



Anti Fraud
And
Anti Corruption
Strategy

1. Introduction

- 1.1 The Police and Crime Commissioner (PCC) recognises that as well as causing financial loss, fraud is also detrimental to the provision of services and damaging to the reputation of, and confidence in public bodies. Thus, the PCC is committed to a culture that is one of honesty and opposition to fraud and corruption, and making sure that the opportunity for fraud and corruption is reduced to the lowest possible risk. The PCC will not tolerate fraud and corruption in the administration of its responsibilities from inside or outside of the Office of the Police and Crime Commissioner (OPCC). Where fraud, corruption and other problems occur, the PCC will deal with it in a firm and controlled manner.
- 1.2 An important part of this approach is introducing and maintaining an effective Anti-Fraud and Anti-Corruption Strategy. This document provides an overview of the Strategy and includes detailed guidance on how the Commissioner will deal with allegations of fraud and corruption.
- 1.3 This strategy is applicable to the PCC, OPCC and all external staff with whom they conduct business. The PCC expects all applicable persons to be fair and honest, and to provide any help, information and support necessary to deal with fraud and corruption.
- 1.4 The Strategy set out in this document covers the following areas:
 - ❖ Policies, Procedures and Rules
 - ❖ Expected levels of behaviour
 - ❖ Definition of Fraud and Corruption
 - ❖ Preventing Fraud and Corruption
 - ❖ Raising a Concern
 - ❖ How allegations of Fraud and Corruption will be dealt with
 - ❖ Detecting and investigating Fraud and Corruption
 - ❖ Searches
 - ❖ Action to be taken against fraudsters
 - ❖ Awareness
 - ❖ Sharing Information
 - ❖ Review Procedures
 - ❖ Contact Details

2. Polices Procedures and Rules

- 2.1 There are a number of procedures and rules to make sure that the Commissioner's financial, working and organisational procedures are properly controlled. These are an important part of the internal control process, and it is important that all members, staff, police officers and police staff know about them. To ensure transparency, many of these documents are available to view on the internet/intranet.

2.2 The most important of these are as follows:

- **Standing Orders relating to Contracts**
 - These are the formal rules made by the PCC to regulate the conduct of business, including the making of contracts.
- **Financial Regulations**
 - These provide the framework for managing the Commissioner's financial affairs.
- **Code of Ethics for Employees**
 - The code of ethics provides a framework for all employees in terms of official conduct.
- **Code of Conduct for the PCC and Deputy PCC (DPCC)**
 - The code of conduct provides a framework for the Commissioner and Deputy Commissioner in terms of official conduct.
- **Scheme of Consent and Delegation**
 - A listing of all the powers and duties that have been delegated to facilitate effective administration of the PCC.
- **Employees' Conditions of Service**
- **Recruitment and Selection Procedures**
- **Transparency Agenda**
 - being fully compliant with the Elected Local Policing Bodies (Specified Information) Order 2011 (and any subsequent amendments) which sets out the information all Police and Crime Commissioners must make public.

2.3 Staff of the OPCC must make sure that they read and understand the rules and regulations that apply to them, and act in line with them.

2.4 Contravention of these rules and regulations may lead to formal action being taken against the parties concerned and may include terminating employment with the OPCC. It will be the responsibility of the Monitoring Officer to report matters to the Joint Independent Ethics Committee (JIEC).

3. Expected levels of behaviour

3.1 The PCC expects all people and organisations that are in any way associated with him to be honest, fair and act with integrity in their dealings.

3.2 The PCC and DPCC are required to adhere to the Code of Conduct relating to the declarations of interests. All employees are expected to abide by the published Rules of Conduct.

- 3.3 The PCC, DPCC and employees have an important part to play in dealing with fraud and corruption, and the Commissioner encourages them to act if a fraud case is suspected.
- 3.4 The PCC, DPCC and employees must ensure that they avoid situations where there is potential for a conflict of interest. Such situations can arise with tendering and externalisation of services etc. Effective role separation will ensure decisions made are seen to be based on impartial advice.
- 3.5 All information will be dealt with fairly and confidentially. The Commissioner operates a whistle blowing policy. An undertaking is given not to reveal personal details (where given) of the whistleblowers who provide the information, unless required by legislation.

