

ANTI FRAUD AND CORRUPTION STRATEGY

1. INTRODUCTION

This statement has been prepared in response to the recommendations contained in the Audit Commission document "Protecting the Public Purse – Ensuring Financial Probity in Local Government 2001 Update, Promoting Good Governance."

- (i) In administering its responsibilities in relation to fraud and corruption, whether it is attempted on the OPCC and/or the Force or from within, the PCC and Chief Constable are committed to an effective Anti-Fraud and Corruption Strategy designed to:
 - Encourage prevention;
 - Promote detection; and
 - Identify a clear pathway for investigation.
- (ii) The expectations regarding propriety and accountability is that the PCC, the Chief Constable and staff at all levels will lead by example in ensuring adherence to rules, and that all procedures and practices are above reproach.
- (iii) The PCC and the Chief Constable also demand that individuals and organisations that they come into contact with will act towards them with integrity and without thought or actions involving fraud or corruption.
- (iv) This Anti-Fraud and Corruption Strategy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent or corrupt act. These cover:-
 - Culture (Section 2);
 - Prevention (Section 3);
 - Detection and Investigation (Section 4); and
 - Training (Section 5)
- (v) The PCC and the Chief Constable are also aware of the high degree of external scrutiny of its affairs by a variety of bodies including:-
 - Her Majesty's Inspector of Constabulary
 - Internal Audit
 - HM Customs and Excise
 - Inland Revenue
 - The General Public
 - The Audit Commission

2. CULTURE

- (i) The PCC and the Chief Constable are determined that the culture and tone of these organisations are ones of honesty and opposition to fraud and corruption.

- (ii) There is an expectation and requirement that all individuals and organisations associated in whatever way with the Force and the OPCC will act with integrity, and that PCC and the Chief Constable and staff at all levels will lead by example in these matters.
- (iii) The PCC, the Chief Constable and their staff are important in the stance on fraud and corruption and they are positively encouraged to raise any concerns that they may have on these issues where they are associated with the activities of the Force and the OPCC. Concerns may be about something that:
 - Is unlawful
 - Is against the PCC's Standing Orders, Financial Regulations or policies
 - Falls below established standards or practices
 - Results in waste or loss to the PCC
 - Amounts to improper conduct
- (iv) Staff can do this in the knowledge that such concerns will be treated in confidence, properly investigated and without fear of reprisal and victimisation. If necessary, a route other than their normal line manager may be used to raise such issues. Examples of such routes are:
 - Chief Constable's Direct Line (01482 578204)
 - The PCCCFO (01482 220785)
 - Audit Manager (01924 294066)
 - Bad Apple Messenger on the Force Intranet
 - The PCC (01482 220787)
 - Audit Commission Fraud Hotline (0207 630 1019)
 - Public Concern at Work; Independent charity offering free advice on fraud or other issues of malpractice (020 7404 6609)
- (v) The Public Interest Disclosure Act 1988 protects employees, who report suspected fraud or corruption activities, from any reprisals as long as they meet the rules set out in the Act.

In simple terms 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.

The designated officer required under the Act to receive disclosures is the PCCCFO.

- (vi) Members of the public are also encouraged to report concerns through any of the above avenues.
- (vii) 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.
- (viii) 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 PCCCFO, and implementing disciplinary procedures where appropriate.
- (ix) The PCC and the Chief Constable can be expected to deal swiftly and thoroughly with any member of staff who attempts to defraud the Force or the OPCC or who are corrupt. The PCC and the Chief Constable should be considered as robust in dealing with financial malpractice.

3. PREVENTION

- (i) The PCC and the Chief Constable recognise 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 by the Chief Executive and Chief Constable and in particular to obtain written references regarding known honesty and integrity of potential staff before employment offers are made.
- (ii) All employees are expected to follow any Code of Conduct related to their personal professional qualifications and also to abide by the published Rules of Conduct. This code and the role that appropriate staff are expected to play in the Corporate Governance framework and systems of internal control will be featured in staff induction procedures.
- (iii) The PCC and DPCC are required to adhere to the Code of Conduct relating to the declarations of interests. Staff are also required to declare pecuniary interests.
- (iv) The PCC, Chief Constable and all staff are 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.
- (v) 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 Force and the OPCC's financial systems is independently monitored by both Internal Audit and External Audit. Senior management place great weight on being responsive to audit recommendations.
- (vi) The Independent Audit Committee provides an independent and objective view of internal control by receiving and considering audit plans, reports and management letters and reports as appropriate to the PCC.

- (vii) As part of the prevention approach the PCC and the Chief Constable will participate in National Fraud Initiatives organised by the Audit Commission. The Audit Commission and External Audit will also assist in prevention with the issue of warning bulletins and outcomes from surveys on fraud and corruption.

4. DETECTION AND INVESTIGATION

- (i) The array of preventative systems, particularly internal control systems within the Force and the OPCC, has been designed to provide indicators of any fraudulent activity, although generally they should be sufficient in themselves to deter fraud.
- (ii) It is often the alertness of staff and the public to such indicators that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.
- (iii) Despite the best efforts of financial managers and auditors, many frauds are discovered by chance or 'tip off', and arrangements are in place to enable such information to be properly dealt with.
- (iv) Depending on the nature and anticipated extent of the allegations, the Internal Audit will normally work closely with management and other agencies such as the police to ensure that all allegations and evidence is properly investigated and reported upon.
- (v) The Force and the OPCC's Disciplinary Procedures will be used where the outcome of the Audit Investigation indicates improper behaviours.
- (vi) The PCC and the Chief Constable will normally wish the police to prepare a case for the CPS regarding the prosecution of offenders where financial impropriety is discovered.

5. TRAINING

- (i) The PCC and the Chief Constable recognise that the continuing success of its Anti-Fraud and Corruption Strategy and its general credibility will depend largely on the effectiveness of programmed training and responsiveness of staff throughout the organisation.
- (ii) To facilitate this, the PCC and the Chief Constable support 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.
- (iii) The possibility of disciplinary action against staff who ignore such training and guidance is clear.

6. CONCLUSION

- (i) The PCC and the Chief Constable have in place clear networks of systems and procedures to assist it in the fight against fraud and corruption. 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.

- (ii) To this end, a continuous overview of such arrangements, in particular, by the PCCCFO, through the Head of Audit and External Auditor and in Force via the Finance Unit and Professional Standards.