



ANTI-FRAUD AND CORRUPTION POLICY

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Version Control

Version	Date	Amended By	Reason for Issue/Amendment
1.0	December 2012	Shelley Bosson, Chief Executive	Policy developed on introduction of Police and Crime Commissioner's
2.0	February 2016	Joanne Regan, Information Officer	Full review undertaken.
3.0	March 2022	Joanne Regan, Head of Assurance and Compliance	Full review undertaken.
3.1	March 2022	Joanne Regan, Head of Assurance and Compliance	Inclusion of reporting process for fraud incidents under 'Risk' section after feedback from the Joint Audit Committee. Also included that this document is available in Welsh in line with the requirements of the Welsh Language Standards.

OFFICE OF THE POLICE AND CRIME COMMISSIONER
ANTI-FRAUD AND CORRUPTION POLICY

1. Introduction

1.1 The Police and Crime Commissioner (PCC) for Gwent is committed to a culture of honesty, integrity and propriety in the holding of public office and the use of public funds. Fraud and corruption can have a severe impact on the operation and the trust and confidence in an organisation particularly the Office of the Police and Crime Commissioner (OPCC) and the PCC is committed to ensuring that any opportunity for fraud and corruption is minimised.

2. Aim

2.1 The aim of this policy is to minimise any opportunity for fraud and corruption within the OPCC. The policy will assist individuals and their line managers in ensuring that their actions can withstand scrutiny. The policy also provides an overview of the OPCC response to any incidents of fraud or corruption.

2.2 In administering its responsibilities in relation to fraud and corruption, whether it is attempted on the OPCC or from within it, the OPCC is committed to an effective fraud and corruption policy designed to:

- Encourage prevention
- Promote detection
- Identify a clear pathway for investigation; and
- Maintain the integrity of the OPCC and public confidence.

2.3 The OPCC's expectation on propriety and accountability is that staff at all levels will lead by example in ensuring adherence to rules, and that all procedures and practices encourage prevention, promote detection and provide effective processes for reporting and investigating fraudulent and/or corrupt activities or behaviour.

2.4 The OPCC also demands that individuals, and organisations with which it comes into contact, will act with integrity and without actions involving fraud or corruption and that its contractors act in a fair and honest way providing any assistance, information and support necessary to deal with fraud and corruption.

3. Terms and Definitions

3.1 For the purposes of this policy, theft, fraud and corruption have been defined in accordance with legislative provisions (as amended from time to time) as set out in Appendix 1 hereto.

3.2 Whilst not intended to be an exhaustive list, financial irregularities usually fall within the theft, fraud or corruption categories, which are criminal matters, and are normally for the purpose of personal gain or causing loss.

3.3 In addition, failure to observe the Standing Orders relating to Contracts or the Financial Regulations in the Manual of Corporate Governance can, in some circumstances, constitute an irregularity with potential significant financial consequences.

3.4 Potential fraudulent or corrupt acts may include:

- Systems issues i.e. where a process/system exists which is prone to abuse by either officers or public (eg claims)
- Financial issues i.e. where individuals or companies have fraudulently obtained money from the PCC (e.g. invalid invoices/work not undertaken)
- Equipment issues i.e. where PCC equipment is used for unauthorised personal use (e.g. personal use of computer equipment)
- Resource issues i.e. where there is a misuse of resources (e.g. theft of cash/assets)
- Other issues i.e. activities undertaken by staff of the PCC which may be:
 - a) unlawful
 - b) against Standing Orders or policies
 - c) below established standards or practices or
 - d) improper (eg receiving unapproved or inappropriate hospitality)

4. Policy

4.1 The OPCC's Anti-Fraud and Corruption Policy is also supported by and should be read in conjunction with a series of comprehensive and inter-related procedures (see section 8 below) that provide a framework to address fraudulent activity.

4.2 There is also a high level of external scrutiny of organisational affairs by a variety of bodies including:

- Her Majesty's Inspector of Constabulary and Fire & Rescue Services (HMICFRS)
- Audit Wales
- Her Majesty's Revenue and Customs
- Internal Audit
- Joint Audit Committee
- Local Communities
- The Media

4.3 Application of this policy applies to the Police and Crime Commissioner, Deputy Police and Crime Commissioner and all officers engaged in carrying out the duties of the OPCC.

