



Office of the  
Police and Crime  
Commissioner  
for Warwickshire



Warwickshire  
**POLICE**

# Policy – Anti-Fraud, Bribery and Corruption

<b>Policy Owner</b>	PCC Chief Finance Officer
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<b>Next Review Date Prior To</b>	March 2027
<b>Security Classification</b>	Official
<b>Disclosable under Freedom of Information Act?</b>	Yes
<b>Risk Rating</b>	Low
<b>Equality Analysis</b>	Low

## 1. Introduction

Incidents of fraud and corruption are rare; however, incidents do attract media attention and risk undermining the trust and confidence of the public the force or policing more widely. The public expect the highest standards of behaviour by officers, PCSOs and staff, which is underpinned by the Code of Ethics. However, it cannot be taken for granted that policing is exempt from incidents of fraud and corruption and arguably the nature of the business gives rise to opportunities for fraud to be committed.

One of the basic principles of public sector organisations is the proper use of public funds. It is, therefore, important that all those who work in the public sector are aware of the risk of and means of enforcing the rules against fraud, bribery and other illegal acts involving dishonesty. In carrying out their functions and responsibilities the Police and Crime Commissioner and Chief Constable of Warwickshire are firmly committed to dealing with and reducing fraud, bribery and corruption and seeking the appropriate disciplinary, regulatory, civil and criminal sanctions against perpetrators both within and outside of the organisation.

This is one of a number of policies in place to ensure effective Corporate Governance arrangements are established and there are processes to reduce fraud and bribery. This policy is part of a wider system of documentation including, financial and contract regulations, documented procedures, and systems of internal control and risk management.

## Aims and Objectives

The purpose of this policy is to provide a strategic overview outlining the framework arrangements in place to develop and maintain an anti-fraud culture which encourages prevention, promotes detection and provides an effective process for reporting and investigating suspected acts of fraud.

## 2. Key Legislation and Definitions

This policy relates to these key acts:

**Fraud Act 2006** - The Act provides a statutory definition of the criminal offence of fraud, as classified under three main headings:

- Fraud by false representation – 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 – dishonestly failing to disclose information that should legally be disclosed with the intention of making a gain or causing another to make a loss; and

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- Fraud by abuse of position – someone 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.

Those found guilty under the Act are liable for a fine or imprisonment, with a maximum custodial sentence of ten years.

**Bribery Act 2010** - Corruption is defined as “the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.” The Act strengthened UK anti-bribery and corruption legislation and created a new offence which can be committed by organisations which fail to prevent persons associated with them from committing bribery on their behalf. Offering and requesting a bribe for financial or other advantage does not have to go direct to the person being influenced and there is no materiality threshold in the Act. Individual offences under the Act are as follows:

- Bribing another person
- Receiving a bribe, and
- Bribery of foreign public officials

**Theft Act 1968** - The basic definition of theft under the Act is that “a person is guilty of theft if s/he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it; It is immaterial whether the appropriation is made with a view to gain or is made for the thief’s own benefit.” Those found guilty under the Act are liable for a fine or imprisonment, with a maximum custodial sentence of seven years.

**Police Misconduct Regulations** including:

- The Police (Conduct) Regulation 2020
- The Police (Complaints and Misconduct) Regulations 2020
- Police Staff Council Handbook

### 3. Roles and Responsibilities

Heads of Departments and other line managers should ensure that officers, PCSOs and staff(employees) are aware of this policy and have access to the relevant rules and regulations and where appropriate they receive suitable training. Employees must make sure that they read and understand the rules and regulations that apply to them and act in accordance with them. Employees who do not comply with these rules and regulations risk disciplinary action being taken against them.

Roles and responsibilities are set out as follows:

#### Employees

All employees have a responsibility to adhere to legal requirements, the policing code of ethics, professional codes of conduct, policies, procedures and best

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professional practice as well as raise any suspicions that they may have of fraudulent activity, whether attempted from within or outside the organisation.

### Managers

Managers are responsible for assessing the risk of fraud in their work area and ensuring there are appropriate and effective controls in place to mitigate the risk.

