

Police and Crime Commissioner for Lincolnshire and Lincolnshire Police



Joint Anti-Fraud & Corruption Strategy

2020 - 2022

Strategy Sponsor:	Office of Police and Crime Commissioner for Lincolnshire chief finance officer and deputy chief constable
Strategy Owner:	Superintendent – Professional Standards Department
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Version:	Date:	Reason For Issue:
1.0	May 2020	Introduce distinct Strategy separate from the existing policy document

Security Classification**Strategy to be published on Intranet: Yes****Strategy to be published on Force and PCC Website: Yes****1.0 Introduction**

- 1.1 Fraud and corruption can have a severe impact on the effective operation, status and reputation of an organisation, This is particularly true for the Office of the Police and Crime Commissioner for Lincolnshire (OPCC) and Lincolnshire Police, and will therefore be opposed at every opportunity.
- 1.2 The integrity of the force and the OPCC has a massive impact upon public confidence. In order to fully discharge their duties to the public and maintain legitimacy members of both organisations need to act within the principles of PRIDE (Professionalism, Respect, Integrity, Dedication and Empathy) and the national policing Code of Ethics.
- 1.3 The Bribery Act 2010, creates an obligation to have in place policies that ensure all transactions undertaken are carried out with integrity. The joint Anti-fraud and corruption policy (PD161) supporting this strategy outlines the standards expected and the responsibilities of senior management and employees for ensuring that appropriate actions are taken to prevent and detect fraud and corruption and the procedures to be followed where fraud or corruption is detected or suspected.
- 1.4 For the purposes of this strategy fraud and corruption are defined as follows:

Fraud: The intentional distortion of financial statements or other records and/or the misappropriation of assets or otherwise for gain. This may include: The use of a Force asset for personal gain e.g. the private use of a force vehicle; falsifying travel and subsistence claims, falsifying overtime or flexi claims, and obtaining employment through false qualifications.

Corruption: The offering, giving, soliciting or acceptance of an inducement or reward which may influence a person to act against the interests of the organisation, and can be simply described as 'the misuse of power for a private gain'. This may include: gifts and hospitality, inappropriate association, drugs misuse, computer misuse, abuse of position for a sexual purpose, pecuniary interests of the police and Chief Constable, PCC, Deputy PCC and staff, and disposal of assets.

1.5 These definitions apply to both internal fraud by police and staff and fraud committed on the force or OPCC by contractors or members of the public. This includes offering bribes or falsifying information to receive unwarranted payments.

1.6 The OPCC and force recognise that this strategy will continually evolve as their understanding of the potential threat from fraud and corruption develops. This strategy will be regularly reviewed and revised to ensure both the OPCC and force can ensure their resilience to fraud and corruption is maximised.

2.0 External Scrutiny

The need for an effective approach to anti-fraud and corruption is amplified by the high level of external scrutiny the force and OPCC are open to from a variety of bodies including:

- HMICFRS
- External Audit
- HM Revenue and Customs
- Internal Audit
- Local Communities
- The Media

3.0 Strategic Approach

The OPCC and the force are committed to an effective anti-fraud and corruption strategy. The purpose of this document is to set out the strategic approach to developing and maintaining management of fraud and corruption risk. Key strands of this strategy are:

- Honest culture
- Encourage prevention
- Learning lessons
- Promote detection and timely reporting
- A clear pathway for investigation
- Training
- Provide support and guidance for staff that may be in financial difficulty. (These staff members are at increased risk of fraudulent or corrupt practices).

Record Lincolnshire police and staff who have been subject of any County Court Judgements for example, those who have been declared bankrupt.

4.0 Guiding principles

This strategy is structured around the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice for managing the risk of fraud and corruption (2014), it consists of 5 principles:

- Acknowledge responsibility
 - The governing body should acknowledge its responsibility for ensuring that the risks associated with Fraud and corruption are managed across all parts of the organisation
- Identify risks
 - Fraud risk identification is essential to understand specific exposures to risk, changing patterns in fraud and corruption threats and the potential consequences to the organisation and its service users.
- Develop a strategy
 - An organisation needs a counter fraud strategy setting out its approach to managing its risks and defining responsibilities for action.
- Provide resources
 - The organisation should make arrangements for appropriate resources to support the counter fraud strategy.
- Take Action
 - The organisation should put in place the policies and procedures to support the counter fraud and corruption strategy and take action to prevent, detect and investigate fraud.

- 4.1 These principles define the governance and operational arrangements necessary for an effective counter fraud response. The force and OPCC adopted this code in 2015 and report on compliance with its principals within their Annual Governance Statements.

5.0 Assessment of risk

The Force and OPCC have in place a joint fraud risk register which details the specific risk of fraud across both organisations. Each area of risk is assessed and ranked to allow a picture of the level of potential exposure to fraud. This allows both the mitigation of those risks identified (and planning for those emerging) and the appropriate alignment of resources.

The fraud specific risk register is complementary to the departmental & organisational risk registers of the force and OPCC.

6.0 Awareness & training

Awareness of current and emerging risks and trends in anti-fraud and corruption is a vital aspect of the joint approach. A key element of this approach is the Anti-fraud and Corruption Steering Group (AFCSG). Their stated purpose is:

“to discuss the prevention of fraud and corruption, taking account of current and emerging risks and issues relating to counter-fraud, corruption and whistleblowing”.

The group meet quarterly and its stated functions and membership are listed within the Terms of Reference at **Appendix A** to this strategy:

The force and OPCC are members of the Lincolnshire Counter Fraud Partnership (LCFP). The partnership consists of the County Council and the 7 district councils. This partnership was established to create a framework for a county-wide anti-fraud approach, its key aims include sharing intelligence, expertise and best practice and the coordination of fraud awareness.

