

# **GWENT POLICE AUTHORITY**

## **ANTI-FRAUD AND CORRUPTION POLICY**

### **1. INTRODUCTION**

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

- Encourage prevention;
- Promote detection; and
- Identify a clear pathway for investigation

1.2 The Authority's expectation on propriety and accountability is that Authority Members and staff at all levels will lead by example in ensuring adherence to rules, and that all procedures and practices are above reproach.

1.3 The Authority also demands that individuals and organisations it comes into contact with will act towards the Authority with integrity and without thought or actions involving fraud or corruption.

1.4 The Authority's Anti-Fraud and Corruption Policy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent or corrupt act. (Please see list of relevant documents at Annex 1). These cover:-

- Culture (Section 2);
- Prevention (Section 3);
- Detection and Investigation (Section 4); and
- Training (Section 5)

1.5 The Authority is also aware of the high degree of external scrutiny of its affairs by a variety of bodies including:-

- Her Majesty's Inspector of Constabulary
- Wales Audit Office
- HM Revenue and Customs
- The General Public
- The Media

In addition the Authority has contracted out internal audit functions to Monmouthshire County Council. Contact Chief Internal Auditor (Barrie Pearson 01633 644400).

1.6 A definition of fraud and corruption is contained in Annex 2.

1.7 Application of this Policy applies to members and all officers engaged in carrying out duties of the Police Authority. Detection, prevention and reporting of fraud and corruption is the responsibility of all members and officers of the Authority.

## 2. **CULTURE**

- 2.1 The Authority is determined that the culture and tone of the organisation is one of honesty and opposition to fraud and corruption.
- 2.2 There is an expectation and requirement that all individuals and organisations associated in whatever way with the Authority will act with integrity, and that Authority staff at all levels will lead by example in these matters.
- 2.3 The Authority's staff are an important element in its stance on fraud and corruption and they are positively encouraged to raise any concerns that they may have on these issues where they are associated with the Authority's activity. Concerns may be about something that:
- Is unlawful
  - Is against the Authority's Standing Orders or policies
  - Falls below established standards or practices
  - Results in waste or loss to the Authority
  - Amounts to improper conduct
- 2.4 This they can do in the knowledge that such concerns will be treated in confidence, properly investigated and without fear of reprisal and victimisation. If necessary, a route other than their normal line manager may be used to raise such issues. Examples of such routes are:
- Chief Constable's Direct Line (01633 642263)
  - Treasurer to the Police Authority (01633 643083)
  - Chief Executive, Clerk & Monitoring Officer to the Police Authority (01633 643077)
  - Chairman or any Member of the Police Authority (01633 643089)
  - Professional Standards Department Confidential Advice & Helpline (01633 642026)

There may be circumstances where a person may prefer to contact an external agency and the following are contact points:

- Audit Commission Fraud Hotline (0207 6301019)
  - Wales Audit Office (0290 371022)
  - Internal Audit
  - Public Concern at Work; Independent Charity offering free advice on fraud or other issues of malpractice (020 74046609)
- 2.5 The Public Interest Disclosure Act 1988 protects employees who report suspected fraud or corruption activities, from any reprisals as long as they meet the rules set out in the Act.

In simple terms the rules for making a protected 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.

- The person making the allegation must not be seeking any personal gain.

The designated officer required under the Act to receive disclosures is the *Chief Executive, Clerk & Monitoring Officer*.

- 2.6 Members of the public are also encouraged to report concerns through any of the above avenues.
- 2.7 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
- 2.8 Senior management are responsible for following up any allegation of fraud and corruption received and will do so by:-
- Dealing promptly with the matter;
  - Recording all evidence received;
  - Ensuring that evidence is sound and adequately supported;
  - Ensuring security of all evidence collected;
  - Notifying the Monitoring Officer, and
  - Implementing Authority disciplinary procedures where appropriate.
- 2.9 The Authority can be expected to deal swiftly and thoroughly with any member or staff member who attempts to defraud the Authority or who are corrupt. The Authority should be considered as robust in dealing with financial malpractice.