- Primarily managers should behave consistent to the policy and Code of Ethics and lead by example as well as create a high-performance culture that promotes appropriate behaviour and clearly establishes an environment where wrongdoing is not tolerated.
- They must ensure that all employees are made aware of this policy, and that it is made available as part of the induction process and thereafter.
- They must immediately report any information received about any suspected fraud or corruption.
- They must maintain a continuous assessment of risks associated with the service activities for which they are responsible, including risks of fraud and impropriety, and maintain effective controls to mitigate those risks.
- They should promptly implement agreed management actions where weaknesses in controls are identified during audit reviews.
- They must invoke disciplinary policies and practices in the event of suspected fraudulent activity by employees arising from breaches of Codes of Conduct or incidents of whistleblowing.
- They must manage the risk of inappropriate or fraudulent appointment of employees (or volunteers) by adhering to recruitment and selection policies and procedures. It is essential that effective reference and propriety checks are undertaken. Where necessary, recruiting managers are responsible for undertaking the appropriate level of Disclosure and Barring Services and vetting checks.
- When policies or service delivery arrangements (such as partnerships) and systems are being developed managers should obtain appropriate advice from Finance, Internal Audit and Legal Services on suitable control activities and measures
- Budget holders in particular have a key accountability and responsibility to operate financial controls, as set out in the Financial Regulations.

### Third Parties, including those delivering services in the name of the PCC or force

The attention of all staff working for third parties acting on behalf of the organisation must be drawn to the requirements of this policy. Third parties are expected to comply with this policy and it is clear that fraud and corruption by anyone will be dealt with appropriately.

## **PCC Chief Finance Officer**

The PCC Chief Finance Officer has a statutory responsibility under Section 151 of the Local Government Act 1972 for ensuring that adequate systems and procedures are in place for the PCC and force's financial affairs. The PCC Chief Finance Officer is also the professional advisor to the Police and Crime Commissioner in respect of financial propriety. The PCC CFO is responsible for:

- Undertaking a continuous internal audit of the accounting, financial and other operations within the organisations, including to what extent assets and interests are accounted for and safeguarded from losses due to fraud and other offences.
- monitoring the implementation of this policy and will report on its effectiveness and appropriateness. The PCC Chief Finance Officer will undertake pro-active work to detect cases of fraud and corruption, particularly where system weaknesses have been identified. Where this work identifies cases of fraud these will be referred to the Head of Professional Standards (HOPS) for investigation.
- monitoring the actions taken in respect of all allegations of fraud reported to the Professional Standards Department (PSD), irrespective of whether the matter is the subject of criminal investigation, of any loss, financial irregularity or suspected irregularity, including those relating to cash, physical assets or other property of the organisation.
- leading the participation in the National Fraud Initiative, which is an exercise based upon the exchange and comparison of information with other authorities and agencies. It identifies possible fraudulent activity across a range of areas, including payroll, pensions and creditor payments.

The Force Director of Finance is responsible for managing the finance, legal and procurement function within the force including the maintenance of financial and accounting systems, financial risk management financial systems and the system of internal control.

The Director of Finance must ensure that the policy is published on the intranet and that it is brought to the attention of all employees, volunteers and contractors as part of onboarding activities. The attention of contractors and suppliers of goods and services should be drawn to the requirements of the policy, suppliers and third parties are expected to perform to the standards set out in the policy and fraud and corruption perpetrated by suppliers and their staff will be dealt with appropriately.

## **Head of Professional Standards Department (PSD)**

Reports to Professional Standards will be assessed by the Appropriate Authority in line with The Police (Conduct) Regulation 2020, The Police (Complaints and Misconduct) Regulations 2020 and Police Staff Council Handbook.

The Head of PSD will annually prepare an Anti-Fraud, Corruption and Bribery report which will be submitted to the Governance and Performance Board, and then JASC

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annually. The report will provide a summary of the work undertaken during the year to develop an anti-fraud culture within the organisation, including the provision of training and awareness raising, and to detail work undertaken relating to the detection and investigation of fraud. The report will also set out the priorities for activity in the upcoming year.