The PCC and Chief Constable are committed to working and co-operating with other organisations to prevent organised fraud and corruption. Wherever possible, the PCC and Chief Constable will be prepared to help and exchange information with other PCCs, forces and organisations to deal with fraud.

The OPCC and Force are committed to ensuring all employees are aware of their responsibilities with regard to preventing fraud and corruption. They jointly recognise that the continued success of their approach relies on adequate and appropriate guidance and training which will include both mandatory induction and regular refresher training particularly for those involved in internal control systems.

An anti-fraud and corruption communications plan is created annually and reviewed quarterly by the AFCSG, its aim is to raise awareness of the group’s activities and on current fraud and corruption issues.

7.0 Prevention

The OPCC and force recognise the most effective way to tackle fraud and corruption is to prevent it from occurring in the first place. Fraud by its very nature is hidden with actions being actively concealed therefore a strong anti-fraud & corruption culture is vital. To this end the Chief Constable and PCC are committed to maintaining a culture throughout their organisations of honesty, integrity and propriety with proactive opposition to fraud and corruption.

In addition, the Chief Constable and PCC will seek to develop their organisations working behaviours around the 7 “Nolan Principals” for public life as detailed in the Anti-fraud and corruption Policy (PD161) that supports this strategy.

There is an expectation and requirement that all individuals and organisations associated in any way with the PCC and Chief Constable will act with integrity and both will lead by example in these matters. All staff are positively encouraged to raise any concerns they may have as it is often the alertness of such individuals that enables detection to occur and the appropriate action to be taken against fraud or corruption. Concerns may be about something that:

- Is unlawful
- Is against the organisation’s Standing Orders or policies
- Falls below established standards or practices
- Results in waste or loss to the organisation
- Amounts to improper conduct.

8.0 Detection & Investigation

Despite all our efforts to prevent fraud and corruption occurring in the first place it is difficult to eradicate it completely. Therefore measures are in place to ensure inappropriate activity is detected and reported for further investigation at the earliest opportunity. The OPCC and Force have a fraud response plan contained within the Joint Anti-fraud and corruption Policy (PD161) it provides information on :

- Fraud indicators
- How to report suspected fraud
- Supporting Guidance and associated policies
- Confidential reporting / whistleblowing
- Individual responsibilities
- Sources of further information
- Investigation protocols
- G4S policing services - commitment & expectations
- Legal basis for fraud and corruption

Where appropriate the information provided within the plan is specific to each organisation.

9.0 Governance & oversight

This strategy will be formally reviewed annually with a current version being published on the force and OPCC websites and intranet along with associated policies and procedures.

Discussion of issues and actions relating to anti-fraud and corruption is incorporated into the governance framework and practices of both organisations. Below are the key means by which anti-fraud and corruption issues specifically are addressed:

- Anti-Fraud & Corruption Steering Group (AFCSG) – quarterly meetings (annual review of policy and quarterly reporting by exception)
- Force Risk Management Board (RMB) – quarterly meetings
- OPCC monthly management meetings – alternate months (with organisational risk register by exception)
- Finance team meetings – monthly (by exception)
- Joint Independent Audit Committee (JIAC) – Anti-fraud and corruption activity update & review of effectiveness of strategy, actions and resources (every 2 years). Plus Internal Audit related issues / actions arising.
- Professional Standards Governance Meeting – (Biannual covering officer and staff behaviour / trends).
- Internal Audit – ongoing review of anti-fraud and corruption related practices, policies, procedures and controls across both organisations.
- Fraud risk register points of contact (department or functional leads) – ongoing assessment of current and emerging fraud risks.

10.0 Conclusion

The OPCC and Force have put in place arrangements to protect themselves from fraud and corruption. However in a climate of continual economic and business change, fraud and corruption are an ever-present threat. They undermine our ability to police and commission services in a professional and cost effective way and can affect the way we utilise our finite resources.

Significant damage can be caused to our reputation by any of our employees being involved in fraud or corrupt practices or by the organisation falling victim to externally perpetrated fraud.

Neither the force nor the OPCC will tolerate fraud or corruption, whether they are perpetrated from inside or outside our organisations. Both will seek to apply all available sanctions, including civil, criminal and disciplinary in the case of fraud or corruption being identified.

11.0 **Other related documents / appendices**

- **Appendix A** - Anti-fraud and corruption steering group (AFCSG) meeting, terms of reference
- The joint Anti-fraud and corruption policy (PD161)
- Business Interests & Additional Employment Policy PD 23
- Gifts & Hospitality Policy PD 26
- Professional Standards Reporting (whistleblowing) PD 48
- OPCC Confidential reporting policy
- Anti-Money laundering Policy PD 220
- National Policing Code of Ethics.
- G4S:
 - Anti-bribery policy
 - Business ethics policy
 - Whistleblowing policy.

12.0 **Review of this strategy**

The Professional Standards Department is responsible for monitoring and reviewing this strategy annually in consultation with the attendees of the Anti-fraud & Corruption steering group to ensure its effectiveness. As part of each annual review, the strategy will be subject to approval by the Chief Executive of the OPCC, as this is a joint strategy.

NOTE: In addition, the Joint Independent Audit Committee (JIAC) will have an opportunity to review the strategy every 2 years, as part of their work plan.

5.1. **Who to contact about this strategy**

This strategy is owned by the head of the Professional Standards Department (PSD). Any enquiries about this strategy should be directed in the first instance to the PSD office manager (Tel:01522 947340) or the Research and Performance Officer in the Office of the Police and Crime Commissioner Tel 01522 947230.

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