

JOINT INDEPENDENT AUDIT COMMITTEE
26 January 2021

SUBJECT		REVIEW OF THE PCC'S AND FORCE'S APPROACH TO ANTI-FRAUD, CORRUPTION AND WHISTLEBLOWING
REPORT BY	CHIEF EXECUTIVE AND CHIEF CONSTABLE	
CONTACT OFFICERS	AUBREY WILLIAMS, RESEARCH AND PERFORMANCE OFFICER & D/Supt SUZANNE DAVIES TEL: 01522 947230	
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.	

1. Supporting Information

- 1.1 This report covers the work that is carried out by the Force and the OPCC in relation to anti-fraud, corruption and whistleblowing and any key developments since the JIAC's last review in July 2018.

2. Strategy

- 2.1 In May 2020 the force and OPCC published a newly created joint Anti-fraud and corruption strategy. Strategic elements had previously been contained within the policy and an internal audit of counter fraud in February 2020 had suggested that a separate strategy would aid clarity and visibility on the joint intent of the force and OPCC. The new strategy is **attached to this report at Appendix A**.

3. Policies

3.1 The anti-fraud and corruption policy

The joint 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 OPCC.

- 3.2 The joint anti-fraud and corruption policy is reviewed on a Bi-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

- 3.3 The joint policy has been reviewed by members of the Anti-fraud and corruption steering group and changes made to incorporate the revised police regulations in respect of complaints management and associated disciplinary procedures &

processes. The review also included 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) and is the official and most up-to-date source of policing practice.

3.4 In addition, elements of the joint policy were removed and placed into the newly created joint Anti-fraud and corruption strategy – to align with the observations made in the counter fraud internal audit conducted in February 2020.

3.5 The joint anti-fraud and corruption policy is attached at **Appendix B** to this report.

3.6 Confidential Reporting (Whistle blowing) Policies

The Commissioner and Chief Constable are committed to the highest possible standards of openness, probity and accountability. In line with that commitment both expects officers, Staff and others that we deal with who have serious concerns about any aspect of the OPCC's / Force's work to come forward and voice those concerns.

3.7 The OPCC's 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.

3.8 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 2020.

3.9 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 Bi-annually, with the next review scheduled to take place in July 2022.

4. Anti money laundering policy

4.1 The Policy is due for review in October 2021 and the current version can be found on the Force website at <https://www.lincs.police.uk/media/112933/anti-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.

5. Anti-Fraud and Corruption Steering Group (AFCSG) Meetings

5.1 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. The terms of reference for the group is **attached at Appendix C** to this report.

- 5.2 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, the force risk policy and review 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 any other significant related risks.
- 5.3 The PCC's Chief Finance Officer attends the Confidential Risk Board and raises/discusses issues relating to fraud and corruption as required as does the RPO who attends the Force's Risk Management Board.
- 5.4 Key activity arising from the quarterly meetings since the last review by the JIAC in July 2018 include:
 - 5.4.1 The RPO has maintained the liaison role representing both the Force and OPCC within 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.
 - 5.4.2 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.
 - 5.4.3 Development of the draft Fraud Risk Register – The RPO has created a joint fraud risk register for the OPCC / Force. Advice was sought from the LCFP on its content and construction. In February 2020 a counter fraud internal audit report was produced which contained a number of observations and recommendations. Progress against these have been managed and monitored by the AFCSG.
 - 5.4.4 The AFCSG routinely review the content of the counter fraud, corruption and whistleblowing related policies and strategy, in accordance with their annual workplan.

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

- 6.1 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 corruption. 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 if the author logs onto the system again to see any response from the ACU this allows further communication.
- 6.2 The ACU has recently completed a Strategic Assessment which analysed all Lincolnshire Police anti-corruption reports between 1st July 2019 and 30th June 2020. This assessment informs strategic leaders and ACU staff of the updated threats, informs corruption control strategies and identifies gaps and recommendations.
- 6.3 The assessment identified that the subject matter areas of concern that were identified in 2020, remain the same for 2021. These are vulnerability, misuse of systems, disclosure of Information and sexual misconduct (including abuse of position for sexual purpose).

- 6.4 In order to address these priorities, the ACU have developed a control strategy and appointed a subject matter expert to each area. These are regularly reviewed with the Head of Professional Standards and the Control Strategy is available on the force intranet.
- 6.5 A major focus from the Department is to prevent misconduct, fraud and corruption occurring in the first place. Sixty second video briefings have been produced for all of the control strategy priorities as well as covering gifts and hospitalities, notifiable associations and business interests. This is a simple but effective way to share the messages of prevention across the organisation. All misconduct findings are published on the intranet and internet as a deterrent to others.
- 6.6 The Standard is a quarterly newsletter which is produced by the 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.
- 6.7 The Head of Professional Standards has been working since early 2020 to seek an uplift of staffing within the department as there has been no increase since 2017 and there are insufficient case investigators within the ACU to proactively look for intelligence for the control strategy priorities and investigate misconduct. The team currently consists of:
- 1 x Detective Inspector
 - 1 x Detective Sergeant
 - 1 x Detective Constable
 - 1.57 Case Officers
 - 1x Analyst
- 6.8 As part of the process of providing regular data to the NCA, the ACU continues to monitor corruption reporting thus identifying 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.
- 6.9 The threats identified in the strategic assessment recognise the greater vulnerability of our staff due to the increase in levels of debt as well as increase in lone working and drifting staff due to the coronavirus pandemic. There is also a risk in relation to changes to force IT systems and a lack of ability to audit all systems, noting the transition from our current contractor, G4S, in March 2022.
- 6.10 It was previously recognised that a disproportionate number of officers under investigation for conduct matters were transferees from other forces. A new process has been established to ensure that all information from the officer's previous force is scrutinised by a panel before offering them a role within our Force and this has resulted in a reduction in misconduct investigations involving transferees.

7. HMICFRS PEEL Legitimacy Inspection results.

- 7.1 The most recent HMICFRS PEEL inspection report (2018) provides an overall grading of "Good" for the 'Legitimacy' element.
- 7.2 All areas for improvement (AFI) and recommendations contained within the PEEL report are monitored and managed via the HMICFRS Tracker which is reported to the JIAC on a quarterly basis. (The tracker contains details of current remedial activity / progress against all outstanding AFIs and recommendations.).

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.