### **Joint Audit and Standards Committee**

JASC will review this policy and make recommendations before formal approval. Additionally, they will receive and review the Head of PSD's annual report

### **Internal Audit**

Internal Audit is a tool to support the development of an anti-fraud culture within the organisations, and can provide appropriate publicity and awareness raising. Internal Audit monitors and reviews the existence, appropriateness, and effectiveness of internal controls, including those which aim to manage the risk of fraud. The outcome of this work will inform their audit opinions and also the future internal audit plans and the Annual Governance Statement. The service liaises with the Professional Standards Department in respect of the investigation into allegations of fraud and corruption.

## **4. Training**

The PCC and Chief Constable both recognise that the continuing success of their joint Anti-Fraud and Corruption Policy and its general credibility will depend largely on the effectiveness of programmed training and the responsiveness of the PCC, Chief Constable and their respective employees throughout the organisations. To facilitate this, the PCC and Chief Constable support the concept of induction, performance and development reviews (PDRs) and training and development for employees, particularly those involved in internal control systems, to ensure that they are competent to carry out their respective roles key to which is understanding their responsibilities and duties in this respect.

## **5. Prevention**

Both the OPCC and Warwickshire Police have a zero-tolerance approach towards fraud, bribery, corruption and other malpractice for personal gain. Dishonesty, lack of integrity, avoidance of controls and failure to comply with agreed policies will not be tolerated. It is the responsibility of managers and individual employees to create and maintain a culture underpinned by the seven principles of public life defined by the Nolan Committee and by the Code of Ethics and Code of Conducts that are in place, and for individuals to behave in a manner that reflects the standards of policing and is legal.

Both organisations promote a climate of open communication, whereby all staff should be able to raise concerns about financial malpractice without fear of victimisation and with the protection afforded by the Employment Rights Act 1996.

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The OPCC Whistleblowing Policy, force Raising Concerns Policy and the confidential reporting mechanism of the Professional Standards Department support these principles.

Each organisation works to ensure that the culture and tone of the organisation continues to be one of honesty and opposition to fraud and corruption. Anyone who has suspicions of fraud should report them. Anyone reporting reasonably held suspicions should not suffer as a result of the allegations, so long as the allegations are made without malice and in the public interest. Victimising or deterring staff and police officers from reporting concerns is a disciplinary matter.

Through this policy a commitment is made to deter individuals from considering perpetrating fraudulent acts. Each organisation will take steps to share what controls are in place, to set out expectations through organisational communications and to highlight what activity is taken to discipline those who attempt to defraud the organisations.

Managers must assess the operation of the systems and procedures to guard against bribery, fraud and corruption. Arrangements should be established to ensure that financial systems are secure, and spot checks take place. This should be done openly so that all employees are aware that processes are in place.

All of the workforce is expected to complete an Annual Integrity Health Check, and discuss the contents with their line manager. As well as encouraging each individual to review the policies to which they are subject, it is an opportunity to declare any material change in circumstances.

The Joint Audit and Standards Committee receives reports from the Professional Standards Department, offering summary details of investigations into allegations of fraud and financial impropriety, and this information will also be scrutinised by the external audit process, as well as through targeted audits by the Internal Audit function.

## 6. Identification and Investigation

Preventative systems, particularly internal control systems, provide indicators and detect fraudulent activity. In addition to this any irregularity identified by Internal Audit will be reported and investigated.

It is the responsibility of management to prevent and detect fraud and corruption. It is, however, often 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. Despite the best efforts of managers and auditors, many frauds are discovered by chance, or 'tip-off', and the PCC and Chief Constable have arrangements in place to enable such information to be properly dealt with.

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Both organisations participate in the National Fraud Initiative data matching and investigations work. Where any instances of fraud or overpayment are identified action is taken to recover any losses. Where any loss is incurred to fraud and corruption each organisation will take action to affect maximum recoveries.

When managers suspect that fraudulent activity may have occurred they must report this immediately to the Head of the Professional Services Department and / or the OPCC Chief Executive, who will progress an investigation in accordance with the police regulations. Investigating Officers are required to ensure that investigations are fair, complete and objective and that they comply with the relevant statutory requirements and Disciplinary Procedures. The Investigating Officer must be suitably trained and experienced in undertaking fraud investigations and the evidence needs to be collected to a criminal standard.

