



Anti-Fraud and Corruption Strategy

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Note:

The word 'Employee(s)' used throughout this document means Police Officers, Special Constabulary, Volunteers, Police staff and Police Authority staff.

'Members' mean members of Suffolk Police Authority.

'Consultants, suppliers and contractors' mean all external persons with whom the Authority and Constabulary conduct business.

1. INTRODUCTION

- 1.1 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 thorough and timely manner. Under Financial Regulations, the Treasurer is responsible for receiving information in relation to all suspected financial irregularities.
- 1.2 Key to this is the Anti-Fraud and Corruption Strategy, which 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 Monitoring and Audit Committee is responsible for approval of the strategy. It will be reviewed periodically by the Monitoring and Audit Committee to reflect any amendments to Authority/Constabulary rules or changes in legislation and working practices.
- 1.3 The Authority requires all members, employees, consultants, suppliers and contractors to act in a lawful, fair and honest way, and to provide any assistance, information and support necessary to deal with fraud and corruption.
- 1.4 This document gives an overview of the strategy and includes a Fraud Response Plan that provides more detailed guidance on how to deal with fraud and corruption. The strategy itself covers the following areas:
- Authority/Constabulary policies and procedures
 - Required standards of behaviour
 - Preventing fraud and corruption
 - Detecting and investigating fraud and corruption
 - Awareness and training

2. AUTHORITY/FORCE POLICIES AND PROCEDURES

- 2.1 The Authority/Constabulary 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.
- 2.2 The most important are as follows:
- Contract Regulations
 - Financial Regulations/Instructions
 - Money Laundering Policy
 - Confidential Reporting Policy
 - Vetting policy
 - Code of Conduct for Members of the Police Authority
 - Conditions of Service
 - Recruitment and Selection procedures
 - Policy – Rules of Conduct (all staff including volunteers)
 - Code of Conduct- Assessment of Complaints Procedure
 - Standards of Professional Behaviour
 - Nolan/Graham Committee reports

- 2.3 Individual sections and departments within the Constabulary have also introduced specific measures designed to regulate their activities, including accounting control and operating procedures.
- 2.4 Police Commanders and Heads of Department have a responsibility to ensure that all employees have access to these rules and regulations and receive suitable training.
- 2.5 Members and employees have a responsibility to read and understand the rules and regulations that apply to them, and act in accordance with them at all times.
- 2.6 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. Under the Local Government and Housing Act 1989, the Authority's Monitoring Officer (Chief Executive) or Section 151 Officer (Treasurer) may be required to report contraventions to the Police Authority.

3. REQUIRED STANDARDS OF BEHAVIOUR

- 3.1 The Authority requires everyone associated with it to be honest and fair in his or her dealings. Members and employees are expected to lead by example in these matters.
- 3.2 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, employees are expected to follow any Code of Conduct relating to any professional body that they are members of as well as any Code of Conduct pertinent to their employment.
- 3.3 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. Members are required to declare their interests under the Code of Conduct. Effective role separation will ensure that when decisions are made they are seen to be based upon impartial advice.
- 3.4 The Graham Committee report sets out the ten general 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 2.
- 3.5 Consultants, suppliers and contractors are required to conduct their business with the Authority/Constabulary with integrity and honesty and a complete absence of fraudulent behaviour. This includes the offering of inappropriate gifts and hospitality to Authority/Constabulary staff.
- 3.6 Police Commanders, Department Heads and Managers are expected to deal firmly and quickly with anyone involved in, or suspected of fraud or corruption. The Principal Audit Services Manager, 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 the Treasurer.

3.7 Police 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).

3.8 As part of the Authority's/Constabulary'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 (see Appendix 1) and liaise with management to recommend changes in procedures to prevent further losses to the Authority, and
- Liaise with relevant Managers to review the reporting of all suspected irregularities.

4. PREVENTING FRAUD AND CORRUPTION

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

4.2 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 /Constabulary policies, which are set out in section 2.

4.3 Police 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 that 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.

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

- 4.5 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 that must be followed in connection with securing references.
- 4.6 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, including participation in the National Fraud Initiatives.
- 4.7 There are confidential facilities available for individuals 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.

