Agenda Item No.

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JOINT INDEPENDENT AUDIT COMMITTEE
27 July 2016

SUBJECT	REVIEW OF THE PCC AND FORCE'S APPROACH TO ANTI-FRAUD, CORRUPTION AND WHISTLEBLOWING
REPORT BY	CHIEF EXECUTIVE AND CHIEF CONSTABLE
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SUMMARY AND PURPOSE OF REPORT To review the PCC and Force's approach to anti-fraud, corruption and whistleblowing.	
RECOMMENDATION	That the approach is reviewed, considered and noted.

A. Supporting Information

1. This report covers the work that is carried out by the Force and the Office of the PCC (OPCC) in relation to anti-fraud, corruption and whistleblowing.

2. **Policies**

2.1 **The anti-fraud and corruption policy**
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.

2.2 The anti-fraud and corruption policy is reviewed on an annual basis. It is approved by the Deputy Chief Constable, the Force's Head of Professional Standards and the PCC's Chief Executive. The current version of the Policy is published on the PCC's and Force's websites. The policy was last reviewed and updated in June 2016 and members are invited to provide comment on the current version attached at **Appendix 1** of this report. This version of the policy is currently under review by the members of the Anti-fraud and corruption group. There is also a requirement to transfer the policy onto the new standard template, (applicable to all new / updated policies). This includes checking against national policy advisory guidance in the form of Authorised Professional Practice (APP). This guidance is developed and owned by the College of Policing (the professional body for policing). It is authorised by the College of Policing as the official and most up-to-date source of policing practice.

2.3 **Confidential Reporting (Whistle blowing) Policy**
The Commissioner is committed to the highest possible standards of openness, probity and accountability. In line with that commitment he expects officers and others that we deal with who have serious concerns about any aspect of the OPCC's work to come forward and voice those concerns.

2.4 The Confidential Reporting ('Whistle blowing') policy is intended to encourage and enable members of staff to raise serious concerns within the OPCC rather than overlooking a problem or "blowing the whistle" externally.

2.5 The Policy is published on the Commissioner's website and It is reviewed and monitored every two years by the Chief Executive/Monitoring Officer. The current policy is available at: https://lincolnshire-pcc.gov.uk/transparency/our-policies-and-procedures/confidential-reporting-whistleblowing-policy/ and it was last reviewed in July 2016.

2.6 The Force's current Professional Standards Reporting (Whistleblowing) policy PD48 is available on the Force website by following this link: https://www.lincs.police.uk/media/112946/professional-standards-reporting-whistleblowing-policy-pd-48.pdf This policy is reviewed annually, with the next review scheduled to take place in December 2017.

2.7 **Anti money laundering policy**
The Policy came into effect in April 2016 and is scheduled for review every two years, it can be found on the Force website at: https://www.lincs.police.uk/media/112933/money-laundering-policy-pd-220.pdf The aim of the policy is to ensure the PCCs compliance with anti-money laundering laws and regulations, to assist law enforcement in combating illegal money laundering and to minimise the risk of PCC resources being used for improper purposes. This policy serves to protect PCC and CC employees by making them aware of their personal obligations and to provide them with a mechanism to raise any concerns. Appendix 3 of the policy sets out procedures for how to deal with cash payments made to the PCC and funds flowing through the PCC from new sources.

3. Anti-Fraud and Corruption Group Meetings

3.1 Representatives from the OPCC, the Force and Internal Audit continue to meet on a quarterly basis to discuss the current and emerging risks and issues in relation to anti-fraud and corruption, in accordance with the meetings terms of reference. Since March 2016 actions arising from the quarterly anti-fraud and corruption meetings are now recorded on an action log administered by the RPO.

3.2 The meeting brings together the Internal Audit Manager, the PCC Chief Finance Officer, the Head of the Professional Standards Department (PSD), the Force Chief Finance Officer, the Deputy Chief Finance Officer, the Research and Performance Officer and representatives from the HR Department and Legal Services, to discuss any issues or concerns, updates on relevant cases, best practice/lessons learned, new initiatives/actions for improvements, national issues and other significant risks.

3.3 The PCC Chief Finance Officer attends the Confidential Risk Board and raises/discusses issues relating to fraud and corruption as required.