4.4 The CFO also has a specific statutory responsibility under Section 151 of the Local Government Act 1972 to ensure adequate systems and procedures are in place to account for all income due and expenditure and disbursements made on behalf of the PCC, and that controls operate to protect assets from loss, waste, fraud or other impropriety.

4.5 The OPCC offers reassurance that any concerns will be treated in confidence and properly investigated.

Culture

4.6 Fundamental to the prevention of fraud, theft and corruption is that the culture of the organisation is one of honesty, integrity and opposition to fraud and corruption. The OPCC is determined to promote and strengthen this culture.

4.7 There is an expectation and requirement that all individuals and organisations associated in any way with the OPCC will act with integrity, and that staff at all levels will lead by example in these matters. They are positively encouraged to raise any concerns they may have (as it is often the alertness of such individuals that enables detection to occur and appropriate action to be taken against fraud or corruption). Concerns may be about something that:

- Is unlawful
- Is against the organisation's Standing Orders or policies
- Falls below established standards or practices
- Results in waste or loss to the organisation
- Amounts to improper conduct.

4.8 Senior management are responsible for following up any allegation of fraud and corruption received and through clearly defined procedures. These procedures are designed to:

- Deal promptly with the matter
- Ensure that all reasonable steps are taken to secure and preserve evidence that may prove or disprove the allegation(s)
- Notify any relevant bodies
- Implement internal disciplinary procedures where appropriate.

4.9 The Chief Executive, in conjunction with the CFO, is responsible for following up any allegation or suspicion of fraud or corruption received.

4.10 If necessary, a route other than a normal line manager may be used to raise such issues. Examples of such routes are:

- Chief Finance Officer of the OPCC
- Chief Executive and Monitoring Officer of the OPCC
- Staff Associations
- Safecall

4.11 This policy is intended to encourage and enable staff to raise concerns within the organisation, rather than overlooking a problem. Staff should not be afraid of raising concerns and in the first instance, staff should refer their suspicions to their manager or to the individuals named above, albeit that there may be limited circumstances where a person may prefer to contact an external agency through the following contacts:

- Audit Commission Fraud Line/Audit Wales Whistleblowing Line

- Internal Audit
 - Public Concern at Work – independent charity offering free advice on fraud or other issues of malpractice
 - Crimestoppers
- 4.12 If a person decides to take the matter outside the organisation, they should ensure that they **do not** disclose ‘Confidential’ or ‘Restricted’ information.
- 4.13 The OPCC wishes to encourage anyone having reasonably held suspicions of fraud, bribery or corruption to report them. The Public Interest Disclosure Act 1998 gives statutory protection, within defined parameters, to staff that make disclosures about a range of subjects that include fraud or corruption which they reasonably believe to be happening. Put simply, the rules for making a protected (‘qualifying’) 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 that are subsequently found to be groundless.
 - The person making the allegation must not be seeking any personal gain.

The designated officers required to receive disclosures are either the Chief Executive and Monitoring Officer or the Chief Finance Officer. Whoever receives a report in the first instance, shall notify the other officer at the earliest opportunity. When disclosures such as these are made to the Chief Executive or Chief Finance Officer, the terms of the current Whistleblowing Policy will also be considered.

- 4.14 Members of the public are also encouraged to report concerns through any of the above avenues.
- 4.15 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.

Prevention

- 4.16 It is recognised 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. All OPCC staff will therefore be vetted by Gwent Police as a pre-requisite to appointment.
- 4.17 OPCC employees are expected to follow the staff Code of Conduct, any Code of Conduct related to their personal professional qualifications and also to abide by the College of Policing Code of Ethics (which incorporates the seven

Nolan Principles as set out by the Committee on Standards in Public Life, and as extended by the principles of Fairness and Respect). As well as abiding by the aforementioned principles, the OPCC also seeks to develop its working behaviour to support good governance as set out in the International Framework for Good Governance in the Public Sector. Compliance with this framework is reported as part of the Annual Governance Statement. This policy, and the role that appropriate staff are expected to play in the organisation's framework of internal control, will be featured in staff induction procedures.