5. DETECTING AND INVESTIGATING FRAUD AND CORRUPTION

- 5.1 With regard to written allegations against members, the Code of Conduct - Assessment of Complaints Procedure (November 2008) has been produced to comply with Regulation 10 of the Standards Committee (England) Regulations 2008 in respect of the local assessment of complaints arising against members under the Code of Conduct. The procedure sets out the steps that will be followed in relation to any written allegation that is received in relation to a member or co-opted member of the Authority, that they have failed, or may have failed to comply with the Authority's Code of Conduct.
- 5.2 For employees, this section should be read in conjunction with the Fraud Response Plan (Appendix 1) and the Memorandum of Understanding between Internal Audit, the Treasurer and PSD (Appendix 3).
- 5.3 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.
- 5.4 Under the Authority's Financial Regulations, the Treasurer is responsible for receiving information in relation to all suspected irregularities. Employees must report any suspected cases of fraud and corruption either directly or via the Chief Constable to the Treasurer. The Constabulary has also issued procedures (the Confidential Reporting Policy) for the receipt of Complaints by the PSD. Reporting cases in this way is essential to the anti-fraud and 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.

- 5.5 The Treasurer, in consultation with the Chief Executive and Principal Audit Services Manager, will work with the Head of Professional Standards to decide on the type and course of the investigation.
- 5.6 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).
- 5.7 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/Constabulary and internal offenders will be liable to general disciplinary procedures as well as prosecution.
- 5.8 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 that is often neglected.
- 5.9 The Public Interest Disclosure Act 1998, which came into force in July 1999, encourages people to raise concerns about malpractice in the workplace. The Act promotes public interest through protecting those who confidentially report potential irregularities in good faith from dismissal and victimisation.
- 5.10 Additionally, concerns about malpractice in the workplace can be raised through a Trade Union / Police Federation representative, through the Independent Police Complaints Commission (IPCC) or at third party reporting centres, e.g. Citizens Advise Bureau.

6. AWARENESS AND TRAINING

- 6.1 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/Constabulary.
- 6.2 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 that are involved in investigating fraud and corruption.
- 6.3 Awareness of the strategy and procedures for raising concerns about potential irregularities is promoted through a number of means, including induction and marketing via the intranet and posters.

7. CONCLUSIONS

- 7.1 The Authority has in place a clear network of systems and procedures to assist in the fight against fraud and corruption. It 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 or related responsibilities.

- 7.2 To this end, the Authority maintains a continuous overview of such arrangements through the Monitoring and Audit Committee, its senior managers, Standing Orders, Financial Regulations, Financial Instructions, various codes of practice, Police Regulations, and audit arrangements. All senior managers are required to keep departmental procedures under continuous review and to report to the Treasurer or Chief Constable where new risks are identified or changes in procedures are required.

Appendix 1

FRAUD RESPONSE PLAN

1. Introduction

- 1.1 The Authority is committed to the highest possible standards of openness, probity and accountability in its affairs. It is determined to ensure effective measures are in place to detect and deter fraud and corruption.
- 1.2 In line with that commitment, the Authority's Anti-Fraud and Corruption Strategy outlines the principles it is committed to in preventing, reporting and managing fraud and corruption.
- 1.3 The Fraud Response Plan (FRP) reinforces the Authority's robust approach by setting out ways in which individuals can voice their concerns about suspected fraud or corruption. It also outlines how the Authority will deal with such complaints.

1.4 Special Note:-

The FRP should be read in conjunction with the Constabulary's Confidential Reporting Policy, which is published on the Constabulary's intranet.

The Confidential Reporting Policy encourages the reporting of all categories of 'wrong doing', including corruption, dishonesty and unethical behaviour.

The FRP focuses on the specific areas of theft, fraud, and corruption.

