



Warwickshire
POLICE AUTHORITY

The authority behind the force

Authority Anti-Fraud and Anti-Corruption Strategy

May 2008

Introduction

The Authority is committed to ensuring that any opportunity for fraud and corruption is minimised. Where fraud, corruption or related problems do occur, the Authority will deal with them in a firm and controlled manner. Under Financial Regulations, Internal Audit is responsible for receiving information in relation to all suspected irregularities.

The Anti-Fraud and Anti-Corruption Strategy sets out the Authority's approach to the serious issues of fraud and corruption. Definitions of fraud and corruption are provided in Appendix 1.

The Authority requires all members, officers, consultants and contractors to act in a fair and honest way, and to provide any assistance, information and support necessary to deal with fraud and corruption.

This document includes a Fraud Response Plan which provides more detailed guidance on how to deal with fraud and corruption. The strategy itself covers the following areas:

- Authority/Force policies and procedures
- Required levels of behaviour
- Preventing fraud and corruption
- Detecting and investigating fraud and corruption
- Awareness and training

This strategy should provide assurances that appropriate corporate governance arrangements are in place to tackle suspected irregularities within Warwickshire Police Authority.

Authority Policies and Procedures

The Authority has a number of interrelated policies and procedures that provide a framework to counter fraudulent activity. These are an important part of the internal control process and it is important that all members and officers are familiar with them.

The most important are as follows:

- Contract Standing Orders
- Financial Regulations
- Codes of Conduct for Members and staff of the Police Authority
- Conditions of Service
- Recruitment and Selection Procedures
- Procurement Strategy
- Disciplinary Procedures

The Chief Executive must ensure that all Members and officers have access to these rules and regulations and receive suitable training.

Members and officers must ensure that they read and understand the rules and regulations that apply to them, and act in accordance with them.

Contravention of these rules and regulations may lead to formal action being taken against the parties concerned. This may include dismissal in respect of officers. In relation to members, it is the responsibility of the Monitoring Officer to report relevant matters to the Standards Committee.

Required Levels of Behaviour

The Authority requires everyone associated with it to be honest and fair in their dealings. Members and officers have an important part to play in dealing with fraud and corruption and are expected to lead by example in these matters.

The Code of Conduct for Members sets out an approach to work that is both honest and fair. Members must act in line with the Code at all times. Similarly, upon agreement, officers will be expected to act in line with a Code of Conduct.

The Authority will deal with all information fairly and confidentially and will endeavour not to reveal the names of the people who provided the information. The Fraud Response Plan in Appendix 1 gives more advice on this issue.

The Nolan Committee sets out the seven guiding principles that apply to people who serve the public. The Authority will develop its working behaviour around these principles, which are set out in Appendix 2.

Senior Officers are expected to deal firmly and quickly with anyone involved in, or suspected of fraud or corruption. The Treasurer and the Monitoring Officer, in consultation with the Internal Audit Manager and the Chief Executive, will decide how to proceed if irregularities are suspected.

Senior Officers are also responsible for:

- Applying adequate controls to prevent fraud
- Having processes in place to detect fraud
- Dealing effectively and promptly with issues raised by officers (including taking appropriate action to deal with reported or suspected fraudulent activity)

As part of the Authority's overall arrangements to deter the occurrence of irregularities, Internal Audit will:

- Review systems and highlight control weaknesses which could increase the possibility of irregularities
- Carry out sample testing on transactions
- Act as a visible deterrent while carrying out the whole range of audit duties
- Use data retrieval techniques to identify possible instances of financial irregularity
- Investigate cases of suspected irregularity and liaise with management to recommend changes in procedures to prevent further losses to the Authority
- Liaise with the Chief Executive, the Treasurer and the Monitoring Officer to review the reporting of all suspected irregularities

Preventing Fraud and Corruption

The Authority recognises that fraud and corruption can be costly, in terms of both financial loss and reputational risk. The prevention of fraud and corruption is therefore a key objective.

Clear rules and procedures and sound controls with prevention of irregularities as a main objective are the most efficient and effective way of ensuring that such irregularities are kept to a minimum. These include the main Authority policies set out above.

Senior Officers must ensure that suitable levels of internal check are included in working procedures, particularly financial procedures. Management should be aware of any situation or pattern of transactions which may give rise to the suspicion of fraudulent activities, such as:

- Unusual accounting entries
- Unexpected budget/overtime variances
- Lack of separation of duties, particularly any temporary arrangements
- Frequent delays in banking
- Altered or missing documents
- Officers who regularly fail to take annual leave

This list is not exhaustive.

