

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

PAPER MARKED



Report of	CHIEF CONSTABLE
Subject	ANTI FRAUD & CORRUPTION
Date	MONDAY 17 APRIL 2023 – 2pm
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. The College of Policing are currently working on an update and refresh for the Code of Ethics now that it is almost ten years old and we expect this to be completed by the end of 2023. Forces are currently being asked for feedback on the new proposals for the *Code of Ethics*.
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.

8. The Code of Ethics has been incorporated into Leicestershire Police's current preventative campaign where we focus on the Ten Standards of Professional behaviour for both Police Officers and Police Staff and concentrate on a different standard each month. This is due to complete in May 2023.

National Fraud Initiative

9. 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.
10. 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.
11. 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.
12. 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.
13. 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.

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

14. 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.
15. The use of data for NFI purposes continues to be controlled to ensure compliance with data protection and human rights legislation.

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

Policies & Procedures

16. 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
17. 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.
18. 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.



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.

Find out more

- [Definition of Corruption](#)
- [APP Website](#)
- [Business Continuity Plan - Counter Corruption Unit](#)
- [Pension Forfeiture Procedure](#)

19. 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.
20. 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.
21. 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.
22. 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. Leicestershire Police are seeing its usage increase each year, so we know our staff have the confidence to report concerns.

Bad Apple



Bad Apple is the method of confidentially reporting your concerns or suspicious activity.

The web-based system is user-friendly and offers users the ability to have an anonymous e-conversation directly with the Counter-Corruption Unit (CCU) who look into reports made by officers, staff and volunteers.

The e-conversation function is a two-way communication tool which protects the identity of the person reporting their concerns. It allows the small number of authorised staff within the CCU to contact the reporting person with updates and feedback on their information. The CCU staff will also be able to clear up ambiguities or direct the reporting person to appropriate support if needed.

We would always encourage those of you who have a concern to speak with your line manager first, however we recognise that in certain cases you may feel more comfortable raising your concerns in confidence and Bad Apple provides a secure means of doing so. Whether you have concerns about issues relating to dishonesty, malpractice, discrimination or bullying, or indeed suspicious activity of any kind, we want you to feel at ease about reporting them through this confidential channel.

[Click here](#) to access Bad Apple.

Find out more

[Confidential Reporting Procedure](#)

[Bad Apple](#)

Procurement standards

23. The Procurement Policy effective from May 2017, and due for review late 2023, 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.

24. 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

25. 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.

26. 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

27. The most recent HMIC PEEL inspection for Leicestershire was completed in 2021-22. 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.

28. The legitimacy thread of the inspection focuses on the extent to which forces develop and maintain an ethical culture to reduce unacceptable types of behavior among their workforces. Legitimacy, does not now have a stand-alone graded judgement but features within the leadership theme.

HMI have 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 [currently under open public consultation through the College of Policing].

The force proactively uses complaints and misconduct investigations to improve its service to the public.

*Senior leaders in the force consistently **promote ethical behaviour**. Incidents are scrutinised internally, and externally by the ethics committee. This is part of the force's drive to learn from failures in service to the public by promptly identifying themes, communicating feedback to staff, publishing force-wide campaigns and reinforcing the high standards required.*

The force uses its finance effectively and is adaptable to changing budgetary requirements.

The January 2023 amended medium-term financial plan was presented promptly following government spending announcements and the precept decision of the police and crime commissioner (PCC) for the financial year 2023/24. The plan is clear, with sensible assumptions.

The document identifies a budget deficit of £4.9m (£1m to be funded by reserves) in 2023/24 and the need to deliver cashable efficiency savings totalling £13m over the next four years.

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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