

**JOINT INDEPENDENT AUDIT COMMITTEE**  
**25 July 2018**

<b>SUBJECT</b>	<b>REVIEW OF THE PCC AND FORCE'S APPROACH TO ANTI-FRAUD, CORRUPTION AND WHISTLEBLOWING</b>
<b>REPORT BY</b>	<b>CHIEF EXECUTIVE AND CHIEF CONSTABLE</b>
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<b>SUMMARY AND PURPOSE OF REPORT</b>	
To review the PCC and Force's approach to anti-fraud, corruption and whistleblowing.	
<b>RECOMMENDATION</b>	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 policy is designed to help 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 has recently been reviewed and updated, in June 2018, and members are invited to provide comment on the draft version before final approval and publication, it is attached at **Appendix B** of this report. This version of the policy has been reviewed by members of the Anti-fraud and corruption group and entered into the updated policy template along with a refreshed equality impact assessment. This review process includes checking against national policing policy guidance ie Authorised Professional Practice (APP). This guidance is developed and owned by the College of Policing (the professional body for policing). It is authorised 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 (In his role as 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 February 2018.

2.6 The Force's 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 2018.

### **3. Anti money laundering policy**

3.1 The Policy is due for review in April 2019 and the current version 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.

### **4. Anti-Fraud and Corruption Group Meetings**

4.1 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. At the May 2018 meeting a formal work-plan was presented by the RPO and approved by the group to help regularise key elements of the groups work. The approved work plan is **attached as Appendix A to this report.**

4.2 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.

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

4.4 Key activity arising from the quarterly meetings since the February 2017 JIAC meeting include:

- The RPO has taken on the liaison role representing both the Force and OPCC at the Lincolnshire Counter Fraud Partnership (LCFP). Membership includes Lincolnshire County Council (LCC) - Including Assurance Lincolnshire and representatives of 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.
  - As part of this partnership the RPO has gained access to a bespoke online 'fraud awareness' training package, being used by LCC. This is currently being evaluated by the CFO for potential use by the force / OPCC.
  - The RPO is conducting research into fraud awareness materials generated by similar organisations and national providers of generic campaign materials that might be available for adaptation / adoption by the Force / OPCC. The aim being to utilise these materials as part of a wider fraud awareness initiative and to compliment internal communications already in use.
  - Membership of the LCFP has allowed the sharing of fraud intelligence regarding potential cyber-fraud attempted locally in council or associated organisations. These 'warnings' have been circulated quickly to potential target departments and to ICT for appropriate preventative action.
  - The RPO has arranged for a series of tailored briefings to be delivered across LCFP member organisations regarding Identity-fraud. Specialist officers in the Force will deliver the briefings providing key information and guidance on how to identify fake ID (including examples of fake documentation) and the resources available to those needing to check / confirm a persons' identity.
- Creation of a Fraud Risk Register – The RPO is to create a fraud risk register for the OPCC / Force. This will initially be focussed on finance and procurement functions. Preparatory research for the creation of the register has included consultation with members of the Anti-fraud and corruption group (specifically Including the head of the PSD / ACU and Internal Audit), and the FRPRO 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, identify risk owners and the existing controls. Each risk area identified will receive a 'risk score' (likelihood x impact) to provide a better picture of the overall fraud risk environment. This work will help to identify any gaps in the mitigation already in place and to draw up an action plan to address any areas of weakness identified. Following this initial piece of work the intention is to extend the fraud risk register to incorporate operational policing and to link into with the work already conducted by the PSD and their control strategy.

## 5. Anti-Corruption Unit (ACU)

5.1 Within the Lincolnshire Police Professional Standards Department there is a dedicated Anti-Corruption Unit headed by a Detective Inspector. This unit investigates allegations of serious misconduct, criminality and

corrupt behaviour. Staff are encouraged to report unethical or corrupt activity via their line managers, direct to the ACU or via the confidential reporting web page 'Bad Apple'. This web page is completely anonymous, however does allow staff from the ACU to converse with the author if they log into the system again to see the message from the ACU.

5.2 In 2017 the ACU completed a Strategic Assessment for the period 2017 / 2018. This assessment was based on the data that is compiled by the ACU on an annual basis for the National Crime Agency (NCA), in particular the data from 2016. Data from the last 3 years was also used to help identify longer term trends.

5.3 The assessment identified that the current five main strategic areas of concern are: Abuse of Authority for Sexual Gain; Inappropriate Associations; Theft and Fraud; Vulnerabilities and Misuse of systems.

5.4 In order to address these areas of concern the ACU have developed a control strategy for each of the areas of concern based on the PIER (Prevention, Intelligence, Enforcement and Resources) principles. Each strategic area has an appointed subject matter expert to oversee the implementation of the strategic priorities. The Control Strategy is available on the force intranet.

5.5 A major focus from the Department is to prevent fraud and corruption occurring in the first place and two sixty second video briefings have been produced in relation to notifiable associations and business interests. Further videos are being commissioned in relation to the other areas of the control strategy.

5.6 The Standard is a quarterly newsletter which is produced by Professional Standards Department and circulated to all staff to promote and raise awareness of lessons learnt both locally and nationally which includes anti-fraud and corruption advice.

5.7 In 2017 there was an increase in staffing for the ACU resulting in one extra Case Officer and a full time Analyst. The Department now consists of:

- 1 x Detective Inspector
- 1 x Detective Sergeant
- 1 x Detective Constable
- 3.57 x Case Officers
- 1 x Analyst

5.8 As part of the process of providing regular data to the NCA, the ACU continues to monitor corruption reporting thus identify any local emerging trends. The ACU also works closely with regional and national counterparts, as well as partner agencies, to discuss emerging trends and allowing the sharing of information.

5.9 So far the threats identified in the strategic assessment remain the same and are likely to do so for the foreseeable future, recognising however the greater vulnerability to our staff due to the increase in levels of debt which is reflected in the national trend for the population.

5.10 Emerging trends identified within Lincolnshire include challenges to being able to detect and investigate new types of corrupt practises. The use of new technologies and software means that there may be more opportunities for corrupt practices to take place in the workplace.

5.11 It has also been observed within Lincolnshire that a disproportionate number of officers involved in conduct matters are transferees from other forces. In some cases it was evident that the officer's previous force had been aware of similar issues involving the officer but had chosen not to share that with Lincolnshire. The information about this trend has been shared regionally and is being experienced nationally so more vigorous vetting procedures will be adopted by all forces.

## **6. HMICFRS Legitimacy Inspection (Annual PEEL inspection).**

6.1 The most recent inspection report was published in December 2017 and identified four Areas for Improvement (AFIs).

- The force should improve stop and search records to include sufficient reasonable grounds to ensure the lawful uses of the power are recorded.
- The force should ensure that additional assistance is offered routinely to people who wish to make a complaint and that the type and availability of information on how to make a complaint is reviewed, so that all members of the community can access the complaints process.
- The force should develop accessible arrangements through which ethical dilemmas can be discussed routinely and used by all officers and staff, and publish the results regularly.
- The force should review how senior management teams respond to and promote the benefits of wellbeing and should encourage the workforce to raise their concerns.

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

## **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 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.