<https://lancashire-pcc.gov.uk/wp-content/uploads/2015/10/Whistle-Blowing-Policy.pdf>

- 3.6 The Commissioner will deal firmly and quickly with anyone who is involved in fraud or corruption. The internal audit in consultation with the Chief Executive may refer matters to the police if criminal activity is suspected.
- 3.7 The investigative process should not be misused and, therefore, any abuse, such as raising unfounded malicious allegations, will be dealt with as a separate disciplinary matter.
- 3.8 Employees are advised and should understand that they must not be directly involved in the processing of any type of work application, services or other matters relating to the Commissioner's business in which they or any close relative or friend, have a personal interest. In this event, employees must inform their line manager as soon as they are aware of the application or matter in question, and a formal record will then be maintained.

4. Definition of Fraud and Corruption

- 4.1 Fraud is defined as:

“The intentional distortion of financial statements or other records by persons internal or external to the OPCC for Lancashire which is carried out to conceal the misappropriation of assets of assets or otherwise for gain.”

- 4.2 Corruption is defined as:

“The offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person.”

- 4.3 Fraudulent or corrupt acts may include:

Systems Issues

i.e. where a process/system exists which is prone to abuse by either employees or public, (e.g. misuse of PNC)

<i>Financial Issues</i>	i.e. where individuals or companies have fraudulently obtained money from the Commissioner, (e.g. invalid invoices/work not done)
<i>Equipment Issues</i>	i.e. where equipment is used for personal use, (e.g. personal use of telephones)
<i>Resource Issues</i>	i.e. where there is a misuse of resources, (e.g. theft of cash/assets)
<i>Other Issues</i>	i.e. activities undertaken by officers of the OPCC which may be: unlawful; against the Commissioner's Standing orders or policies, falls below established standards or practices; or amounts to improper conduct, (e.g. receiving unapproved hospitality).

This is not an exhaustive list. Advice and guidance can be obtained from the Monitoring Officer, if there is any doubt about the seriousness of concerns.

- 4.4 Concerns or allegations that fall within the scope of other existing procedures (e.g. discrimination issues) will normally be referred for consideration under those procedures.

5. Preventing Fraud and Corruption

- 5.1 The Commissioner recognises that fraud and corruption can be costly in terms of financial loss and reputational risk. The prevention of fraud and corruption is therefore a key objective.
- 5.2 In order to combat fraud and corruption, it must be prevented from happening in the first place. It is essential that there are clear rules and procedures, within which members, employees, consultants and contractors can work. These include the Commissioner's main policies, which are set out in section 2.
- 5.3 In order to raise awareness of the Strategy and fraud and corruption in general, the Commissioner will, in conjunction with other PCCs/local authorities/agencies where necessary, actively promote regular publicity campaigns. The Commissioner will also issue instructions/advice aimed at encouraging fraud awareness and reminding individuals of their responsibilities.
- 5.4 This strategy will be available on the internet and the intranet and disseminated throughout the OPCC.
- 5.5 Where appropriate, the Commissioner will publicise the results of any investigation to promote awareness, to deter, and to demonstrate the need for preventative measures.

- 5.6 The Monitoring Officer must make sure that suitable levels of internal check are included in working procedures, particularly financial procedures. It is important that duties are organised so that no one person can carry out a complete transaction without some form of checking process being built into the system.
- 5.7 The Commissioner recognises that a key preventative measure in the fight against fraud and corruption, take 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 staff, whether for permanent or temporary employment. The recruitment and selection procedures contain detailed guidance, which should be followed in connection with securing authorities and organisations to deal with fraud.
- 5.8 The Commissioner is committed to working and co-operating with other organisations to prevent organised fraud and corruption. Wherever possible, the Commissioner will be prepared to help and exchange information with other Commissioners and organisations to deal with fraud.
- 5.9 Internal Audit will ensure that details of reporting are widely published to the public, members and employees and that all information received is dealt with appropriately.
- 5.10 As part of the Commissioner's overall arrangements to deter the occurrence of financial irregularities and fraud, Internal Audit, based on an annual audit plan will:
- Review designated systems and highlight control which could increase the possibility of fraud/irregularities
 - Carry out sample testing on transactions
 - Act as a visible deterrent when performing a range of audit duties
 - Use data retrieval techniques to identify possible instances of irregularities
 - Investigate cases of suspected irregularity
 - Liaise with relevant management to recommend changes in procedures to prevent further losses in the OPCC.

