

Cambridgeshire Police Authority

Anti-Fraud and Anti-Corruption Strategy



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Note:

The word 'Employee(s)' used throughout this document means Police Officers, Volunteers (e.g. Special Constables) and Local Government Officers (Police Staff and Police Authority Staff).

'Member(s)' means member(s) of the Cambridgeshire Police Authority.

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1. INTRODUCTION

- 1.1 The Authority is committed to the highest possible standards of openness, probity and accountability in its affairs and 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.
- 1.2 Key to this is the Anti-Fraud and Anti-Corruption Strategy, which sets out the Authority's approach to the serious issues of fraud and corruption.
- 1.3 The Authority requires all members, employees, 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.
- 1.4 The Strategy 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

2. DEFINITIONS

Fraud

- 2.1 The Fraud Act 2006 introduces provision for a general offence of fraud which is separated into three sections;
 - a) Fraud by false representation.
Representation must be made dishonestly, and is made with intention of making a gain or causing a loss or risk of loss to another. Furthermore, the legislation does not require that an actual loss has to occur. A representation is defined as false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading. Representation can be stated by words or communicated by conduct i.e. written, spoken or by electronic means.
 - b) Fraud by failing to disclose information.
Fraud by failing to disclose information details that a fraud will have been committed, if a person fails to declare information which he/she has a legal duty to disclose. There is a requirement that the person acts dishonestly and intends to make a gain for himself/herself, cause a loss to another or expose another to a risk of loss.

- c) Fraud by abuse of position.
Fraud by abuse of position requires a person who is in a privileged position to act dishonestly by abusing the position held; and by doing so, fails to disclose to another person, information which he/she is legally required to disclose. The dishonest act must be with the intention of making a gain for him/her or another. Alternatively it may be with the intention of causing a loss or risk of loss to another. The offence may be committed by omitting to make a declaration as well as by an act.

Corruption

- 2.2. Where someone is influenced by bribery, payment or benefit-in-kind to unreasonably use their position to give some advantage to another.

Irregularity

- 2.3 An irregularity may be any significant matter or issue, other than fraud or corruption, which may warrant consideration or investigation. An example of an irregularity may be where a member of staff makes a genuine error or mistake in the course of their duties/responsibilities, but where this error or mistake is subsequently hidden, perhaps to the on-going detriment. Additionally, an irregularity may also involve consideration of the possible inappropriate use of Cambridgeshire funds or assets, which may or may not constitute fraud, theft or corruption.

Theft

- 2.4 The dishonest taking of property belonging to another person or organisation with the intention of depriving the owner permanently of its possession.

Other

- 2.5 Other issues may include activities undertaken by officers of the Authority/Force which may be:

- against the Authority's Standing Orders or policies,
- below established standards or practices,
- improper (e.g. receiving unapproved hospitality), or
- unlawful.

- 2.6 Potential fraudulent or corrupt acts may include:

- abuse of a process/system by either employees or public (e.g. claims)
- individuals or companies fraudulently obtaining money from the Authority (e.g. invalid invoices/work not undertaken)
- personal use of equipment (e.g. vehicles or computers)

2.7 The lists above are not exhaustive. If you are in any doubt about the seriousness of your concern, advice and guidance can be obtained from the Head of Internal Audit.

3. AUTHORITY/FORCE POLICIES AND PROCEDURES

3.1 The Authority/Force have 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 employees are familiar with them.

3.2 The most important are as follows:

- Contract Standing Orders
- Financial Regulations
- Whistleblowing Policy
- Code of Conduct for Members of the Police Authority
- Conditions of Service
- Recruitment and Selection procedures
- Policy – Rules of Conduct (All Staff incl. Volunteers)
- Standards of Professional Behaviour
- Fraud Response Plan (restricted).

3.3 Individual sections within the organisation have also introduced specific measures designed to regulate their activities, including accounting control and operating procedures.

3.4 Divisional Commanders and Heads of Department must ensure that all employees have access to these rules and regulations and receive suitable training.

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

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

4. REQUIRED STANDARDS OF BEHAVIOUR

4.1 The Authority requires everyone associated with it to be honest and fair in their dealings. Members and employees are expected to lead by example in these matters.

- 4.2 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, all employees will be expected to act in line with a Code of Conduct.
- 4.3 Members and employees have an important part to play in dealing with fraud and corruption. Under the Code of Conduct, members have a responsibility for reporting to the Standards Board if they have a concern in relation to other members.
- 4.4 The Authority will deal with all information fairly and confidentially and will not reveal the names of the people who gave the information.
- 4.5 Members and employees must ensure that they avoid situations where there is potential for a conflict of interest. Such situations can arise with externalisation of services, internal tendering, etc. Effective role separation will ensure decisions made are seen to be based upon impartial advice.
- 4.6 The Nolan Committee has set 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 attached at Appendix 1.
- 4.7 Divisional Commanders, Department Heads and Managers are expected to deal firmly and quickly with anyone involved in, or suspected of fraud or corruption. The Head of Internal Audit in consultation with the Treasurer will refer matters to the Professional Standards Department (PSD) if irregularities are suspected. If PSD is first notified of a possible suspect action, they will immediately notify Internal Audit.
- 4.8 Divisional Commanders, Department Heads and Managers are also responsible for:
- Applying adequate controls to prevent fraud,
 - Having processes in place to detect fraud, and
 - Dealing effectively and promptly with issues raised by employees (including taking appropriate action to deal with reported or suspected fraudulent activity)
- 4.9 As part of the Authority's overall arrangements to deter the occurrence of financial 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,

- In cooperation with PSD, investigate cases of suspected irregularity and liaise with management to recommend changes in procedures to prevent further losses to the Authority, and
- Liaise with Business Managers to review the reporting of all suspected irregularities.

