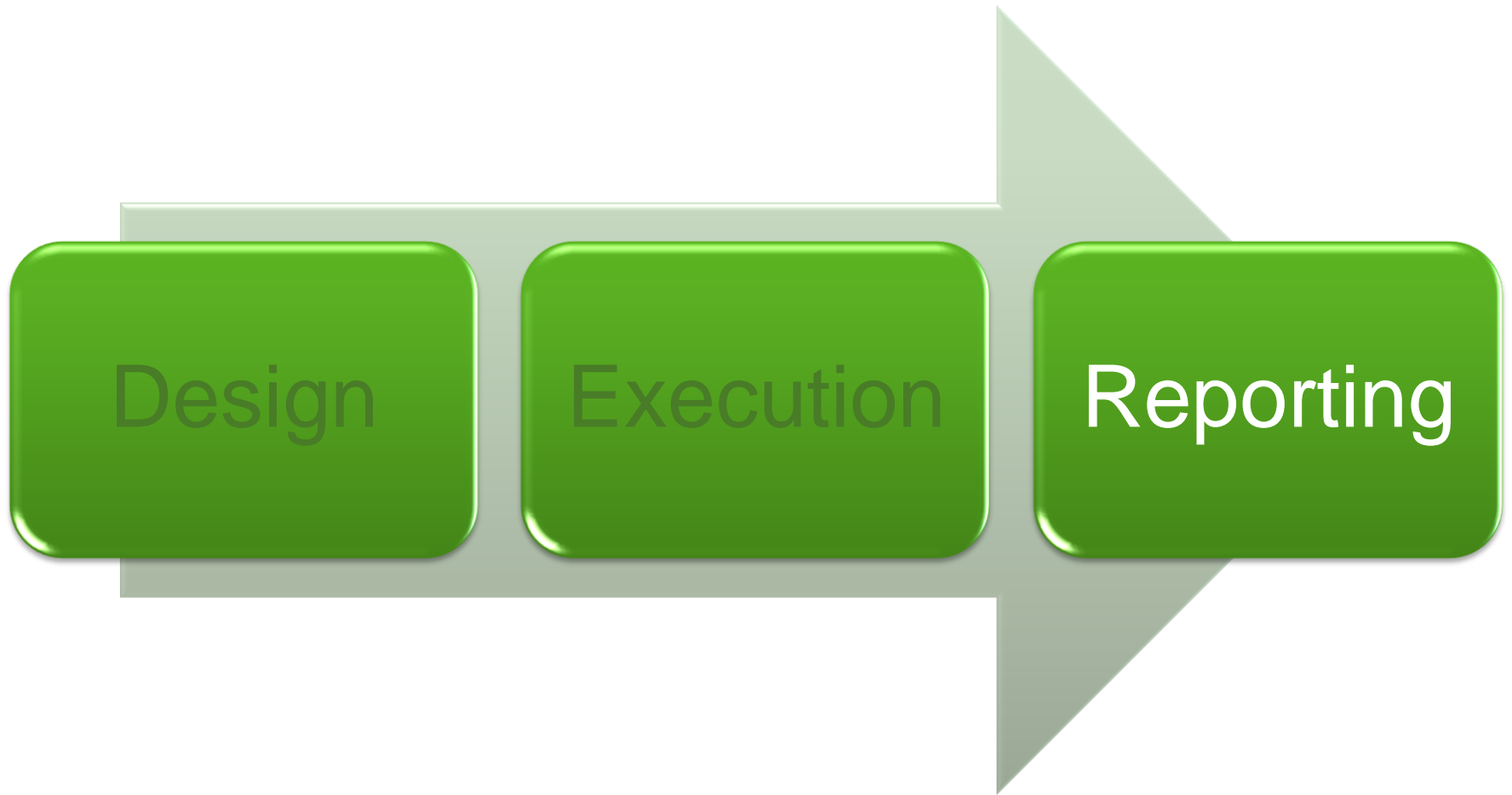
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•Documented