6. Raising a Concern

- 6.1 Anyone suspecting fraudulent activities or financial irregularities should contact the Monitoring Officer, or the Chief Finance Officer. The nature of the complaint will determine the course of action.
- 6.2 Individuals are encouraged to put their name to the concern wherever possible. All information received will be treated as confidential. Anonymous concerns will be investigated. However, at the appropriate time, it may be necessary for the individual raising the concern to come forward as a witness.

- 6.3 Information must be disclosed in good faith and malicious, false or vexatious allegations must not be made. Appropriate action will be taken against the instigators of such allegations.
- 6.4 Concerns are better raised in writing. The background and history of the concern, giving names, dates and places where possible, should be set out and 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.
- 6.5 The Commissioner's Whistle Blowing Policy is intended to encourage and enable staff to raise serious concerns within the OPCC rather than overlooking a problem or blowing the whistle to the media or other external bodies.
- 6.6 Although staff are not expected to prove the truth of an allegation, they will need to demonstrate to the person contacted that there are sufficient grounds for concern. The earlier the concern is expressed, the easier it is to take action.
- 6.7 Individuals may invite their trade union or professional association to raise a matter on their behalf.
- 6.8 The Commissioner encourages members of the public who suspect fraud and corruption to contact the Monitoring Officer or the Chief Finance Officer in the first instance.
- 6.9 If either a member of the public or an employee feels it is right to take the matter outside these processes, the following are possible ways forward:
- **The Police and Crime Commissioner**
 - **The Audit Commission** – who are the organisation appointed to scrutinise the Commissioner's finances and performance. By law, they must be completely independent from the Commissioner.
 - **The Trade Union** – employees may invite their trade union to raise a matter on their behalf.
 - **The Police** – suspicions of fraud or corruption may be reported directly to the Police.
 - **Public Concern at Work** – this is a charity that provides free and strictly confidential legal help to anyone concerned about a malpractice that threatens the public interest.
- 6.10 If staff do take the matter outside the OPCC, they need to ensure that they do not disclose confidential information.

7. How allegations of fraud and corruption will be dealt with by the Commissioner

7.1 For issues raised by employees or members of the public, the action taken by the Commissioner will depend on the nature of the concern.

The matters raised may:

- Be reviewed followed by an investigation by Internal Audit if appropriate
- Be referred to the local police
- Be referred to the External Auditor
- Result in the discipline and/or prosecution of offenders where appropriate
- Result in recovering assets/income for the PCC
- Continue as an internal investigation in some instances whilst police action is being considered.

This list is not exclusive and is indicative only.

7.2 In those instances where the complainant has provided a contact name and address, the Monitoring Officer or Chief Finance Officer will write to the complainant to acknowledge receipt of the concern within 10 working days of the complaint having been received.

7.3 The amount of contact between the body considering the issues and the complainant will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the individual.

7.4 When any meeting is arranged, the complainant has the right, if they wish, to be accompanied by a trade union or professional association representative or a friend who is not involved in the area of work to which the concern relates.

7.5 The Commissioner will take steps to minimise any difficulties that staff or members of the public may experience as a result of raising a concern. Full protection will be provided to the whistleblower under the Public Interest Disclosure Act. If staff or members of the public are required to give evidence in criminal or disciplinary proceedings, the Commissioner will advise them about the procedure and offer the appropriate level of support.

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

Prosecution Strategy

- 7.7 The Commissioner is committed to preventing fraud and corruption and has developed the Anti-Fraud and Anti-Corruption Strategy in order to minimise its occurrence.
- 7.8 The Commissioner will constantly monitor its systems and amend procedures as required.
- 7.9 This Strategy does not supersede other internal disciplinary codes and internal offenders will be liable to general disciplinary procedures as well as prosecution.
- 7.10 The Commissioner's strategy on fraud is to:
- Deter it in the first instance
 - Detect it quickly
 - Investigate it efficiently, and
 - Discipline and/or prosecution offenders when appropriate
 - Recover assets/income for the Commissioner
- 7.11 In deciding whether a fraud should be reported to the police the following factors will be taken into account:
- Whether offender is a member or staff member.
 - The extent of the fraud/corruption in financial terms
 - The sufficiency and appropriateness of evidence
 - Whether the public interest will be served.
- 7.12 In general, all cases will be reported to the local police.