- 4.18 The PCC, Deputy PCC and all OPCC staff are also 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 in relation to the organisation. The register will be held by the Chief Executive and is available on the OPCC website.
- 4.19 Every effort is made to continually review and develop financial systems in line with best practice to ensure efficient and effective internal controls. The financial affairs of the OPCC will be conducted in accordance with the Manual of Corporate Governance, its Financial Regulations, the Police Reform and Social Responsibility Act 2011 (as amended), the Policing Protocol Order 2011 and the Financial Management Code of Practice. The adequacy and appropriateness of the organisation's financial systems is also independently monitored by both Internal and External Audit, with senior management taking due account of any audit recommendations made.
- 4.20 Arrangements are in place to continue to develop and encourage the exchange of information wherever possible between the OPCC, police force and other agencies on national and local fraud and corruption activity in relation to OPCCs and police forces.

Detection and Investigation

- 4.21 The internal control systems within the organisation have been designed to provide indicators of any fraudulent activity and also to deter fraud.
- 4.22 It is the responsibility of management to prevent and detect fraud and corruption (albeit that, as noted in 4.7, it often it is the alertness of staff and the public that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may have been committed or is in progress). In this respect, managers and supervisors should ensure that all reasonable controls are in place to prevent and detect fraud and error.
- 4.23 There is a need to be aware of the possibility of fraud when reviewing or being presented with, for example, claims, forms, and documentation. Issues that may give rise to suspicions or allegations are:
- Documents that have been altered, use of correction fluid, or different pens and different handwriting.
 - Claims that cannot be checked, particularly if prior authorisation was not given.

- Confused, illegible text and missing details.
- Delays in documentation completion or submission.
- Lack of vouchers or receipts to support claims.

- 4.24 The relevant misconduct/disciplinary procedure concerning the suspected individual will be initiated and investigated in a proportionate manner where improper behaviour is indicated. In addition, civil legal action may be taken for the recovery of money or property misappropriated from the organisation as well as any alleged criminal conduct being referred to Gwent Police for investigation.
- 4.25 It is important to note that during any stage of investigation of an allegation, information may be shared with and support provided by Gwent Police. This will be done when necessary and appropriate.
- 4.26 Depending on the nature and anticipated extent of the allegations, the provider of the organisation's Internal Audit function may work closely with management and the investigating team/agency to ensure that all allegations, suspicions and evidence were properly investigated and reported upon. Allegations of misconduct will be investigated in a proportionate manner and all reasonable steps taken to secure and preserve evidence that may prove or disprove the allegation(s).

5. Training

- 5.1 The OPCC recognises that the continuing success of its Anti-Fraud and Corruption Policy and its general credibility will depend largely on the effectiveness of programmed training and the responsiveness of staff throughout the organisation.
- 5.2 To facilitate this, the OPCC supports 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. All new members of staff will be provided with a copy of this policy.
- 5.3 The possibility of disciplinary action against staff who ignore such training and guidance is made clear.

6 Monitoring

- 6.1 The OPCC has in place a clear network of systems and procedures to assist in maintaining the high standards of conduct it has always achieved. The PCC 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.
- 6.2 To this end, the organisation maintains a continuous overview of such arrangements through, in particular, its Chief Finance Officer and Chief Executive, through Standing Orders and Financial Regulations, Codes of

Conduct and Accounting Instructions, and via Internal and External Audit arrangements.

7 Consultation

7.1 During the review of this policy the Chief Executive, Chief Finance Officer and Joint Legal Services were consulted.

8 Associated Documentation

8.1 The PCC 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 staff are familiar with them.

8.2 These include the following:

- Manual of Corporate Governance (specifically in reference to the Scheme of Delegation, Financial Regulations & Procedures and the Standing Orders relating to Contracts).
- Whistleblowing Policy.
- Gifts and Hospitality Policy.
- Business Interests Policy.
- Code of Conduct.
- Vetting Policy.
- OPCC Conditions of Appointment and Contracts of Employment.

8.3 Staff 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 staff.

9 Dissemination

9.1 This policy will be embedded into the OPCC induction process and will also be uploaded to the OPCC website.

9.2 Any changes to the policy will be brought to the attention of all staff, either by circulating electronically or at an OPCC training day.

10 Review Period

10.1 This policy will be subject to review to reflect any amendments to OPCC rules, or changes in legislation and working practices on a 2 yearly basis.