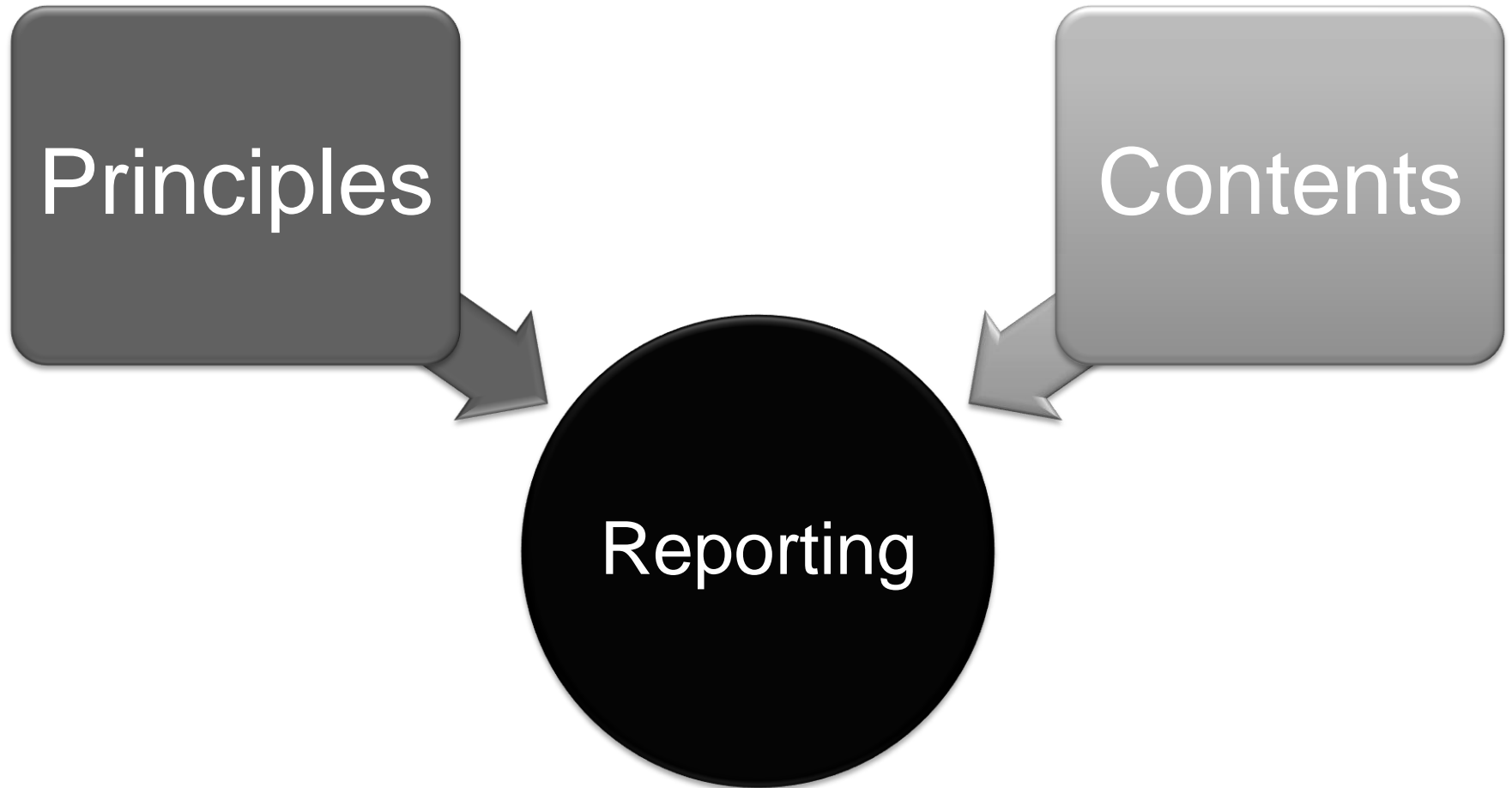
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•Disclosed

REPORTING



REPORTING



THE FINAL REPORT – PRINCIPLES

- Be specific

- Do not generalise
- Do not make value judgements
- Use dates, names, active language

*“Fraud in the office
is endemic...”*

*“Controls are
inadequate...”*

*“It is likely we have
been defrauded...”*

- Do not accuse anybody of fraud or theft

- Only a Court can say if something is fraud or theft
- Consequences: Libel/defamation, biasing the disciplinary hearing

- Only state things for which you can attest

WHAT GOES IN THE FINAL REPORT?

- Summarise:
 - The grounds for the investigation
 - What was the nature of the original suspicion that led to the investigation?
 - The work carried out in the investigation
 - Be specific. Reviews of which documents, from which periods?
Who was interviewed?
- Describe the evidence you have collected clearly
 - Only state things covered by interviews, witness statements or documentary evidence
 - State facts, do not generalise or summarise

WHAT GOES IN THE FINAL REPORT?