8. Detecting and investigating Fraud and Corruption

- 8.1 All employees should read this section in conjunction with the Prosecution Strategy set out above and sections 5 and 6.
- 8.2 Any suspected cases of fraud and corruption should be reported to designated persons. Financial Regulations require that members and employees must report any similar instances to the Chief Finance Officer. Reporting cases in this way is essential for an effective Anti-Fraud and Anti-Corruption Strategy.

9. Action to be taken against Fraudsters

- 9.1 For all instances of fraud, the action taken will follow the prosecution strategy outlined in Section 7. Any suspected fraud will also be referred to the JIAC and the JIEC. The Audit Commission also has powers to request or carry out an investigation into fraud and corruption.
- 9.2 Any staff accused of internal malpractice and wrongdoing will be subject to a disciplinary investigation. All interviews performed as part of the investigation will be tape recorded. The interviewee will be provided with a transcript of the interview on request. If it is concluded that the matter should be dealt with under the disciplinary procedure, the individual will attend a hearing, where, if found guilty, they will receive a warning, sanction or dismissal. All contractors, consultants and organisations receiving funding from the Commissioner who are accused of wrongdoing, will be the subject of an investigation. If proven, a decision will be taken to terminate the contract/agreement/grant.
- 9.3 The appointed investigator will work with the Commissioner to decide on the type and course of the investigation. This will include referring cases to the local police where necessary. The Commissioner's strategy is to prosecute offenders and undertake disciplinary procedures where appropriate. If proven, an independent decision will be taken or terminate the contract/agreement/grant.
- 9.4 The recovery of defrauded money is an essential part of the strategy to emphasise that fraud does not pay. The fraudster will be asked to repay all money illegally obtained. If no agreement is forthcoming, court action will be instigated to recover the outstanding debt.
- 9.5 Police and Crime Commissioners are expected in all cases of fraud to actively consider applying a sanction or prosecution.

10 Awareness

- 10.1 The Commissioner understands that the key to maintaining an effective Anti-Fraud and Anti-Corruption Strategy will depend on programmed training and the way members and staff respond.
- 10.2 The Commissioner supports the idea of providing training for members and staff who are involved in managing or reviewing internal control systems, to make sure that their responsibilities and duties are regularly reviewed and reinforced.
- 10.3 The Commissioner is committed to training and developing personnel who are involved in investigating fraud and corruption, and suitable training will be provided.
- 10.4 The Commissioner will ensure that any non OPCC personnel engaged to investigate fraud and corruption on their behalf have been adequately trained to undertake investigations.

11 Sharing Information

- 11.1 The Commissioner is committed to working with other agencies in the detection and prevention of fraud. This information will be shared in accordance with the principles of the Data Protection Act (2018) and UK General Data Protection Regulations (UK GDPR).

12 Review Procedures

- 12.1 All completed investigations are reported quarterly to the Joint Independent Audit Committee (JIAC) and Joint Independent Ethics Committee (JIEC).
- 12.2 An annual report detailing the results of all completed investigations and any changes to procedure/introduction of controls will be prepared by Internal Audit for the JIAC and the JIEC. This will enable lessons learned as a result of investigations to be disseminated as best practice.
- 12.3 The Anti-Fraud and Anti-Corruption Strategy will be reviewed on a three year basis to reflect changes in legislation and working practices.

13 Contact Details

Chief Executive and Monitoring Officer	Chief Finance Officer
OPCC for Lancashire	OPCC for Lancashire
County Hall	County Hall
PRESTON	PRESTON
PR1 OLD	PR1 OLD
Telephone : 01772 533587	Telephone:- 01772 533587

If you are unsure whether or how to raise a concern or use this Strategy and you would like some impartial advice, you can contact the free, confidential helpline run by public Concern at Work on 020 3117 2520 or at <https://protect-advice.org.uk/contact-protect-advice-line/>