The process can be summarised as follows:

1. A suspicion is reported to the Head of PSD, Director of Finance, OPCC Chief Executive or PCC Chief Finance Officer.
2. The Head of PSD (or OPCC Chief Executive if relating to OPCC Staff) will review each suspicion or allegation to determine whether or not an investigation is required. Where appropriate, the Head of PSD will liaise with the PCC Chief Finance Officer and Director of Finance to agree the type of investigation required (i.e. criminal or disciplinary) and liaise with Internal Audit, HR and Legal Services. The Appropriate Authority/ will report all allegations received to the PCC Chief Finance Officer, including the action to be undertaken. The Head of PSD will report progress in respect of each case to the PCC Chief Finance Officer on a monthly basis.
3. The Head of PSD will arrange for criminal investigations to be undertaken by an appropriately skilled investigator in all cases where fraud is suspected, which is likely to result in prosecution. Where allegations are founded but unlikely to result in a prosecution, the Head of PSD will arrange for disciplinary investigations to be undertaken by an appropriately skilled investigator.
4. Where cases are proven, the Head of PSD will agree with the PCC Chief Finance Officer and Director of Finance, the sanctions and redress to be sought. Where the case is not proven, the case should be formally closed and an internal report provided to the PCC Chief Finance Officer and Director of Finance. Welfare support should be provided to individuals in accordance with the circumstances of each specific case
5. The disciplinary procedures of the organisation must be followed where an employee is suspected of being involved in a fraudulent or other illegal act.
6. The Head of PSD (OPCC Chief Exec in case of OPCC staff) will maintain a case management record detailing the suspicion or allegation made and the action taken regarding the investigation. This record should be regularly updated and will be subject to monitoring by the PCC Chief Finance Officer.



## 7. Action following an investigation

After an investigation, sanctions will be applied where fraud and corruption are proven to be present. This will be undertaken in a comprehensive, consistent and proportionate manner whereby all possible sanctions - disciplinary, civil and criminal - are considered. The level of sanction pursued will be considered at the end of the investigative process when all evidence is available. The sanction will be considered in line with the College of Policing's Guidance on Outcomes in Police Misconduct Proceedings (2022).

The manager responsible for the service in which a loss has occurred as a result of fraud or other misconduct must ensure that all possible means to recover losses are pursued and that effective co-operation takes place between interested parties. When a case leads to a criminal prosecution, the investigating police officer will be asked to submit a request that an order for compensation is made by the Court, unless otherwise decided. When neither a voluntary agreement nor a compensation order is made the manager will consult with Legal Services about other legal action that can be taken to recover the organisation's losses. This may include making application for recovery from an employee's pension fund.

The outcome of a disciplinary process may include a range of levels of warning or, where gross misconduct is found, dismissal of the individual concerned. When an employee offers to resign before a disciplinary hearing takes place the manager of the service concerned must consult the Head of PSD to determine the most appropriate action to be taken and how to enforce the repayment of all losses incurred.

When fraud or impropriety has been perpetrated by organisations or individuals with whom the PCC or force has a contractual relationship, robust action will be taken including, where appropriate, the termination of the contract, publication of findings and civil recovery proceedings.

Where an investigation identifies an incident of fraudulent behaviour, the Internal Audit team may review the internal controls and report on the weaknesses in the system that had allowed this fraud to occur. This will be reported to the relevant manager and it will be the manager's responsibility to promptly and robustly implement agreed actions to resolve this.

In addition to this reports will be made to the following:

- Police and Crime Commissioner
- Joint Audit and Standards Committee
- External Auditors

On occasion it may also be necessary to inform other organisations such as HM Revenue and Customs and the Department of Work and Pensions.

The Professional Standards Department may also consider pension forfeiture and make an application to the OPCC for this to be progressed.

## 8. Monitoring and Review

Monitoring and auditing is essential to ensure that controls are appropriate and robust enough to prevent or reduce fraud. The PCC Chief Finance Officer will convene monitoring meetings with the Chief Executive, Director of Finance and Director of PSD to monitor the operation of this policy and the application of controls.

## 9. Revision Record

Date of change	Nature of revision
March 2024	Full review of Policy