11 Appendices

11.1 Appendix 1 – Legal definitions and guidelines for reporting irregularities

11.2 Appendix 2 – Nolan Principles Definitions

11.3 Appendix 3 – International Framework for Good Governance in the Public Sector

Appendix 1

Legal Definitions:

Term	Definition
Fraud by false representation (s2 Fraud Act 2006)	Dishonestly and knowingly making an untrue statement with the intention of making a gain or causing another to make a loss. This includes anything said, written or entered into a system or device.
Fraud by (wrongfully) failing to disclose information (s3 Fraud Act 2006)	Dishonestly failing to disclose information that should legally be disclosed with the intention of making a gain or causing another to make a loss.
Fraud by abuse of position (s4 Fraud Act 2006)	Where someone is in a post in which they are expected to protect the interests of another, dishonestly doing something or failing to do something with the intention of making a gain or causing another a loss.
Theft	A person is guilty if he/she dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it.
Corruption (Bribery Act 2010)	<p>An inducement for an action which is illegal, unethical or a breach of trust. It may broadly be defined as the offering or acceptance of inducements that may take the form of gifts, favours, payment or benefit in kind, loans, rewards or other advantages which may influence the action of any person. Bribery does not always result in a loss. The corrupt person may not benefit directly from their deeds, however, they may be unreasonably using their position to give some advantage to another.</p> <p>This covers offering, promising or giving a bribe, requesting, agreeing to receive or accepting a bribe, and failing to prevent bribery. There is also a corporate offence of negligently failing to prevent a bribe by not having adequate procedures designed to prevent its occurrence”.</p>

Guidelines for Reporting Irregularities

Attention is drawn to the information contained within section 4 of the policy document, which identifies potential avenues of bringing suspected wrongdoing to the attention of others. Individuals intending to report irregularities should normally give consideration to the following issues:

- Do not approach, interview or accuse anyone suspected of being involved.
- Assemble all the facts and documentation available from the sources immediately to hand.

- If the information has come from a member of the public by telephone, then information notified should be written down, date and time noted, and the name and address of the supplier of the information recorded, and if they are willing to make it available.
- Prepare a briefing note of the circumstances.
- Do not make further enquiries without authorisation.

How the OPCC will Respond

In instances where an allegation of fraud or corruption is made:

1. The action taken by the organisation will depend on the seriousness of the concern. The matters will:
 - be investigated internally by an appropriate manager;
 - be referred to the police force if there is evidence of a criminal offence;
 - be referred to the External Auditor if there is evidence of financial impropriety; and
 - form the subject of an independent external or internal enquiry.
2. In order to protect individuals and the organisation, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns and allegations which fall within the scope of existing procedures will normally be referred for consideration under those procedures.
3. Some concerns may be resolved by agreed action without the need for investigation.
4. In certain circumstances, information may need to be shared with other organisations, including Gwent Police in order to progress the investigation.
5. Within 10 working days of the concern being received, the OPCC will respond by:
 - acknowledging that the information has been received;
 - indicating how it intends to deal with the matter;
 - giving an estimate of how long it will take to provide a response;
 - telling the complainant whether any initial enquiries have been made; and
 - letting complainants know whether further investigation will take place and if not, why not.
6. If additional information is required from the complainant, they have the right to be accompanied by a professional association, trade union or a friend who is not involved in the area of work to which concern relates.
7. The organisation will take steps to minimise any difficulties which complainants may experience as a result of raising a concern.
8. Where there are no legal constraints and confidentiality issues, the complainant will receive information on the outcome of any investigation.

Appendix 2

The Seven Principles of Public Life (Nolan Principles)

- **Selflessness** – Holders of public office should act solely in terms of the public interest.
- **Integrity** – Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- **Objectivity** – Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- **Accountability** – Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- **Openness** – Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- **Honesty** – Holders of public office should be truthful
- **Leadership** – Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs

NB: The Code of Ethics issued by the College of Policing also introduced two additional principles to the seven Nolan principles: Fairness and Respect.

Appendix 3

International Framework for Good Governance in the Public Sector:

1. Behave with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
2. Ensure openness and comprehensive stakeholder engagement
3. Define outcomes in terms of sustainable economic, social and environmental benefits
4. Determine the interventions necessary to optimise the achievement of the intended outcomes
5. Develop the entity's capacity, including the capability of its leadership and the individuals within it
6. Manage risks and performance through robust internal control and strong public financial management
7. Implement good practices in transparency, reporting and audit to delivery effective accountability