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## Leicestershire Police Authority and Leicestershire Constabulary Anti-Fraud and Corruption Procedure

This procedure supports the following policy:

- <<Leicestershire Police Authority Anti-Fraud and Corruption Policy

Procedure Owner:

Department Responsible:

Procedure Author:

Chief Officer Approval:

Procedure Live Date:

Risk Value:

Equality Impact Assessment Author:

Date EIA Completed:

EIA Level:

Procedure Reviewed by:

Date of Last Review:

Date of Next Review:

Please advise under the Freedom of Information Act, which sections of this procedure cannot be disclosed to members of the public

This procedure is compliant with the guidance and legislative requirements outlined in the Leicestershire Constabulary's 'Policy for Producing, Reviewing and Amending Policies and Procedures'.

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# **Leicestershire Police Authority**

## **Anti-Fraud and Corruption Procedure**

The purpose of this procedure is to provide structure and guidance on how Leicestershire Police Authority and Leicestershire Constabulary seek to prevent and deal with fraud and corruption in the course of its business and financial transactions.

### **1 Introduction**

- 1.1 Leicestershire Police Authority and Leicestershire Constabulary are committed to a culture that is one of honesty, integrity and propriety in the use of public funds and the holding of public office. Neither the Authority nor Chief Constable will tolerate fraud and corruption in the administration of its responsibilities from within or from any source outside of the Authority.
- 1.2 The Police Authority is committed to an effective anti-Fraud and corruption strategy designed to encourage prevention, promote notable practice and detection, ensure investigation is carried out and any learning is reflected in improved practice and procedures.
- 1.3 Leicestershire Police Authority and Leicestershire Constabulary expects all members, employees, consultants, contractors, and service users, to be fair and honest; to provide any help, information and support necessary to deal with fraud and corruption, and to report any allegations to the Police Authority or Professional Standards Department as appropriate.

### **2 Definition of Fraud and Corruption**

- 2.1 Fraud is defined as:- “the intentional distortion of financial statements or other records by persons internal or external to the organisation,

which is carried out to conceal the misappropriation of assets or otherwise for gain”.

- 2.2 Corruption is defined as:- “ the offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person”.
- 2.3 The Fraud Act 2006 came into force on the 15th January 2007 and introduced a general offence of fraud in three sections
- Fraud by false representation
  - Fraud by failing to disclose information
  - Fraud by abuse of position

### **Fraud by false representation**

- 2.4 Representation must be made dishonestly, and is made with the intention of making a gain or causing a loss or risk of loss to another. 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.

### **Fraud by failing to disclose information**

- 2.5 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.

## **Fraud by abuse of position**

2.6 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 himself/herself 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.

2.7 The introduction of the Fraud Act 2006 does not prevent the prosecution of offences under the various Theft Acts and Forgery and Counterfeiting Act, e.g. theft, counterfeiting and falsification of documents.

## **3 Application of this Procedure**

3.1 This procedure is applicable to Members of the Police Authority, police officers of all ranks, police staff, volunteers and to all external persons with whom the Police Authority and Leicestershire Constabulary conduct business. It also applies to those Police Authority employees reporting to the Chief Executive.

## **4 The principles of the Procedure**

- Provide a clear statement of the Authority's position on fraud and corruption.
- Minimise the risk to the Authority's assets and good name.
- Promote a culture of integrity and accountability in Members, Police Officers, Police Staff and all those with whom the Authority and Force does business.
- Enhance existing procedures aimed at preventing, discouraging and detecting fraud and corruption; and

- Raise awareness of the risk of fraud and corruption being perpetrated against the Authority.

## **5. Relationship with other Procedures and Policies**

5.1 A number of policies and statements within the Police Authority and Force interrelate with this procedure. Other policies that may be read in conjunction with this document include:-

- Annual Governance Statement
- Model Code of Conduct for Members of Leicestershire Police Authority
- Police Authority Contract Standing Orders and Financial Regulations
- Professional Standards Reporting
- Gifts and Gratuity
- Code of Conduct for Support Staff
- Code of Corporate Governance consistent with principles of CIPFA/SOLACE framework
- Complaints and Misconduct Policy
- Professional Standards – Learning the lessons policy
- Intelligence Led Integrity Testing
- Leicestershire Police Risk Management Strategy
- Integrity Line 0800 111 4444
- Register and Declaration of Interests
- Business Interest Policy
- Force Vetting Policy and Guidance

