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**SECTION 1 VERSION CONTROL**

Version No.	Date	Post Holder/Author	Post	Reason for Issue
1.0	November 12	Lisa Pearson	Office Manager	
2.0	April 16	Lisa Gilmour	Business Support Manager	Review

**SECTION 2 BACKGROUND**

Fraud and Corruption are an ever-present threat. They undermine our ability to police in a professional and cost effective way and may affect the way we utilise our finite resources. Neither the force nor the Office of the Police and Crime Commissioner will tolerate fraud or corruption in the administration of our responsibilities, whether they are 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.

The current world economic climate is putting pressure on our society and there is an ever-growing need to be robust in deterring and detecting fraud and corruption within the organisation. There is untold damage that can be caused to our reputation by any of our staff being involved in fraud or corrupt practices, as it can be seen by our public as a diversion of public funds for personal gain.

The introduction of The Bribery Act 2010, places an obligation on the organisation to have in place policies that ensure all transactions it undertakes are carried out with integrity.

Section 1 of The Fraud Act sets out provisions for a general offence of fraud. There are several new offences created, the main three being false representation, failure to disclose and abuse of position. The Act also creates new offences of obtaining services dishonestly and of possessing, making and supplying articles for use in fraud, as well as containing a new offence of fraudulent trading applicable to non-corporate traders.

Following an incident of serious fraud the policy will be reviewed in order to assess its effectiveness upon conclusion of any investigation by HR and/or external investigators.

**SECTION 3 AIMS / OBJECTIVES**

The aim of this policy is to clearly set out the anti fraud and corruption procedure. The anti fraud and corruption policy is designed to encourage prevention, promote detection and

identify a clear pathway for investigation of fraudulent and/or corrupt activities or behaviour.

This policy applies to staff within the Nottinghamshire Office of the Police and Crime Commissioner.

## SECTION 4 DETAILS

### 4.1 INTRODUCTION

Fraud and corruption can have a severe impact on the operation, status and reputation of an organisation, particularly the Nottinghamshire Office of the Police and Crime Commissioner (“the Office”) and its police service, and should be opposed at every opportunity.

In administering its responsibilities in relation to fraud and corruption, whether it is attempted on the Office or from within it, the Commissioner is committed to an effective fraud and corruption policy designed to:

- Encourage prevention;
- Promote detection; and
- Identify a clear pathway for investigation.

The Commissioner’s expectation on propriety and accountability is that all staff at all levels will lead by example in ensuring adherence to rules, and that all procedures and practices are above reproach.

The Commissioner also demands that individuals and organisations it comes into contact with will act towards the organisation with integrity and without thought or actions involving fraud or corruption.

### 4.2 DEFINITION OF FRAUD AND CORRUPTION

For the purposes of this policy, Fraud and Corruption have been defined as follows:

**Fraud** - any person who dishonestly makes a false representation to make a gain for himself or another or dishonestly fails to disclose to another person, information which he is under a legal duty to disclose, or commits fraud by abuse of position, including any offence as defined in the Fraud Act 2006.

**Fraud by false representation;** by dishonestly making a false representation intending by making the representation to make a gain for yourself or another, or to cause loss to another or expose another to risk of loss. A representation is false if it is untrue or misleading, and the person making it knows that it is, or might be, untrue or misleading. An example of this would be an staff submitting a false expense claim form for payment.

**Fraud by failing to disclose information;** by dishonestly failing to disclose to another person information which you are under a legal duty to disclose and intends, by failing to disclose the information, to make a gain for themselves or another, or to cause loss to another or expose another to the risk of loss. An example of this would be an staff

failing to disclose a criminal conviction that would affect their working practices.

**Fraud by abuse of position;** by occupying a position in which you are expected to safeguard, or not to act against, the financial interests of another person, and dishonestly abusing that position, intending, by means of the abuse of that position, to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss. An example of this would be a Finance Director diverting company monies from an employer's bank account into their own personal bank account.

