

## The Local Anti - Fraud, Bribery and Corruption Policy for West Midlands Office of Policing and Crime

### Document Control

<b>Title:</b>	Anti - Fraud, Bribery and Corruption Policy for West Midlands Office of Policing and Crime
<b>Purpose:</b>	Policy outlining the roles & responsibilities for the prevention and detection of fraud, bribery & corruption
<b>Author:</b>	Head of Internal Audit (HOIA)
<b>Other relevant policies:</b>	Confidential Reporting (Whistleblowing) Policy  Code of Conduct for Business Standards  Gifts & Hospitality Policy  Protocol between Internal Audit & Professional Standards Departments for reporting, managing and investigating suspicions and allegations in respect of financial irregularities & fraud
<b>Responsible Officers:</b>	Chief Financial Officer (CFO)  Force Chief Financial Officer (FCFO)
<b>Lead Officer:</b>	David Giles, Head of Internal Audit (HOIA)
<b>Target Audience:</b>	All staff groups  Agency & Partnership Staff  Third party organisations and suppliers
<b>Reviewed By:</b>	Joint Audit Committee (JAC)
<b>Approved By:</b>	Strategic Policing and Crime Board (SPCB)
<b>Date:</b>	16 <sup>th</sup> September 2013
<b>Review Date:</b>	16 <sup>th</sup> September 2015



## Contents

<b>1. Introduction</b>	
1.1 General	Page 1
1.2 Aims & Objectives	Page 1
1.3 Scope	Page 1
<b>2. Key Legislation</b>	
2.1 Theft Act 1968	Page 2
2.2 Fraud Act 2006	Page 2
2.3 Bribery Act 2010	Page 2
<b>3. Strategic approach</b>	
3.1 Prevention	Page 3
3.2 Detection	Page 3
3.3 Investigation	Page 3
3.4 Sanctions and Redress	Page 3
3.5 Review and Monitoring	Page 3
<b>4. Roles &amp; Responsibilities</b>	
4.1 Chief Financial Officer (CFO)	Page 4
4.2 Chief Force Financial Officer (CFFO)	Page 4
4.3 Head of Internal Audit (HOIA)	Page 4
4.4 Professional Standards Department (PSD)	Page 4
4.5 Joint Audit Committee (JAC)	Page 5
4.6 All Employees	Page 5
4.7 Third parties acting on behalf of WMOPC and WMP	Page 6
<b>5. The Response Plan</b>	
5.1 Reporting fraud, bribery and corruption	Page 6



APPENDIX A

---

5.2 Disciplinary action	Page 7
<b>6. Monitoring and Review</b>	
6.1 Reviewing Policy Effectiveness	Page 7
6.2 Dissemination of policy	Page 7
6.3 Review of Policy	Page 7

## APPENDIX A

---

# 1. Introduction

## 1.1 General

1.1.1 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 legal acts involving dishonesty. In carrying out its functions and responsibilities the West Midlands Office of Policing and Crime (WMPOC) and West Midlands Police (WMP) are firmly committed to dealing with and reducing fraud, bribery and corruption and will seek the appropriate disciplinary, regulatory, civil and criminal sanctions against perpetrators both within and outside of the organisation.

1.1.2 WMPOC wishes to encourage anyone having suspicions of fraud to report them. Any employee 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 serious disciplinary matter.

1.1.3 WMOPC and the local policing body, the West Midlands Police Force (WMP), already have procedures in place that reduce the likelihood of fraud and/or bribery occurring, including standing orders, financial regulations, documented procedures, and systems of internal control and risk management.

## 1.2 Aims and Objectives

1.2.1 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 within WMOPC and WMP, which encourages prevention, promotes detection and provides an effective process for reporting and investigating suspected acts of fraud.

## 1.3 Scope

1.3.1 The policy should be read in conjunction with the organisation's Confidential Reporting Policy ("whistleblowing" policy) and applies to all civilian and police staff, contractors and any third party or agency staff working on behalf of WMOPC and WMP.

1.3.2 The policy is also supported by the following inter related policies, regulations, orders and protocols:

- Gifts & Hospitality Policy;
- WMOPC/WMP Financial Regulations;
- Police Officer and Staff Business Conduct Policy;
- Corporate Governance Framework.

## APPENDIX A

---

### 2 Key Legislation

#### 2.1 Theft Act 1968

The basic definition of theft under the Act is that “a person is guilty of theft if 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.

