

POLICE AND CRIME COMMISSIONER FOR LEICESTERSHIRE JOINT AUDIT, RISK AND ASSURANCE PANEL

PAPER MARKED

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Report of	CHIEF CONSTABLE
Subject	ANTI FRAUD & CORRUPTION
Date	THURSDAY, 25 APRIL 2019 -10:00AM
Author :	ACO FINANCE & RESOURCES

Purpose of Report

1. This report provides the Panel with updated details of the robust processes and procedures Leicestershire Police currently has in place to identify and mitigate the likelihood of fraud. These complement and support the national measures that exist for scrutiny of the public sector and managing integrity across Police Forces in England & Wales.

Recommendation

2. The Panel is recommended to note the content of the report.

National Standards

College of Policing – Code of Ethics

3. The *Code of Ethics 2014* has been produced by the College of Policing in its role as the professional body for policing. It sets and defines the exemplary standards of behaviour for everyone who works in policing. As a code of practice, the legal status of the *Code of Ethics* applies to the Police Forces in England & Wales under section 39A of the Police Act 1996 as amended by S. 124 of the Anti-Social Behaviour, Crime and Policing Act 2014.
4. The *Code of Ethics* is about self-awareness, ensuring that everyone in policing feels able to always do the right thing and is confident to challenge colleagues irrespective of their rank, role or position.
5. The *Code's Standards of Professional Behaviour: Section 1 – Honesty & Integrity*
"I will be honest and act with integrity at all times, and will not compromise or abuse my position."
6. The expectation is that police employees will act with honesty & integrity at all times – examples of meeting this standard in relation to fraud include:
 - Ensuring decisions are not influenced by improper considerations of personal gain;

- Neither soliciting nor accepting the offer of any gift, gratuity or hospitality that could compromise impartiality.
7. The *Code of Ethics* has been embraced by Leicestershire Police with its values being mainstreamed throughout the Force. An awareness campaign was run by the Corporate Communications Department when the *Code* was launched. There are hyperlinks to the College of Policing website and full *Code* and the Summary on the PSD internal website and HR Document Library. HMIC's 2015 Legitimacy inspection noted: -

The force had a well-established set of values that promote ethical behaviour that had been championed by the chief officer team. The approach the force was taking to the Code of Ethics was positive, and there was appropriate information available to the workforce.

National Fraud Initiative

8. Since 1996 the Audit Commission has run the National Fraud Initiative (NFI), an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. This includes police Forces and OPCCs, local Probation Trusts and Community Rehabilitation Companies, fire and rescue authorities as well as local councils and a number of private sector bodies.
9. NFI data matching plays an important role in protecting the public purse against fraud. For nearly two decades, the Commission has run the NFI exercise every two years to help detect and prevent fraud.
10. The NFI brings together a wide range of organisations to tackle fraud. Fraud can happen anywhere and fraudsters often target different organisations at the same time, using the same fraudulent details or identities. The NFI can help tackle this by comparing information held by organisations to identify potential fraud and overpayment.
11. A match does not automatically mean fraud. Often, there may be an explanation for a data match that prompts bodies to update their records and to improve their systems. The Police and Crime Commissioner and Chief Constable of Leicestershire are required by law to provide payroll, pensions and suppliers' data.
12. The main categories of fraud identified by the NFI in England relate to pensions, council tax single person discounts and housing benefit. However, other key areas for the Police Service that are mentioned as threats within the revised NFI 2016¹ document and may impact on the organisation are state benefits, personal budgets and fraudulent identity data. Although, during the time the Force has been participating in the NFI, no frauds have been identified against the Force. There has however been one instance where a police officer was fraudulently claiming housing benefit. This led to prosecution at Court and a custodial sentence.
13. Data matching showing little or no fraud and error can provide bodies with assurances about the effectiveness of their control arrangements. It also strengthens the evidence for the body's annual governance statement.
14. The use of data for NFI purposes continues to be controlled to ensure compliance with data protection and human rights legislation.

¹ Home Office National Fraud Initiative 4 November 2016
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/565216/nfi_national_report_2016.pdf

Local Strategies, Policies and Procedures to Promote and Enforce National Standards

Policies & Procedures

15. A number of policies and procedures are in place which relate to managing integrity of Police officers and staff in Leicestershire to which all individuals are required to adhere. These include:
- Police Staff Standards of Professional Behaviour
 - Police Officer Standards of Professional Behaviour
 - Counter Corruption Policy supported by the following procedures:
 - Substance Misuse
 - Confidential Reporting
 - Business Interests
 - Debt Management
 - Gifts, Gratuities & Hospitality
 - Notifiable Associations
 - Misconduct Outcomes Publications
 - Protective Monitoring of Leicestershire Police Systems
 - Internet Access & Social Networking Procedure
 - Vetting Policy and Guidance
16. Advice is also given to staff with regards Abuse of Authority and in particular in relation to abuse of power for sexual gain, computer misuse, theft and fraud and social media.
17. All policies, procedures and guidance are available to staff on the recently updated internal website pages for the Counter Corruption Unit and on the Professional Standards Department website.