**Bribery** - Giving (or offering) or receiving (or requesting) a financial or other advantage in connection with the improper performance of a position of trust, or a function that is expected to be performed impartially or in good faith.' (Bribery Act 2010)

### 4.3 ANTI-FRAUD AND CORRUPTION STRATEGY

This Anti-Fraud and Corruption Policy is based on a series of comprehensive and inter-related procedures that provide a framework to counter fraudulent activity. These include:

- Culture
- Prevention
- Detection and investigation
- Training

There is also a high level of external scrutiny of organisational affairs by a variety of bodies including:

- Her Majesty's Inspector of Constabulary (HMIC)
- HM Revenue and Customs
- Internal Audit and External Audit
- Local Communities
- The Media

Application of this policy applies to the Commissioner, Deputy Police and Crime Commissioner ("Deputy Commissioner") and all staff engaged in carrying out duties on behalf of the Commissioner. Detection, prevention and reporting of fraud and corruption is the responsibility of the Commissioner, Deputy Commissioner and staff within the Office. The Commissioner offers reassurance that any concerns will be treated in confidence and properly investigated without fear of reprisal or victimisation.

### 4.4 CULTURE

The Commissioner is committed to the elimination of fraud within the Commission, to the rigorous investigation of any such allegations and to taking appropriate action against those found guilty of committing such offences, including possible criminal prosecution, as well as undertaking steps to recover any loss as a result of fraud.

The Commission openly encourages all staff and all those connected with the organisation to come forward with any genuine concerns they may have.

There is an expectation and requirement that all individuals and organisations associated in any way with the Office of the Police and Crime Commissioner will act with integrity, and that Office staff at all levels will lead by example in these matters. They 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/internal controls
- Results in waste or loss to the organisation
- Amounts to improper conduct.

**Staff of the Police and Crime Commissioner:**

Staff have a duty to protect the assets of the Commissioner including information, goodwill and reputation, as well as property. All staff should be aware that fraud will normally, dependent upon the circumstances of the case, be regarded as gross misconduct thus warranting summary dismissal without previous warnings. However, no such action will be taken before a proper investigation and a disciplinary hearing having taken place. Such actions may be in addition to the possibility of criminal prosecution.

**Managers:**

Managers at all levels have a responsibility to ensure that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively. The responsibility for the prevention and detection of fraud therefore primarily rests with managers but requires the co-operation of all staff.

**The Chief Finance Officer:**

The Chief Finance Officer will, depending on the outcome of investigations (whether on an interim/on-going or a concluding basis) and/or the potential significance of suspicions that have been raised, inform the Commissioner, as may be deemed appropriate or necessary.

**The Chief Executive:**

The Chief Executive is responsible for following up any allegation or suspicion of fraud or corruption received and will do so through clearly defined procedures. These procedures are designed to:

- Deal promptly with the matter
- Record all evidence received
- Ensure that evidence is sound and adequately supported
- Ensure security of all evidence collected
- Notify relevant bodies
- Implement disciplinary procedures where appropriate.

If necessary, a route other than a normal line manager may be used to raise such issues. Examples of such routes are:

- Chief Finance Officer of the Office
- Chief Executive of the Office
- Staff Associations

There may be circumstances where a person may prefer to contact an external agency through the following contacts:

- Internal Audit
- Crimestoppers
- **Public Concern at Work** – An independent authority which seeks to ensure that **concerns** about malpractice are properly raised and addressed in the workplace

If a person decides to take the matter outside the organisation, they should ensure that they **do not** disclose 'Confidential' or 'Restricted' information.

The Public Interest Disclosure Act 1998 protects staff who report suspected fraud or corruption activities from any reprisals, as long as they meet the rules set out in the Act. Put simply, the rules for making a protected disclosure are:

- The information disclosed is made in good faith.
- The person making the disclosure must believe it to be substantially true.
- The person making the disclosure must not act maliciously or make false allegations.
- The person making the allegation must not be seeking any personal gain.

Under the Act, the designated officer required to receive disclosures is the Chief Executive.

Members of the public are also encouraged to report concerns through any of the above avenues.

Allegations/concerns can be made anonymously; however, it should be noted that such cases can be more difficult to investigate. The likelihood of action will depend on:

- The seriousness of issues raised
- Credibility of the concern
- Likelihood of confirming the allegation from attributable sources.

Senior management are responsible for following up any allegation of fraud and corruption received and will do so by:

- Dealing promptly with the matter;
- Recording all evidence received;
- Ensuring that evidence is sound and adequately supported;
- Ensuring security of all evidence collected;
- Notifying the relevant bodies; and
- Implementing internal disciplinary procedures where appropriate.