3.4 Key activity arising from the quarterly meetings since the April 2017 JIAC:

- The RPO has taken on the role of Liaison representing the Force/OPCC at the Lincolnshire Counter fraud partnership meetings. Members include Lincolnshire County Council (Including Assurance Lincolnshire) and the 7 district councils). The aim of the partnership group is to raise awareness of fraud, to share resources and expertise, and to pool intelligence. Although contact with the group has commenced and is ongoing the group meets quarterly, and the first meeting the RPO will attend is scheduled for September 2017.
- Fraud risk assessment review - One of the OPCC Interns has been tasked with conducting a fraud risk assessment across the key service areas provided by G4S incorporating; Financial Management, ICT, Custody, Human Resources, Force Control Room, and Criminal Justice Services. Constructing the scope and preparation for the review has been done in consultation with the head of the PSD and the Principal Investigator of the Counter Fraud & Investigations team at Lincolnshire County Council. The aim of the work is to map out the key areas of fraud risk across these service areas and to then identify the roles within those areas that are most at risk of potential involvement in fraudulent activity. The next step is then to look at how best to mitigate the risks identified in those areas. The work is due for completion by the end of July 2017 and although collation of findings and finalisation of the report are still ongoing early recommendations are emerging involving a mixture of targeted interventions and training, for example anti-fraud workshops involving those roles identified as being most at risk. Plus the creation of training materials again specific to the risk areas identified. The recommendations arising from this piece of work and the resulting actions will be reported to the next JIAC.

- Actions arising from the fraud and corruption perception survey (Mazars) are being progressed and are almost complete:
    - The RPO wrote an article highlighting the key findings of the survey, and the protection afforded to “whistle-blowers” - providing a reminder of how staff / officers can report suspicions of corrupt or fraudulent activity. This appeared in the recent edition of ‘The Standard’ – the PSD’s newsletter which includes information on ‘lessons learned’ and best practice and is available force-wide.
    - Two points on the action plan relate to communications to aid fraud awareness raising, these are likely to be rolled into the recommendations emerging from the risk assessment work as this will provide a more focussed approach to targeting those at most risk.
    - The action regarding repeating the Survey has temporarily been placed on hold pending the findings of the fraud risk assessment.
    - Mazars now provide the RPO with regular Fraud briefings (email) detailing the current trends in fraudulent activity.
    - Work is underway to identify Single points of contact (SPOCs) in each department across the organisation to receive intelligence relating to Fraud to ensure that any intelligence received can be effectively disseminated for appropriate action / awareness raising activity.

- The *‘serious and organised crime checklist self-assessment tool’* was received from the Home Office, it is being used to explore the threat from serious and organised crime to publicly procured services in local government. The force circulated a copy for completion by the appropriate

heads of department / leads. A completed copy has been placed on the group's agenda for discussion in September regarding any learning points / potential for further prevention activity.

4. **Anti-Corruption Unit (ACU)**

The Force has a dedicated Anti-corruption unit within the Professional Standards Department. The Anti-Corruption Unit (ACU) investigates any allegations of serious misconduct, criminality and corrupt behaviour. Reports of such unethical or corrupt activity can be made via the confidential two-way reporting web page 'Bad Apple' This web page, which is completely anonymous and untraceable allows staff from the Ant-Corruption Unit to converse with concerned individual members of the organisation who wish to report their information into suspected serious misconduct and corruption.

There is also available a confidential answerphone located securely within the ACU for telephone messages to be left.

A quarterly newsletter, The Standard, is produced by the Professional Standards Department. This is circulated internally with staff and officers to promote and raise awareness of anti-fraud and corruption issues. Furthermore, any emerging trends for example awareness over the potential risks linked to the use of social media and access to police information.

The ACU are committed to root out corruption across Lincolnshire Police and the objectives are:
• To maintain and protect the reputation and integrity of Lincolnshire Police and the wider policing community;

• To maintain public confidence in policing from a local and national perspective;

• To thoroughly investigate allegations of criminality and corruption against Lincolnshire Police Officers and staff with a view to proving or disproving these allegations;

• To secure sufficient evidence to support a prosecution against Lincolnshire Police Officers and Staff involved in criminality and corruption.

5. **HMIC Legitimacy Inspection (Annual PEEL Effectiveness inspection 2016).**

The most recent inspection report was published in December 2016 and identified 5 specific Areas for Improvement (AFIs). These were:

- The force should improve how it demonstrates that it has taken action to improve how it treats all the people it serves.
- Annually, the force should produce a local counter-corruption strategic assessment and control strategy, to identify risks to the force's integrity.
- The force should improve how it clarifies and reinforces standards of behaviour to its workforce, in particular when dealing with vulnerable people, including victims of domestic abuse.
- The force should review the capacity and capability of its Anti-Corruption Unit to ensure it can manage its work effectively.
- The force should improve how it manages individual performance.

These are all being managed and monitored via the HMIC Tracker which is presented to PCSB and JIAC on a quarterly basis. The tracker contains details of current activity / progress against all outstanding AFIs identified by HMIC.

B. Financial Considerations

None.

C. Legal and Human Rights Considerations

None.

D. Personnel, Equal Opportunities and Diversity Issues

(Including any impact or issues relating to Children & 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

Each of the policies referred to in this report contain a stipulated review date. The scheduled review dates for the OPCC and Force's approach to anti-fraud and corruption are set out in the JIAC's forward plan.

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