## **6 Requirements of the Procedure**

6.1 The procedure requirements of Leicestershire Police Authority in relation to fraud and corruption are as follows. The Authority requires that:

- a) Members, police officers, volunteers and police staff at all levels will lead by example in ensuring compliance with legal requirements, rules, procedures and codes of best practice, including those relating to acceptance of gifts & hospitality, and outside business interests.
- b) Members will conduct themselves in accordance with the spirit and letter of the Code of Conduct for Members of the Police Authority and the Seven Principles of Public Life. (Appendix 1)
- c) Senior officers of the Police Authority and Force are required to deal swiftly and firmly with those who defraud the Authority and are corrupt.
- d) Individuals and organisations, such as suppliers, contractors, service providers, and partnerships that it conducts business with, will act towards the Authority with integrity and a total absence of fraudulent or corrupt practices.
- e) All police officers paid by the Police Authority, volunteers, police support staff and employees of the Police Authority have a duty to report any suspected of fraudulent or corrupt practice affecting the Police Authority or the Force to the appropriate line manager or senior manager at the earliest opportunity. They must then liaise with the Professional Standards Department.
- f) Members have a duty to report any fraudulent or corrupt practice coming to their notice that may affect the Police Authority or the Force to the Chief Executive or the Monitoring Officer at the earliest opportunity.

- g) All fraud and corruption affecting the Police Authority or the Force, including suspected cases shall be reported immediately to the Treasurer and Chief Executive, irrespective of whether the matter is the subject of a criminal investigation. The Treasurer will also liaise with the Head of Professional Standards. The Chief Executive will bring to the attention of the Deputy Chief Constable those cases he regards as sufficiently serious to so do.
- h) In those cases where sufficient evidence is available, criminal or disciplinary action will be taken.
- i) Civil recovery (including court action) of funds lost by fraud and corruption will be considered in all established cases.
- j) Managers at all levels will ensure that effective procedures, practices and controls are in operation in their areas of responsibility to minimise the opportunities for fraud and corruption.

## **6.2 General Duty**

It is expected that every Member, police officer, police staff, volunteer and those Police Authority staff reporting to the Chief Executive will conduct themselves ethically at all times in respect of their duties and will act in accordance with the Authority's policy as set out at 6.1 of this document.

## **6.3 Managers**

Managers at all levels, police and police staff, and in the Police Authority have duties laid to them in the procedure particularly:-

- To ensure that areas for which they have responsibility have effective controls in place to minimise the risk of fraud, deter fraudsters and detect fraud when it occurs. Advice on appropriate controls is available from the Treasurer and the Head of Professional Standards.
- Taking decisions on the basis of the Authority's fraud and corruption procedure set out at 6.1 above.

## **6.4 Corporate Governance**

The Leicestershire Police Authority produces an Annual Governance Statement that gives full details of the Governance Framework and its purpose.

The statement describes the key elements of the systems and processes that comprise the governance arrangements and includes references to the overarching structures that have been put in place.

Good practice in corporate governance in public sector authorities requires processes and procedures compliant with codes of best practice, including

Police Regulations, to be in place, this is particularly relevant in the area of law enforcement. The Police Authority and Force have comprehensive codes of practice and strategies in place to cover other risk as well as fraud and corruption.

These published codes of practice are intended to provide practical advice on the standard of conduct that is expected. Failure to follow the guidance may result in disciplinary action being taken, or in the case of Members, the matter being referred to the Standards Board for England for investigation.

The Audit Committee meets quarterly and considers reports from both internal and external auditors. The Committee is also responsible for Risk Management and reviews at each meeting both the Police Authority and Force Risk Registers.

The Standards Committee's terms of reference include promoting high ethical standards of conduct by members, advising members in relation to matters of conduct and making recommendations to the Authority on the revision of the code of conduct, and arranging training and development for members on all matters relating to standards, ethics and probity.

Internal Audit services are outsourced on a contract basis. The current auditors are RSM Bentley Jennison. Audit briefs are considered by the Deputy Chief Constable, Police Authority Treasurer and the Force Finance Director. Audit reports are considered in detail by the Audit Committee.

Further external inspection arises by Her Majesty's Inspectorate of Constabulary and by the Independent Police Complaints Commission all of whom have statutory access to documentation and provide for a robust auditing mechanism.

