INTERIM INDEPENDENT AUDIT COMMITTEE
25 SEPTEMBER 2013

SUBJECT	**ANTI FRAUD AND CORRUPTION**
REPORT BY	**CHIEF EXECUTIVE & CHIEF FINANCE OFFICER**
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SUMMARY AND PURPOSE OF REPORT To review the PCC and Force's approach to anti-fraud and corruption.	
RECOMMENDATION	***That the approach is considered and noted.***

A. SUPPORTING INFORMATION

1. As agreed at the June meeting of the Interim Independent Audit Committee, Members are invited to review the Police and Crime Commissioner (PCC) and Force's approach to anti-fraud and corruption.

2. There are four main elements to the anti-fraud and corruption work that is carried out by the Office of the PCC (OPCC) and the Force. They are detailed below:

3. Anti-fraud and Corruption Policy

3.1 The aim of the policy is to prevent fraud and corruption within Lincolnshire Police and the OPCC. The policy will assist individuals and their line managers in ensuring that their decisions and actions are both legal and appropriate, and can therefore withstand review and scrutiny. The overall aim is to maintain the reputation and integrity of Lincolnshire Police and the PCC.

3.2 The anti-fraud and corruption policy is reviewed on an annual basis, it is approved by the Force's Head of Professional Standards and the PCC's Chief Executive. The latest policy that was reviewed and approved in May 2013 is attached at ***Appendix 1***. It is also published on the PCC's and Force's website.

4. Anti-fraud and Corruption Meetings

4.1 Since the Commissioner came into office in November 2012, representatives from the OPCC, the Force and Internal Audit have met on a quarterly basis to discuss the current and emerging risks and issues in relation to anti-fraud and corruption.

4.2 The meeting brings together the Internal Audit Manager, the Chief Finance Officer, the Head of the Professional Standards Unit, the Force Chief Finance Officer, the Research and Performance Officer and a representative from the

HR Department to discuss any issues or concerns, updates on relevant cases, best practice/lesson learned, new initiatives/actions for improvements, national issues and other significant risks. The Terms of Reference of the group are attached at ***Appendix 2***.

5. Audit Commission Annual Survey

5.1 Each year, the Audit Commission publishes a report on fraud and corruption in local government called 'Protecting the Public Purse' (PPP). The report gives details on amounts of detected fraud, warnings about emerging fraud risks and also provides examples of good practice. The report draws on the annual survey that organisations are requested to complete in May each year. The information from the survey feeds the PPP report and also the National Fraud Authority's annual assessment of the total value of fraud in the UK.

5.2 The survey is completed by the Force and OPCC and both work closely together. The Chief Finance Officer liaises with every head of department to confirm the cases of fraud, corruption, prosecutions and fidelity guarantee insurance. This is then cross checked with data from the Professional Standards Department.

5.3 The survey enables both the OPCC and Force to not only review cases but also to carry out a stock take of relevant policies and counter fraud and corruption activity. It also captures emerging risks and best practice.

6. Anti-Corruption Unit

6.1 The Force has a dedicated Anti-corruption unit within the Professional Standards Department. The Anti Corruption Unit investigates any allegations or suspected behaviour, which have or may lead to corrupt practise. Reports can be made via the confidential and untraceable email reporting facility or the Confidential Telephone Reporting Hotline. In addition, a quarterly newsletter is produced by the department which is shared internally with staff and officers to promote and raise awareness of anti-fraud and corruption issues.

6.2 "Steps have also been taken to raise awareness of the Force counter corruption strategy. This has been done through the creation of an e-learning package that covers topics such as information disclosure, gifts and hospitality, business interests and notifiable associations. The completion rate for this training currently stands at 75% and includes all police officers, police staff, and G4S staff. This training package has been recognised nationally as good practice"

Review

7. The Committee is invited to review the PCC and Force's approach to anti-fraud and corruption. Comments from Members of the Committee, External and Internal Auditors are welcomed on ways in which the process could be improved or on any examples of good practice.

B. FINANCIAL CONSIDERATIONS

The return for 2012/13 indicated that there were 2 cases of fraud, with a value of £190 and £8,658 respectively.

C. LEGAL AND HUMAN RIGHTS CONSIDERATIONS

None.

D. PERSONNEL, EQUAL OPPORTUNITIES AND DIVERSITY ISSUES (including any impact or issues relating to Children and Young People.)

No specific issues arising from this report. The policy applies equally to the PCC, OPCC, all Lincolnshire Police employees, commercial partners and all external persons with whom the PCC and Lincolnshire Police conduct business.

E. REVIEW ARRANGEMENTS

The Policy is reviewed on an annual basis. The substantive Audit Committee will determine the future review arrangements for anti-fraud and corruption.

F. RISK MANAGEMENT

Fraud and corruption can have a severe impact on the operation, status and reputation of the both the PCC and the Force. The anti-fraud and corruption policy and processes detailed in this report serve to mitigate the risks of abuse of position, fraud and corruption.

G. PUBLIC ACCESS TO INFORMATION

Information in this report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.