#### 2.2 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
- **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.

#### 2.3 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 strengthens pre UK anti-bribery and corruption legislation and creates 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.



## APPENDIX A

---

### 3 Strategic Approach

3.1 The Anti-Fraud, Corruption & Bribery Policy forms part of the overall governance arrangements for WMOPC and WMP, and provides a framework for the prevention, detection and investigation of fraud.

3.2 Fraud risk is a component of risk management within WMPOC and WMP, and will be considered and evaluated with appropriate controls and other management processes being put in place to reduce the likelihood of fraud occurring.

#### 3.3 Prevention

One of the key components in preventing fraud is the development of an anti-fraud culture throughout the organisation, which sets high ethical standards and behaviours. The development of this culture is dependent on clear leadership, decreasing motive, restricting opportunity and limiting the ability for those committing fraud. This is achieved through the establishment of an effective internal control framework, effective communication, supervision and review, and appropriate fraud awareness training.

#### 3.4 Detection

The early detection of fraud acts as a deterrent and contributes to the establishment of an anti-fraud culture. Detection methods include audit and inspection, supervision and review and local pro-active reviews, using analytical techniques to identify potential fraud and corruption.

#### 3.5 Investigation

All reported suspicions of fraud are investigated by appropriately skilled staff in a fair, consistent, timely and professional manner.

#### 3.6 Sanctions and Redress

Following the conclusion of an investigation, if there is sufficient evidence of fraud, corruption and bribery, appropriate sanctions will be made, including criminal prosecution, disciplinary action and civil recovery action to recover funds lost to fraud.

#### 3.7 Review and Monitoring

Anti-Fraud arrangements, including performance against Plans and completion of investigations will be the subject of review and monitoring. Anti-Fraud arrangements will be benchmarked against other public sector organisations and a self-assessment will be undertaken against best practice to ensure the effectiveness and relevance of the approach adopted.

## APPENDIX A

---

### 4 Roles and Responsibilities

#### 4.1 Chief Financial Officer (CFO)

The CFO has a statutory responsibility under Section 151 of the Local Government Act 1972 for ensuring that adequate systems and procedures are in place to account for all income due and expenditure disbursements made on behalf of WMOPC and WMP, and that controls operate to protect assets from loss, waste, fraud or other impropriety. The CFO is also the professional advisor to the Police and Crime Commissioner (PCC) in respect of financial propriety.

#### 4.2 Force Chief Financial Officer (FCFO)

The FCFO is appointed by the Chief Constable (CC), in consultation with the CFO, who for the purposes of Section 151 of the Local Government Act 1972, is the financial advisor to the CC, and is responsible for managing the finance function within WMP, including the maintenance of financial and accounting systems, risk management systems and the system of internal control.

#### 4.3 Head of Internal Auditor (HOIA)

4.3.1 The HOIA is responsible for undertaking a continuous internal audit, under the shared control of the CFO/FCFO, of the accounting, financial and other operations within WMOPC and WMP, including to what extent assets and interests are accounted for and safeguarded from losses due to fraud and other offences.

4.3.2 The HOIA will be responsible for 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.

4.3.3 The HOIA will monitor the implementation of the Fraud, Corruption Policy and will report to the CFO/FCFO on its effectiveness and appropriateness.

4.3.4 The HOIA will undertake pro-active work within the agreed Internal Audit Plan 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.

#### 4.4 Professional Standards Department (PSD)

4.4.1 The PSD will receive and review all allegations or reported suspicions of fraud from managers, staff, third parties, and is responsible for managing the criminal or disciplinary investigation of all cases as agreed with the CFO and FCFO.



## APPENDIX A

---

4.4.2 PSD and Internal Audit Department (IAD) will jointly develop an Anti-Fraud, Corruption and Bribery Work Plan which will be presented to the Joint Audit Committee (JAC) for approval prior to the commencement of the financial year. The Work Plan will include proposals for providing training and information to staff, in order to raise awareness across the organisation.

4.4.3 PSD and IAD will jointly provide an Anti-Fraud, Corruption and Bribery Annual Report for the JAC which will provide a summary of the work undertaken during the year. The Report will include the measures taken to develop an anti-fraud culture within the organisation, and work undertaken relating to the detection and investigation of fraud.