In particular, it is important that duties are organised so that no one person can carry out a complete transaction without some form of check being built into the process.

The Authority recognises that a key preventative measure in the fight against fraud and corruption takes effect at the staff recruitment stage. The taking up of references, including vetting checks is an essential control in establishing, as far as possible, the honesty and integrity of potential officers, whether for permanent or temporary posts. The Recruitment and Selection procedures contain detailed guidance which must be followed in connection with securing references.

The Authority is committed to working and co-operating with other organisations to prevent organised fraud and corruption. Wherever possible, the Authority will be prepared to exchange information with other Police Authorities and organisations to deal with fraud.

Internal Audit will ensure that details of reporting facilities are widely published to the public, members and officers, and that all information received is dealt with appropriately.

Detecting and Investigating Fraud and Corruption

This section should be read in conjunction with the Fraud Response Plan (Appendix 1)

The Authority's strategy on fraud and corruption is to;

- Deter it in the first place
- Detect it quickly

- Investigate it efficiently
- Prosecute offenders where appropriate
- Recover assets/income of the Authority

Officers must report any suspected cases of fraud and corruption to the Authority's Internal Audit Section. Reporting cases in this way is essential to the anti-fraud and anti-corruption strategy and ensures that:

- Suspected cases of fraud and corruption are properly investigated
- The fraud response plan is properly carried out
- There is a standard process for dealing with all suspected cases of fraud and corruption
- People and interests are protected.

The Authority's Whistleblowing Policy is intended to encourage and enable officers to raise concerns. Officers reporting concerns in this way are afforded certain rights through legislation (Public Interest Disclosure Act 1998).

Internal Audit will work with the Treasurer, the Monitoring Officer and Chief Executive to decide on the type and course of the investigation. This will include referring cases to the Standards Committee where necessary.

This process will apply to all the following cases;

- internal fraud/corruption
- other fraud/corruption by officers
- fraud by contractors' employees
- external fraud (the public)

Any suspected fraud by members will be dealt with under the Members' Code of Conduct and in accordance with relevant legislative provision.

External Audit also have powers to request or carry out an investigation into fraud and corruption.

The Authority's policy is to prosecute offenders and undertake disciplinary procedures where appropriate. This procedure does not supersede other internal disciplinary codes implemented by the Authority/Force and internal offenders will be liable to general disciplinary procedures as well as prosecution.

The recovery of defrauded money will be an essential part of the strategy in order to ensure that fraud does not pay, whatever the legal outcome of the investigation.

Awareness and Training

The Authority recognises that the success of this strategy and its general credibility will depend in part on the effectiveness of programmed training and an awareness of members and officers throughout the Authority.

The Authority supports training for officers who are involved in, or managing, internal control systems. The Authority is also committed to training and developing officers who are involved in investigating fraud and corruption and suitable training will be provided.

Full copies of this strategy will be circulated throughout the Authority.

Conclusion

The Authority is committed to tackling fraud and corruption whenever it happens. Our response will be effective and organised and will rely on the principles included in this document.

This strategy will be reviewed annually to reflect any amendments to Authority rules or changes in legislation and working practices.

Fraud Response Plan

Introduction

The Authority is committed to the highest possible standards of openness, probity and accountability in its affairs. It is determined to develop opposition to fraud and corruption.

In line with that commitment, the Authority's Anti-Fraud and Anti-Corruption Strategy outlines the principles we are committed to in preventing, reporting and managing fraud and corruption.

This Fraud Response Plan reinforces the Authority's robust approach by setting out ways in which officers or members of the public can voice their concerns about suspected fraud and corruption.

What does the Authority need to know about?

This Plan is to be implemented where suspicions of fraud, corruption or irregularity have been raised.

Concerns must be raised when members or officers reasonably believe that one or more of the following has occurred, is in the process of occurring or is likely to occur:

- a criminal offence
- a failure to comply with a statutory or legal obligation
- improper unauthorised use of public or other funds

Financial irregularities usually fall within the following broad categories, which are criminal matters, and are normally for the purpose of personal gain or causing loss.