### **6.5 Police Authority Staff reporting to the Chief Executive**

Police Authority staff reporting to the Chief Executive are required to conduct themselves to the same standard as staff under the control and direction of the Chief Constable, and as set out in the published codes of practice.

### **6.6 Published Codes of Practice**

Codes of practice for all groups, and for specific groups or issues can be found in the following documents available on the Police Authority website or on the Force intranet.

- Members' Code of Conduct for the Police Authority
- Code of Conduct for Police Officers
- The Police (Conduct) Regulations 2008
- Professional Standards Reporting procedure
- Police Staff Code of Conduct
- Standards of Professional Behaviour for Police Officers and Special Constables

## **7 Reporting Fraud and Wrongdoing**

7.1 If any person has reason to suspect fraud or corrupt activity on the part of an employee you must raise the matter discreetly and as soon as possible with your line manager. If you feel that immediate contact with a senior line manager is inappropriate under all the circumstances, . Then there are a number of avenues available for the public, contractors, Members and staff of the Police Authority and police staff to report their concerns, in confidence, about instances of possible fraud or corruption, or indeed any wrongdoing. These include

- Treasurer of the Police Authority
- Clerk of the Police Authority
- Police Authority's Internal Auditor
- Finance Director
- The Chief Constable
- Head of Professional Standards
- Appropriate line management.
- Any police officer
- Any member of staff
- Police Authority and Force websites
- Staff Associations and Trades Unions
- The IPCC
- The Audit Commission and Authority approved external auditors.
- Integrity line 0800 111 4444

All cases or suspected cases of fraud must be reported at the first opportunity to the Head of Professional Standards whether or not there is a police investigation with a view to identifying the appropriate investigative response.

Arrangements will then be made to:

- Deal promptly with the matter in confidence
- Gather and record all evidence received
- Ensure the evidence is sound and adequately supported
- Ensure the security of all evidence collected.

## **Advice to members of the public**

7.2 In the event of a member of the public becoming suspicious of fraudulent or corrupt administrative or financial activity within the Force, the matter should be raised with the Head of Professional Standards or to the Police Authority. This is not a substitute for the normal processes for complaints against the Police under the Police Act 1996, or the Police and Criminal Evidence Act 1984, but complementary to them.

## **8 Public Interest Disclosure Act**

8.1 The Public Interest Disclosure Act 1998 protects employees, who report suspected fraud or corruption activities, from any reprisals as long as they meet the rules set out in the Act.

8.2 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

## **9 Detection and Investigation**

9.1 Any person becoming aware of fraud will ensure that the matter is reported and investigated. Such matters will be reported to the Head of Professional Standards.

9.2 The Head of the Professional Standards Department will advise on all investigatory matters including possible referral for criminal prosecution.

9.3 When an allegation of fraud or corruption is made, an appropriate senior manager will be appointed to oversee the proper conduct of the investigation and subsequent action.

9.4 The investigation and any managers involved will take account of the Authority's policy on fraud and corruption set out in this document when determining the action to take.

9.5 The investigation conducted into allegations of fraud, corruption or wrongdoing shall take into account the requirements of the criminal law, conduct arrangements set out in Police Regulations, and Police Staff disciplinary arrangements.

## **10 Liaison between the Head of Professional Standards and the Police Authority Treasurer**

10.1 The Head of Professional Standards will consult with the Police Authority Treasurer and Finance Director when revising the Force policy and procedures for dealing with fraud and wrongdoing, who will ensure that they comply with the Authority's financial regulations and the policy set out in this document.

10.2 Serious case of fraud or wrongdoing will be reported to the Chief Executive, who will determine if the matter has to be drawn to the

attention of the Authority. In the event that a Member is involved, the matter will be reported to the Chief Executive.

- 10.3 The Treasurer will maintain a link with the Authority's external auditors in order to keep them apprised of developments in serious cases.

## **11 Summary**

- 11.1 Leicestershire Police Authority and Leicestershire Constabulary have in place a clear framework of systems, procedures and risk management processes to assist in the fight against any attempted fraud or corruption against it. These arrangements will keep pace with any future developments in both preventative and detection techniques.
- 11.2 To this end a continuous overview of such arrangements is maintained in particular through the Audit Committee, Chief Executive, Treasurer, Finance Director, Deputy Chief Constable and Head of Professional Standards department.

## **Appendix 1 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.