### 3. **PREVENTION**

- 3.1 The Authority recognises 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. Staff recruitment is therefore required to be in accordance with procedures laid down and in particular to obtain written references regarding known honesty and integrity of potential staff before employment offers are made.
- 3.2 Authority employees are expected to follow any Code of Conduct related to their personal professional qualifications and also to abide by any Rules of Conduct as published. This policy and the role that appropriate staff are expected to play in the Authority's framework of internal control will be featured in staff induction procedures.
- 3.3 Authority Members are required to adhere to Home Office Circular 23/1996; Pecuniary Interests of members of Local Authorities and their adopted Code of Conduct. Staff are also required to declare pecuniary interests. *All such declarations will be recorded in a public Register maintained by the Chief Executive & Clerk and subject to regular inspection by the Authority's Standards Committee and its independent Chairman.*

- 3.4 All Members and staff of the Authority are required to declare in a public register any offers of gifts and hospitality which are in any way related to the performance of their duties in relation to the Authority. The Register will be *maintained by the Chief Executive & Clerk and be* subject to regular inspection by the Authority's Standards Committee and its independent Chairman.
- 3.5 Significant emphasis has been placed on the thorough documentation of financial systems, and every effort is made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls. The adequacy and appropriateness of the Authority's financial systems is independently monitored by both Internal and External Audit. Senior management place great weight on being responsive to audit recommendations.
- 3.6 The Authority's Audit and Resources Committee provides an independent and objective view of internal control by receiving and considering Audit Plans, reports and management letters and reports appropriately to the Authority.
- 3.7 As part of the prevention approach Gwent Police Authority will participate in National Fraud Initiatives organised by the Wales Audit Office (WAO). The WAO will also assist in prevention with the issue of warning bulletins and outcomes from surveys on fraud and corruption.

#### 4. **DETECTION AND INVESTIGATION**

- 4.1 The array of preventative systems, particularly internal control systems within the Authority, has been designed to provide indicators of any fraudulent activity, although generally they should be sufficient in themselves to deter fraud.
- 4.2 It is often the alertness of staff and the public to such indicators that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.
- 4.3 Despite the best efforts of financial managers and auditors, many frauds are discovered by chance or 'tip off', and the Authority has in place arrangements to enable such information to be properly dealt with.
- 4.4 Depending on the nature and anticipated extent of the allegations, the Internal Auditor will normally work closely with management and police officers to ensure that all allegations and evidence is properly investigated and reported upon.
- 4.5 The Authority's Disciplinary Procedures will be used where the outcome of the Audit Investigation indicates improper behaviours.
- 4.6 The Authority will normally wish the police to prepare a case for the Crown Prosecution Service (CPS) regarding the prosecution of offenders where financial impropriety is discovered.
- 4.7 Annex 3 outlines in more detail how the Authority will respond to any allegation.

5. **TRAINING**

- 5.1 The Authority 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 responsiveness of staff throughout the organisation.
- 5.2 To facilitate this, the Authority 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.
- 5.3 The possibility of disciplinary action against staff who ignore such training and guidance is clear.

6. **REVIEW**

- 6.1 This policy will be reviewed annually to reflect any amendments to Authority rules or changes in legislation and working practices.

7. **CONCLUSION**

- 7.1 The Authority has in place a clear network of systems and procedures to assist in maintaining the high standards of conduct it has always achieved. 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.
- 7.2 To this end, the Authority maintains a continuous overview of such arrangements through, in particular, its Treasurer, Director of Finance and Administration and Internal and External Auditors.

**RELEVANT DOCUMENTS**

The Authority has a duty to comply with its statutory requirements and accordingly it has in place a number of documents that in themselves are relevant to the Authority, its members and staff, conducting business in a manner that will prevent fraud and corruption. These documents are as follows:

- Members Code of Conduct
  - Employees Code of Conduct \*
  - Standing Orders (Contract)
  - Financial Regulations
  - Code of Corporate Governance
  - Hospitality Policy
  - Conditions of Service
  - Recruitment and selection procedures
  - Procurement Strategy
  - Disciplinary procedures
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- **Guidance on the Model Code of Conduct for Employees has yet to be published by the Government and the Authority is awaiting this guidance before adopting its Code.**

**DEFINITIONS**

**Fraud** is defined as:-

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

Corruption is defined as:-

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

## ANNEX 3

How the Authority will respond:

1. The action taken by the Authority will depend on the seriousness of the concern. The matters may be investigated internally by an appropriate manager; be referred to the Force if there is evidence of a criminal offence; be referred to the External Auditor if there is evidence of financial impropriety; form the subject of an independent external or internal inquiry.
2. In order to protect individuals and the Authority 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. Within 10 working days of the Concern being received, the Authority 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 final response
  - Telling the complainant whether any initial enquiries have been made and
  - Letting complaints know whether further investigation will take place and if not why not.
5. 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 the concern relates.
6. The Authority will take steps to minimise any difficulties which complainants may experience as a result of raising a concern.
7. Where there are no legal constraints and confidentiality issues, the complainant will receive information on the outcome of any investigation.