### 4.5 Joint Audit Committee (JAC)

4.5.1 The JAC will review and consider the Anti-Fraud, Corruption and Bribery Policy, which will be reviewed bi-annually, prior to formal approval by the SPCB.

4.5.2 The JAC will receive a joint report from the CFO/FCFO detailing the current status of all fraud investigations in progress and any sanctions and redress taken.

4.5.3 The JAC will review and approve the Anti- Fraud, Corruption and Bribery Work Plan produced by the HOPS.

4.5.4 The JAC will review and consider the Anti-Fraud, Corruption and Bribery Annual Report, prior to approval by the SPCB.

### 4.6 All Employees

4.6.1 Each employee has a duty to protect the assets of the organisation, which include information and goodwill, as well as property, and the PCC wishes to encourage anyone having suspicions of fraud, corruption and bribery to report them. All employees can do this in the knowledge that such concerns will be treated in confidence and will be properly investigated. The Employment Rights Act 1996 provides statutory protection the disclosure is made in the public interest. The Confidential Reporting Policy provides further information and guidance.

4.6.2 The PCC discourages any person who has reasonably held suspicions from doing nothing, trying to investigate the matter themselves, talking to others about their suspicions or approaching or accusing the individual themselves. These actions could result in the continued perpetration of the fraud being committed, or an unsuccessful outcome as a result of a criminal investigation being compromised or jeopardised.

4.6.3 All employees should convey their concerns or suspicions to the HOIA, HOPS, CFO or FCFO on the following telephone numbers:

Head of Professional Standards  
Head of Internal Audit  
Chief Finance Officer  
Force Chief Finance Officer



## APPENDIX A

---

### 4.7 Third Parties acting on behalf of WMPOC and WMP

The attention of all staff working for third parties acting on behalf of the organisation must be drawn to the requirements of this policy.

## 5 **The Response Plan**

### 5.1 Reporting fraud, bribery and corruption

5.1.1 All managers, staff, third parties and other parties must report suspicions or allegations of fraud to PSD.

5.1.2 PSD will review each suspicion or allegation made to determine whether or not an investigation is required. Where appropriate, PSD will liaise with the CFO and FCFO to agree the type of investigation required (i.e. criminal or disciplinary). PSD will report all allegations received to the HOIA, including the action to be undertaken. PSD will report progress in respect of each case to the HOIA on a monthly basis.

5.1.3 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.

5.1.4 PSD will arrange for disciplinary investigations to be undertaken by an appropriately skilled investigator, where allegations are founded but unlikely to result in a prosecution.

5.1.5 Where the suspicion or allegation is founded and there is potential for criminal prosecution, PSD must appoint an investigator with the required level of skills and resources for the criminal investigation needed. Where the case is proven, PSD will agree with the CFO and FCFO 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 CFO, FCFO and HOIA.

5.1.6 Where the suspicion or allegation is founded but there is no potential for criminal prosecution, PSD must appoint an investigator with the required level of skills and resources for the disciplinary investigation needed. Where the case is proven, PSD will agree with the CFO and FCFO 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 CFO, FCFO and HOIA.

5.1.7 Where the suspicion or allegation is unfounded the case should be formally closed and an internal report provided to the CFO, FCFO and HOIA

5.1.8 The disciplinary procedures of the organisation must be followed where an employee is suspected of being involved in a fraudulent or other illegal act.

## APPENDIX A

---

5.1.9 PSD 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 HOIA.

### 5.2 Disciplinary Action

5.2.1 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 **Monitoring and Review**

### 6.1 Reviewing Policy Effectiveness

Monitoring and auditing is essential to ensure that controls are appropriate and robust enough to prevent or reduce fraud. The HOIA will monitor the operation of this policy and the application of controls, which will form part of the Internal Audit work plan, and will report any non-compliance to the CFO in the first instance. The effectiveness of the policy should form part of the Annual Report from the HOIA.

Continued failure to implement this policy should be reported by the CFO to the JAC.

### 6.2 Dissemination of Policy

All employees should be made aware of this policy and have clear access to it via the Intranet. The policy should be highlighted in all induction training and documentation for new employees and staff working in partnership or agency arrangements.

The attention of contractors and suppliers of goods and services should be drawn to the requirements of the policy.

### 6.3 Review of policy

The policy will be formally reviewed by the HOIA on a bi-annual basis and will be implemented following consideration by the JAC and approval by SPCB.