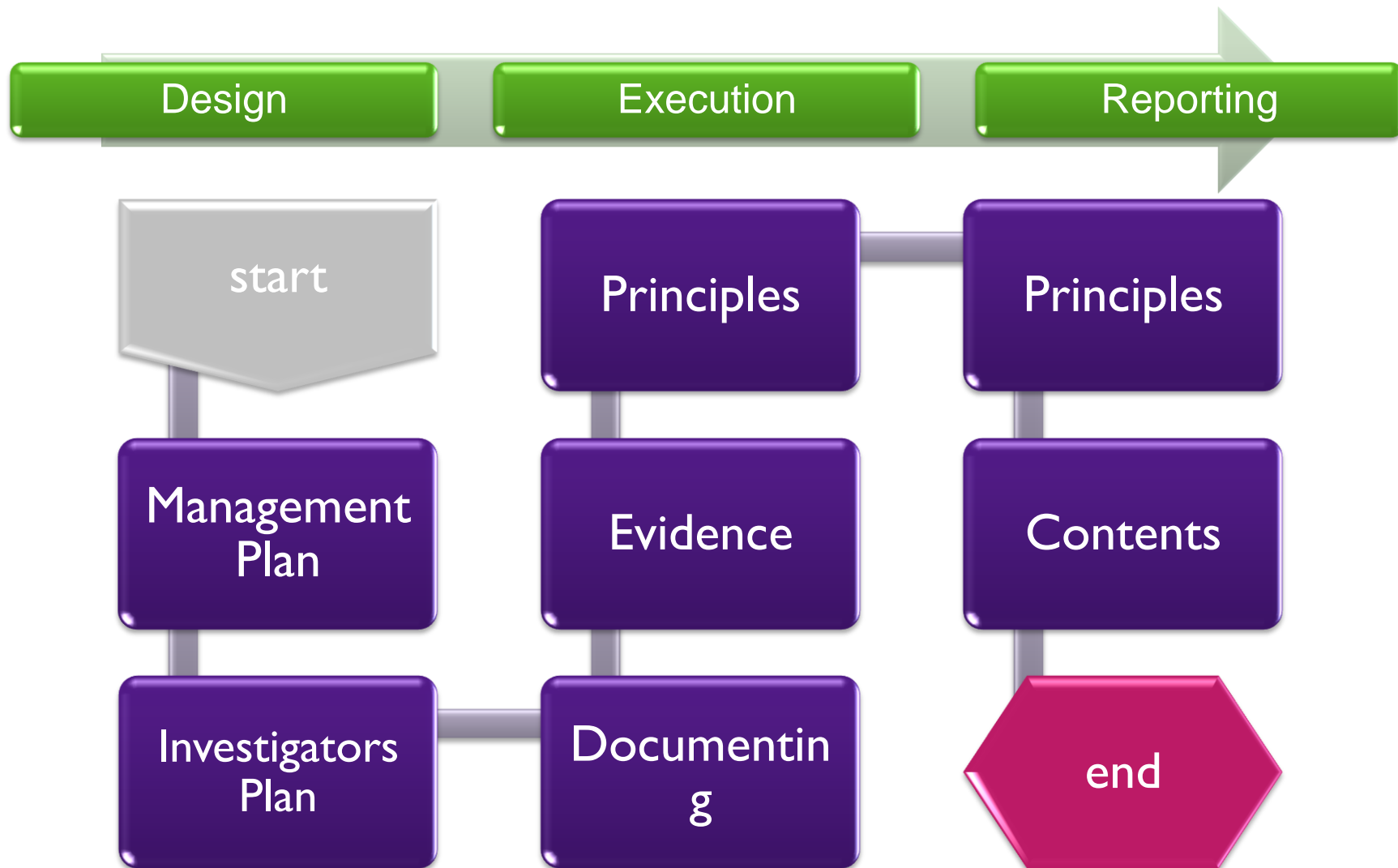
- Quantify the loss
 - How much money is *missing*?
 - How much money *can't we have full confidence in*?
- State remedial action
 - What lessons have we learned?
What (by whom) will be put in place to stop a repeat?
- Recommend onward action if appropriate
 - Referral to police or courts
 - Recommend a person attends a disciplinary hearing to give an account

MANAGEMENT RESPONSE

After the Investigation

- Talk to the investigator – seek clarity
 - Disciplinary hearing – Involve HR
 - Close the loopholes
 - Get learning points
 - Spread best practice
-
- Ask us for advice – no one knows it all







Presentation courtesy of Oxfam GB Counter Fraud Team



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