The screenshot shows the homepage of the Counter Corruption website. At the top, there is a dark blue header with the text "Counter Corruption" and a crest icon. Below the header is a navigation menu with the following items: Home, Gifts and Gratuities, Abuse of Authority, Computer Misuse, Business Interests and Additional Occupations, Notifiable Associations, Debt Management, Theft and Fraud, Infiltration, Bad Apple, Our Values and Nolan Principles, Code of Ethics, Procurement, Substance Misuse, Social Media, Standards of Professional Behaviour, Professional Standards, Counter Corruption Awareness NCALT Package, and Secure. The main content area is divided into two columns. The left column is titled "Trusting you to act with integrity" and contains three paragraphs of text. The right column is titled "Find out more" and contains a list of links: Definition of Corruption, APP Website, Exiting the organisation whilst under investigation, Pensions Forfeit Procedure, Counter Corruption Unit Control Strategy 2018/19, and Business Continuity Plan Counter Corruption Unit. At the bottom of the left column, there is a signature for Rob Nixon, Deputy Chief Constable.

Trusting you to act with integrity

Chief Officers are clear that we trust our people to use their judgement to make good decisions to fulfil Our Duty of protecting our communities.

It is recognised that failures in integrity and more serious corruption are committed by a very small minority within the service. However, these bring national media scrutiny, which in turn bring the service into disrepute, and diminishes public confidence, the very lifeblood of policing.

The public quite rightly expect the highest professional standards of behaviour. As police officers and police staff, we are entrusted with sensitive information as part of our work. We are all the guardians of the security of this information in order to maintain public trust.

The Professional Standards Department has developed internal Integrity guidance to highlight and publicise 11 key risk areas, these are: Abuse of Authority, Computer Misuse, Procurement, Social Media, Infiltration, Notifiable Associations, Substance Misuse, Theft & Fraud, Gifts and Gratuities, Business Interests and Debt Management, of which you will find links on the tabs above.

This internal website has been created which has all the information you need on internal procedures and guidance to support and advise you. Please familiarise yourself with this information.

Rob Nixon
Deputy Chief Constable

Find out more

- [Definition of Corruption](#)
- [APP Website](#)
- [Exiting the organisation whilst under investigation](#)
- [Pensions Forfeit Procedure](#)
- [Counter Corruption Unit Control Strategy 2018/19](#)
- [Business Continuity Plan Counter Corruption Unit](#)

18. The Force's Integrity Development Plan, developed by the Professional Standards Department seeks to address and monitor the threats and emerging patterns of potential corruption. There are 11 risk areas: Abuse of Authority (Including Abuse of Position for Sexual Purposes), Computer Misuse, Procurement, Social Media, Infiltration, Notifiable Associations, Substance Misuse, Theft and Fraud, Gifts and Gratuities, Business Interests and Debt Management. Risks are managed and minimised through education, effective intelligence processes, preventative activity, investigation and enforcement.

19. The way we operate has undergone significant change in recent years, particularly in relation to the use, and misuse, of social media and the impact that this had had on the world in which we live. Social media is a highly effective tool for communicating with the communities we serve albeit there are inherent corruption and fraudulent activity risks associated with its use that could have an impact on the organisation. An internal campaign commenced in 2018 to highlight the risks. Since this time a great deal of re-education across the force has been taking place with presentations being given by PSD and Information Management staff to new joiners and departments across the force which forms part of a rolling programme. This has been complimented by internal force media and poster campaign and the introduction of a risk assessment process for systems misuse to enable management action and education outcomes where appropriate.

20. Training is available through a Counter Corruption package on the Managed Learning Environment. Due to the significant updates in abuse of power for sexual gain and social media usage the learning pages were redesigned in 2018 and a mandatory learning programme was implemented.

21. Supporting the Counter Corruption Policy and the process of Confidential Reporting is the "Bad Apple" initiative, allowing concerns to be reported anonymously using e-mail, managed by the Counter Corruption Unit within the Professional Standards Department. This is being further supported with plans for a regional project trialling the use of Crime Stoppers counter corruption lines for internal and external reporting.

bad apple
The team approach to prevent corruption

Home e-Conversation Association FAQ

Welcome to Bad Apple

About Bad Apple

Corruption and misconduct undermines police efforts in tackling crime and protecting communities; it limits the effectiveness of police actions and has a detrimental effect on public confidence in the police. It is important that all employees have the confidence to report such matters to the relevant authorities. However, it is acknowledged that for many reasons, individuals may feel they cannot report matters in person and do not want to disclose their identity. The Bad Apple reporting system has been introduced for such occasions. There are three distinct areas of the Bad Apple system, each of them are described below.