5. PREVENTING FRAUD AND CORRUPTION

- 5.1 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.
- 5.2 Clear rules and procedures and sound controls with prevention of financial 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 /Force policies, which are set out in section 2.
- 5.3 Divisional Commanders and Heads of Department 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, and
 - Employees 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.

- 5.4 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 employees, whether for permanent or temporary posts. The Recruitment and Selection procedures contain detailed guidance which must be followed in connection with securing references.
- 5.5 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.

- 5.6 There are confidential facilities available for people to provide information that may prevent and detect fraud and corruption. These include the Professional Standards Confidential Reporting Line and email address, which employees can use to provide information about specific issues.

6. INVESTIGATING FRAUD AND CORRUPTION

What does the Authority need to know about?

- 6.1 The Authority's strategy on fraud and corruption is to:
- Deter it in the first instance,
 - Detect it quickly,
 - Investigate it efficiently and effectively,
 - Prosecute offenders where appropriate, and
 - Recover assets/ income of the Authority.
- 6.2 Concerns must be raised when members or employees 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, or
 - improper unauthorised use of public or other funds
- 6.3 It is essential that Internal Audit is notified of all suspected losses or irregularities, in accordance with the Authority's Financial Regulations (C4 para 4.9), i.e. "Any police officer, employee or member who suspects fraud, misappropriation of property or resources, corruption or other financial irregularity in respect of either Authority or private funds must ensure that this is reported either directly or via the Chief Constable or Treasurer to the Chief Internal Auditor for investigation. Pending investigation and reporting, the Chief Constable shall take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration."
- 6.4 The Force has also issued procedures (the Whistleblowing Policy) for the receipt of Complaints by the Professional Standards Department. 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, and
 - people and interests are protected.

- 6.5 The Head of Internal Audit, after consultation with the Treasurer, will work with the Head of Professional Standards to decide on the type and course of the investigation. A Memorandum of Understanding (MoU) sets out the roles and responsibilities of Internal Audit and the Professional Standards Department for the investigation of suspected financial irregularities. The MoU is jointly agreed by the Head of Internal Audit and the Head of Professional Standards.
- 6.6 The Fraud Response Plan sets out the arrangements for investigating a fraud. Officers involved in the investigation will follow this restricted procedure.
- 6.7 This process will apply to all the following areas:
- internal fraud/corruption,
 - other fraud/corruption by employees,
 - fraud by contractors' employees, and
 - external fraud (the public).
- 6.8 Any alleged fraud by members will be considered by the Monitoring Officer and Ethical Standards Committee and may be referred to the Standards Board for England as appropriate.
- 6.9 External Audit also has powers to request or carry out an investigation into fraud and corruption.
- 6.10 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.

Safeguards

- 6.11 It is never easy to report a concern, particularly one which may turn out to involve fraud or corruption. Concerned employees will be supported and protected from reprisals and every attempt made to respect confidentiality.
- 6.12 If the person referring a potential irregularity wishes to remain anonymous, then this request will be respected.
- 6.13 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.
- 6.14 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. This is an area which is often neglected.

What should an employee do if he/she suspects fraud or corruption?

- 6.15 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, employees should refer their suspicions to their manager, unless the manager is suspected of being involved, in which case Internal Audit, the Professional Standards or Human Resources Departments should be contacted directly. The Professional Standards Department can be contacted by the Confidential Reporting Line or email.
- 6.16 The person to whom the concern has been raised should note all relevant details and obtain as much information as possible from the reporting person, including any notes made by that person. As soon as the person to whom the concern has been raised is satisfied that there is a potential irregularity, then Internal Audit should be informed.
- 6.17 Employees and managers should report all reasonable suspicions promptly as any delays may cause the Authority to suffer further financial losses.
- 6.18 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 person.
- 6.19 Individuals may invite their Staff Association or Trade Union to raise a matter on their behalf.
- 6.20 Employees may therefore report a concern relating to a suspected irregularity to one of the following:
- Line management
 - Human Resources Department
 - Professional Standards Department
 - Police Authority Internal Audit
 - Authority Monitoring Officer (Chief Executive), or
 - The Chairman of the Authority's Scrutiny and Audit Committee.

Alternative methods for taking a complaint forward

- 6.21 If either a member of the public or an employee 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 on the Cambridgeshire Police Authority website www.cambs-pa.gov.uk (or via the Police Authority Office)
- **External Audit** – which is the organisation appointed to scrutinise the Authority’s finances and performance. By law, the external auditor must be completely independent from the Authority
- **A Trade Union / Police Federation** – employees 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.

7. AWARENESS AND TRAINING

- 7.1 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 employees throughout the Authority/Force.
- 7.2 The Authority supports training for employees who are involved in, or managing, internal control systems. The Authority is also committed to training and developing staff who are involved in investigating fraud and corruption.
- 7.3 Full copies of this strategy will be disseminated throughout the Authority/Force.

8. CONCLUSION

- 8.1 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.
- 8.2 This strategy will be reviewed periodically to reflect any amendments to Authority/Force rules or changes in legislation and working practices.

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 and 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.