2. What does the Authority need to know about?

- 2.1 This Plan is to be implemented where suspicions of fraud, corruption or irregularity have been raised.
- 2.2 It is essential that the Treasurer is notified of all suspected losses or irregularities, in accordance with the Authority's Financial Regulations, i.e. '*The Chief Constable will immediately notify the Treasurer of any circumstances suggesting the possibility of an irregularity affecting the Authority's assets or interests, in accordance with the Anti-Fraud and Corruption Strategy. Without prejudice to any action required of the Chief Constable under any disciplinary procedures, regulations, or his/her responsibilities as a police officer, the Treasurer, will, in consultation with the Chief Constable and Chief Executive, determine what action to take including any preliminary audit investigation.*'
- 2.3 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, which is 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'.

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

2.5 Potential 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. claims)

Financial Issues i.e. where individuals or companies have fraudulently obtained money from the Authority (e.g. invalid invoices/work not undertaken)

Equipment Issues i.e. where Authority equipment is used for personal use (e.g. unauthorised 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 employees or members of the Authority/Constabulary 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 This is not an exhaustive list. If you are in any doubt about the seriousness of your concern, guidance can be obtained from the Treasurer, who will take appropriate advice.

3. Safeguards

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

3.2 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.

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

4.1 Employees 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 or it is considered otherwise inappropriate, in which case, the Treasurer or Head of PSD should be contacted directly. The PSD can be contacted by the Confidential Reporting Line or email.

- 4.2 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 the Treasurer or Head of PSD should be informed.
- 4.3 Employees and managers should report all reasonable suspicions promptly as any delays may cause the Authority to suffer further financial losses.
- 4.4 Concerns are better raised in writing. The background and history of the concern, giving names, dates and places where possible, should be set out 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.
- 4.5 Employees may invite their Staff Association or Trade Union to raise a matter on their behalf.
- 4.6 Employees may therefore report a concern relating to a suspected irregularity to one of the following:
- Line management
 - Professional Standards Department
 - Treasurer

5. How will the Authority deal with allegations of fraud or corruption?

- 5.1 When an allegation of fraud is made, a senior manager will be appointed to oversee the proper and timely conduct of the investigation and subsequent action.
- 5.2 The approach to each allegation will depend on the financial value, sensitivity and frequency of similar occurrences. Internal Audit or the PSD may investigate matters.
- 5.3 The Treasurer and Internal Audit have a Memorandum of Understanding in place with the PSD (Appendix 3).
- 5.4 In those instances where a contact name has been provided, acknowledgement of receipt of the concern will be given within 2 working days of a concern being received.
- 5.5 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.

6. Alternative methods for taking a complaint forward

- 6.1 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 Trade Union / Police Federation – employees may invite their representative to raise a matter on their behalf.
 - The Independent Police Complaints Commission (IPCC).
 - At third party reporting centres, e.g. Citizens Advise Bureau

Appendix 2

THE TEN GENERAL PRINCIPLES OF PUBLIC LIFE

(GRAHAM COMMITTEE)

Selflessness

Members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.

Honesty and integrity

Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly, and should on all occasions avoid the appearance of such behaviour.

Objectivity

Members should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.

Accountability

Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their office.

Openness

Members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.

Personal Judgement

Members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

Respect for others

Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers and its other employees.

Duty to uphold the law

Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

Stewardship

Members should do whatever they are able to do to ensure that their authorities use their resources prudently, and in accordance with the law.

Leadership

Members should promote and support these principles by leadership and by example, and should act in a way that secures or preserves public confidence.

Appendix 3

MEMORANDUM OF UNDERSTANDING BETWEEN THE PROFESSIONAL STANDARDS DEPARTMENT (PSD), POLICE AUTHORITY TREASURER, AND INTERNAL AUDIT FOR THE REPORTING OF SUSPECTED FINANCIAL IRREGULARITIES

Background

Suffolk Police Authority (the Authority) is required to maintain the highest standards of propriety and regularity in financial matters, as well as meeting statutory requirements. Under Financial Regulations, the Treasurer is responsible for receiving information in relation to all suspected financial irregularities.

This Memorandum of Understanding (MOU) recognises that both the Professional Standards Department (PSD) and the Police Authority's internal auditors (Internal Audit) have roles in financial irregularities involving Suffolk Constabulary. The MOU formalises current arrangements in place for the notification and investigation of suspected financial irregularities. The policy of the Authority/Constabulary in relation to the prevention and detection of fraud is set out in the Anti-Fraud and Corruption Strategy of the Authority.