The Office can be expected to deal swiftly and thoroughly with any person(s) who attempts to defraud the organisation or who are corrupt and therefore should be considered as robust in dealing with financial malpractice.

#### **4.5 PREVENTION**

It is recognised that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff in terms of their propriety and integrity. Staff recruitment is therefore required to be in accordance with procedures laid down and in particular to obtain written references regarding known honesty and integrity of potential staff before employment offers are made.

The staff of the Office are expected to follow any Code of Conduct related to their personal professional qualifications and also abide by and Rules of Conduct as published. This policy and the role that appropriate staff are expected to play in the organisation's framework of internal control.

The Nolan Committee sets out the seven guiding principles that apply to people who serve the public. The Office will seek to develop its working behaviour around these principles.

The Commissioner, Deputy Commissioner and staff are also required to declare in a public Register any offers of gifts or hospitality which are in any way related to the performance of their duties in relation to the organisation. The Register will be held by the Chief Executive and made available to the public on request.

Significant emphasis has been placed on the thorough documentation of financial systems, and every effort is made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls. The adequacy and appropriateness of the organisation's financial systems is independently monitored by both Internal and External Audit. Senior management places great weight on being responsive to audit recommendations.

Arrangements are in place to continue to develop and encourage the exchange of information between the Office, police force and other agencies on national and local fraud and corruption activity in relation to local policing bodies and police forces.

#### **4.6 DETECTION AND INVESTIGATION**

The array of preventative systems, particularly internal control systems within the organisation, has been designed to provide indicators of any fraudulent activity, although generally they should be sufficient in themselves to deter fraud.

It is the responsibility of management to prevent and detect fraud and corruption. However, it is often the alertness of staff and the public that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may have been committed or is in progress.

Despite the best efforts of managers, supervisors and auditors, many frauds are often discovered by chance or 'tip-off', and the Commissioner has arrangements in place to enable such information to be properly dealt with.

Depending on the nature and anticipated extent of the allegations, the provider of the organisation's Internal Audit will normally work closely with the management and the investigating agency to ensure that all allegations, suspicions and evidence are properly investigated and reported upon.

The relevant misconduct/disciplinary procedure concerning the suspected individual will be initiated where the outcome of the Audit Investigation indicates improper behaviour. In addition, civil legal action may be taken for the recovery of money or property misappropriated from the organisation.

All managers and supervisors should ensure that controls are in place to prevent and detect fraud and error. There is a need to be aware of the possibility of fraud when reviewing or presented with, for example, claims, forms, and documentation. Issues that may give rise to suspicions or allegations are:

- Documents that have been altered, use of correction fluid, or different pens and different handwriting.
- Claims that cannot be checked, particularly if prior authorisation was not given.
- Confused, illegible text and missing details.
- Delays in documentation completion or submission.
- Lack of vouchers or receipts to support claims.

#### **4.7 TRAINING**

The organisation recognises that the continuing success of its Anti-Fraud and Corruption Policy and its general credibility will depend largely on the effectiveness of programmed training and the responsiveness of the Commissioner, Deputy Commissioner and of staff throughout the organisation.

To facilitate this, the Commissioner supports the concept of induction and training, particularly for staff involved in internal control systems, to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced.

The possibility of disciplinary action against staff who ignore such training and guidance is made clear.

#### **4.8 CONCLUSION**

The Commissioner has in place a clear network of systems and procedures to assist in maintaining the high standards of conduct it has always achieved. It is determined that these arrangements will keep pace with any future developments in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation.

To this end, the organisation maintains a continuous overview of such arrangements through, in particular, its Chief Finance Officer and Chief Executive,



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through Standing Orders and Financial Regulations, Codes of Conduct and Accounting Instructions, and via Internal and External Audit arrangements.

This Policy Statement will be subject to review to reflect any amendments to the Office rules, or changes in legislation and working practices.

## **SECTION 5 LEGISLATIVE COMPLIANCE**

This document has been drafted to comply with the general and specific duties in the Race Relations (Amendment) Act 2000, Data Protection, Freedom of Information Act, European Convention of Human Rights and other legislation relevant to the area of policing such as, Employment Act 2002, Equality Act 2010, Sex Discrimination Act 1975 and Employment Relations Act 1999.

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