Secure e-Conversation

Securely converse with the Anti Corruption Unit anonymously or otherwise

Create a new Bad Apple Report

Click [here](#) to create a new Bad Apple report.

Log in to your existing Bad Apple Report

Click [here](#) to log in to your existing Bad Apple report.

Notifiable Associations

What should I do about Notifiable Associations?

- Do you have a notifiable association?
- Does someone you know have a notifiable association?

If so, click [here](#). If in doubt, report it!

Wise Words

"The accomplice to the crime of corruption is frequently our own indifference."
- Bess Myerson

Links

- PSD Home Page
- Frequently Asked Questions
- What is Inappropriate Association?
- Add to Favorites
- Confidential Reporting Procedure

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Procurement standards

22. The Procurement Policy effective from May 2017 is accessible through the internal Procurement & Support Services website. In relation to managing fraud, it covers: -

- Confidentiality and Disclosure of Interest;
- Use of Contractors Services, Gifts and Hospitality;
- Corporate Supply Arrangements;
- Tendering Procedures for the Supply of Goods and Services; and
- Auditing.

23. Credit card quarterly reporting is closely monitored by PSD to ensure that corporate credit cards are not being used to short circuit the correct Procurement processes and that the Force is not incurring costs are higher than they would be through normal audited processes. This is more of a responsibility to the taxpayer than an integrity issue, but the two are linked. In almost every case checked the spending is legitimate.

Internal and external audits

24. Internal financial audits which would highlight any potentially fraudulent activity are conducted by Mazars LLP throughout the year on a cyclical basis, looking at different thematic strands.

25. External audits which scrutinise the Force's accounting procedures and which would identify and mitigate the likelihood of fraud are conducted by the accountants Ernst & Young annually, with preliminary, interim and final reports being submitted.

Her Majesty's Inspectorate of Constabulary (HMIC) Inspections

26. The most recent HMIC PEEL inspection for Leicestershire was completed in 2017. PEEL is the programme in which HMIC draws together evidence from its annual all-force inspections. The evidence is used to assess the effectiveness, efficiency and legitimacy of the police. HMIC has introduced these assessments so that the public will be able to judge the performance of their Force and policing as a whole. The **effectiveness** of a force is assessed in relation to how it carries out its responsibilities including cutting crime, protecting the vulnerable, tackling anti-social behaviour, and dealing with emergencies and other calls for service. Its **efficiency** is assessed in relation to how it provides value for money. Its **legitimacy** is assessed in relation to whether the force operates fairly, ethically and within the law.

27. The legitimacy inspection focused on the extent to which forces develop and maintain an ethical culture to reduce unacceptable types of behaviour among their workforces. HMI acknowledged that research tells us that the best way to prevent wrongdoing is to promote an ethical working environment or culture and that police leaders need to promote ethical principles and behaviour and act as role models, in line with the Code of Ethics.

How well does the force monitor and understand outputs, outcomes and costs?

We found that the force has effective ways of monitoring its performance. The performance delivery group which is chaired monthly by the deputy chief constable has access to a range of data and information on which it can base its understanding of outputs, such as the costs of investigations.

The force currently understands its costs based on different functions, using the existing departmental budgets. It is planning during this financial year to understand better the cost of providing services through an outcome-based budgeting (OBB) exercise, which will start with the professional standards department. This approach will enable the force to understand the cost of providing services which in turn will allow it to compare the costs of services in other areas of the force.

How well does the force control expenditure?

Both HMIC and the force's external auditors have previously credited the force with having strong financial management and controls in place. This continues to be the case and appropriate governance arrangements are also in place for the force's change and savings plans.

How well does the force ensure that its workforce behaves ethically and lawfully?

Leaders as ethical role models

Leaders in Leicestershire Police understand their responsibility to act as role models, and senior leaders are viewed by the workforce as operating to high ethical standards.

28. 2015 was the first year to provide a graded judgement from HMIC on legitimacy, i.e. whether the Force acts with integrity and provides a service the public expects.
29. Leicestershire Police was graded GOOD for its effectiveness in keeping people safe and reducing crime and GOOD overall for legitimacy. However, whilst the inspection focused specifically on areas other than fiscal probity and financial fraud, such as ethical treatment around BME, best use of stop and search and best use of Taser.

Implications

Financial :	See report
Legal :	See report
Equality Impact Assessment :	N/A
Risks and Impact :	See report
Link to Police and Crime Plan :	Policing Protocol

Background Papers

N/A

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