Roles and Responsibilities

When an allegation of fraud is made, a senior manager will be appointed to oversee the proper and timely conduct of the investigation and subsequent action.

PSD has a duty to investigate unprofessional and unethical behaviour, complaints and discipline matters, corruption and dishonesty within Suffolk Constabulary. All such matters are reported to them for investigation. A number of these matters may involve financial irregularities.

For the purposes of this Agreement, financial irregularity means actual or suspected fraud, corruption or any significant loss of assets and funds of Suffolk Constabulary. It also includes any circumstances where systems, procedures or controls have been breached or ignored in a way that would have provided an opportunity for fraud, corruption or loss to occur.

Aims of Agreement

The aims are: -

- To formalise mutual respect and professional partnership between PSD and Internal Audit in dealing with financial irregularities so that both parties fulfil their roles effectively and efficiently.
- To promote trust and mutual confidence between PSD and Internal Audit to enable the sharing of information.
- To formalise close co-operation by supporting each other's roles.
- To provide arrangements for enabling financial irregularities to be discussed and nominate contact points.
- To ensure that action is taken to address any system weaknesses identified as a result of a financial irregularity.
- To provide assurance to the Authority and External Audit that appropriate corporate governance arrangements are in place to tackle financial irregularities within Suffolk Constabulary.

MEMORANDUM OF UNDERSTANDING

It is agreed that: -

1. Internal Audit will notify PSD of any suspected irregularity involving a Suffolk police employee.
2. PSD will inform Internal Audit of suspected irregularities that relate to:
 - Funds or assets of Suffolk Constabulary,
 - Procurement, contracts, equipment, stores or other assets of Suffolk Constabulary,
 - Monies or other property in the custody of Suffolk Constabulary, or
 - Private or other funds administered by Suffolk Constabulary by virtue of an office held.
3. The notification will include as much of the following information as is available:
 - A brief outline of what is suspected or alleged to have occurred,
 - Who is/are suspected or involved,
 - The status of the investigation,
 - The amount or value that is or could be involved, and
 - The name and telephone number of the Investigating Officer and an estimated timescale for the investigation.
4. A meeting will be arranged between the Treasurer, PSD and Internal Audit at the outset of any investigation, in order to clarify: -
 - A proportionate approach to the investigation, and
 - The reporting lines.
5. Following this meeting, PSD will notify the Head of Human Resources of relevant matters as considered appropriate.
6. Both parties will keep each other informed of cases in order to avoid cases either being overlooked or effort being duplicated.
7. At the request of the Treasurer, Internal Audit will ensure all systems implications identified in cases are appropriately addressed.
8. At the request of the Treasurer, Internal Audit will provide appropriate assistance to the PSD when requested in respect of any matter covered by this Agreement.
9. PSD will afford appropriate access to their facilities to Internal Audit in support of their examinations and investigations relating to matters covered by this Agreement.
10. PSD will inform the Treasurer and Internal Audit of the outcome of investigations covered by this Agreement. Similarly Internal Audit will advise PSD of the outcome of any matter referred to them.
11. Internal Audit will notify the Treasurer, as appropriate, of any matter reported under this Agreement.

12. Internal Audit will co-ordinate and complete on behalf of the Authority and Constabulary returns to the Audit Commission for cases of fraud of £10k and above, and all cases of corruption. PSD will provide a sufficient level of information on relevant cases in order that the return can be compiled within the timescale set for its completion.
13. Information or intelligence exchanged under the terms of this Agreement will be secured and handled confidentially and in accordance with appropriate legislation. Disclosure of information in relation to a criminal investigation will only occur after a Case Conference of all interested parties.

On behalf of PSD

Name Stuart Sedgwick
Designation Head of Professional Standards

Signed

Date 17 April 2009

On behalf of Suffolk Police Authority

Name Chris Bland
Designation Treasurer

Signed

Date 17 April 2009

On behalf of Internal Audit

Name Peter Frost
Designation Principal Audit Services Manager

Signed

Date 17 April 2009