Theft	the dishonest taking of property belonging to another person or organisation with the intention of depriving the owner permanently of its possession.
Fraud	the intentional distortion of financial statements or other records by persons internal or external to the Authority, carried out to conceal the misappropriation of assets or otherwise for gain.
Corruption	the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.

In addition, failure to observe or breach of Contract Standing Orders or Financial Standing Orders can in some circumstances constitute an irregularity with potential significant financial consequences.

Potential fraudulent or corrupt acts may include:

Systems Issues	ie where a process/system exists which is prone to abuse by either officers or public (eg claims)
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Financial Issues	ie where individuals or companies have fraudulently obtained money from the Authority (eg invalid invoices/work not undertaken)
Equipment Issues	ie where Authority equipment is used for personal use (eg personal use of computer equipment)
Resource Issues	ie where there is a misuse of resources (eg theft of cash/assets)
Other Issues	ie activities undertaken by officers of the Authority which may be: <ul style="list-style-type: none"> ➤ Unlawful ➤ Against the Authority's Standing Orders or policies ➤ Below established standards or practices ➤ Improper (eg receiving unapproved hospitality)

This is not an exhaustive list. If you are in any doubt about the seriousness of your concern, advice and guidance can be obtained from Internal Audit.

Safeguards

It is never easy to report a concern, particularly one which may turn out to involve fraud or corruption. Concerned officers will be supported and protected from reprisals and every attempt made to respect confidentiality.

If the person referring a potential irregularity wishes to remain anonymous, then this request will be respected as far as is possible.

The Authority welcomes all genuine referrals, even if after investigation they prove to be without foundation. Managers should be responsive to staff concerns and treat such concerns seriously and sensitively. However, malicious allegations are regarded as a serious matter and may result in disciplinary action being taken.

What should an Officer do if they suspect Fraud or Corruption

The Authority's Whistleblowing Policy is intended to encourage and enable staff to raise concerns within the organisation, rather than overlooking a problem or "blowing the whistle" to the media or other external bodies.

Officers should not be afraid of raising concerns but should not approach or accuse any individual directly or try to investigate the matter themselves. In the first instance, officers should refer their suspicions to their manager, unless the manager is suspected of being involved, in which case Internal Audit should be informed.

The officer to whom the concern has been raised should note all relevant details and obtain as much information as possible from the reporting officer, including any notes made by the officer. As soon as the officer to whom the concern has been raised is satisfied that there is a potential irregularity, then Internal Audit should be informed.

Officers should report all reasonable suspicions promptly as any delays may cause the Authority to suffer further financial losses.

Concerns are better raised in writing. The background and history of the concern, giving names, dates and places where possible, should be set out together with the reason why the individual is particularly concerned about the situation. Those who do not feel able to put their concern in writing can telephone or meet the appropriate officer.

Individuals may invite their Staff Association or Trade Union to raise a matter on their behalf.

Officers may therefore report a concern relating to a suspected irregularity to one of the following:

- Line management
- Police Authority Internal Audit
- Police Authority Monitoring Officer

How will allegations of Fraud or Corruption be dealt with by the Authority?

The approach to each allegation will depend on the financial value, sensitivity and frequency of similar occurrences. Matters may be investigated by Internal Audit or be referred to the Standards Committee.

In those instances where a contact name has been provided, Internal Audit will contact the complainant to acknowledge the receipt of the concern within 10 working days of a concern being received.

The Authority accepts that those people who reported the alleged fraud or corruption need to be assured that the matter has been properly addressed. Therefore, subject to legal constraints, they will receive information about the outcomes of any investigation.

Alternative Methods for taking a Complaint forward

If either a member of the public or an officer considers it appropriate to take the matter forward outside of these processes, the following are possible contacts:

- **A Police Authority Member** – members details are contained in the Warwickshire Police Authority website
- **External Audit** – which is the organisation appointed to scrutinise the Authority's finances and performance. By law, the external auditor must be completely independent of the Authority.
- **A Staff Association** – officers may invite their representative to raise a matter on their behalf.
- **Public concern at work** – this is a charity which provides free and strictly confidential legal help to anyone concerned about a malpractice which threatens the public interest. They operate a helpline on 020 7404 6609 or can be e-mailed at whistle@pcaw.co.uk

Appendix 2

The Seven Principles of Public Life (Nolan Committee)

Selflessness

Holders of public office take decisions in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in their performance of the official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts or recommending individuals for rewards or benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.