Agenda Item No.

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JOINT INDEPENDENT AUDIT COMMITTEE
5th December 2022

SUBJECT	REVIEW OF THE PCC'S AND FORCE'S APPROACH TO ANTI-FRAUD, CORRUPTION AND WHISTLEBLOWING
REPORT BY	CHIEF EXECUTIVE AND CHIEF CONSTABLE
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SUMMARY AND PURPOSE OF REPORT To review the PCC and Force's approach to anti-fraud, corruption, and whistleblowing.	
RECOMMENDATION	That the approach is reviewed, considered, and noted.

1. **Supporting Information**

1.1 This report covers the work that is carried out by the Force and the OPCC in relation to anti-fraud, corruption and whistleblowing and any key developments since the JIAC's last review in January 2021.

2. **Strategy**

2.1 In May 2020 the force and OPCC published a newly created joint Anti-fraud and corruption strategy. Strategic elements had previously been contained within the policy and an internal audit of counter fraud in February 2020 had suggested that a separate strategy would aid clarity and visibility on the joint intent of the force and OPCC. The strategy is **attached to this report at Appendix A.**

3. **Policies**

3.1 **The anti-fraud and corruption policy**
The joint anti-fraud and corruption policy (PD161) is designed to help prevent fraud and corruption within Lincolnshire Police and the OPCC. The policy will assist individuals and their line managers in ensuring that their decisions and actions are both legal and appropriate and can therefore withstand review and scrutiny. The overall aim is to maintain the reputation and integrity of Lincolnshire Police and the OPCC.

3.1.1 The Anti-fraud and corruption policy is jointly reviewed on a Biennial basis by the force and OPCC. The formal review process includes scrutiny by the members of the anti-fraud and corruption steering group (AFCSG) and is scheduled within their workplan. In addition, checks are made against national policing policy guidance ie Authorised Professional Practice (APP). This guidance is developed and owned by the College of Policing (the

professional body for policing) and is the official and most up-to-date source of policing practice.

3.1.2 The finalised version of the policy is approved by the Deputy Chief Constable, the Force's Head of Professional Standards and the PCC's Chief Executive. The current version of the Policy is published on the PCC's and Force's websites.

3.1.3 The joint anti-fraud and corruption policy is attached at Appendix B to this report.

3.2 **Confidential Reporting (Whistle blowing) Policies**

3.2.1 The Commissioner and Chief Constable are committed to the highest possible standards of openness, probity and accountability. In line with that commitment both expect officers, Staff, and others that we deal with who have serious concerns about any aspect of the OPCC's / Force's work to come forward and voice those concerns.

3.2.2 Both the OPCC and Force 'Whistle blowing' policies are intended to encourage and enable members of staff & officers to raise serious concerns with their respective organisations rather than overlooking a problem or "blowing the whistle" externally.

3.2.3 The Confidential Reporting ('Whistle blowing') policy is published on the Commissioner's website and it is reviewed every two years by the AFCSG, and Chief Executive, in his role as Monitoring Officer. The current policy can be found by following this link Confidential Reporting Policy ('Whistleblowing') (lincolnshire-pcc.gov.uk)

3.2.4 The Force's Professional Standards Reporting (Whistleblowing) policy PD48 is available on the Force's website by following this link: professional-standards-reporting-whistleblowing-policy-pd-48.pdf (lincs.police.uk)This policy is also reviewed on a Biennial basis.

4. **Anti-Money Laundering policy**

4.1 The Anti-Money laundering policy is next due for review in October 2023 and the current version can be found on the Force website here; anti-money-laundering-policy-pd-220.pdf(lincs.police.uk)
The aim of the policy is to ensure the PCCs compliance with anti-money laundering laws and regulations, to assist law enforcement in combating illegal money laundering and to minimise the risk of PCC resources being used for improper purposes. This policy serves to protect PCC and CC employees by making them aware of their personal obligations and to provide them with a mechanism to raise any concerns. Appendix 3 of the policy sets out procedures for how to deal with cash payments made to the PCC and funds flowing through the PCC from new sources.

5. **Anti-Fraud and Corruption Steering Group (AFCSG) Meetings**

5.1 The AFCSG continue to meet on a quarterly basis to discuss the current and emerging risks and issues in relation to anti-fraud and corruption. The terms of reference for the group were reviewed by the JIAC in March 2022 as part of a detailed report on the activities of the AFCSG over the previous 12 months.

5.2 The AFCSG meeting brings together the Internal Audit Manager, the PCC Chief Finance Officer, the Head of the Professional Standards Department (PSD), the Force Chief Finance Officer, the Deputy Chief Finance Officer, the Research and Performance Officer, the head of ICT, the force risk policy and review officer and representatives from the HR Department and Legal Services, to discuss any issues or concerns, updates on relevant cases, best practice/lessons learned, new initiatives/actions for improvements, national issues and any other significant related risks.

6. Fraud Specific Risk Management

6.1 The PCC's Chief Finance Officer attends the Confidential Risk Board and raises/discusses issues relating to fraud and corruption as required as does the RPO who attends the Force's Risk Management Board.

6.2 Following completion of an organisation wide fraud risk assessment completed in 2021, work on the creation of a fraud specific 'risk matrix' is ongoing and is in final draft nearing completion. The aim being to implement it before the end of January 2023 (pending approval by the AFCSG). The purpose of the matrix is to ensure a focussed approach to managing fraud risk specifically without duplicating existing risk management procedures. Key aspects of the Matrix include:

- recording the top practical fraud risks faced on a day-to-day basis within each organisational function. (Excluding operational policing)
- noting the bespoke mitigation / controls currently in place to tackle the risks identified.
- recording a judgement (by the identified person responsible for that risk ie functional lead / department head etc) on whether the risk has reduced / increased or remained static over the preceding 12 months.

The Matrix will be formally reviewed on an annual basis by the AFCSG, and updated judgements gathered for the risks recorded. This review will help to identify and plan any further mitigation activity required.

7. Anti-Corruption Unit (ACU)

7.1 Within the Lincolnshire Police Professional Standards Department there is a dedicated Anti-Corruption Unit headed by a Detective Inspector. This unit investigates allegations of serious misconduct, criminality, and corruption. Staff are encouraged to report unethical or corrupt activity via their line managers, direct to the ACU or via the confidential reporting web page 'Bad Apple'. This web page is completely anonymous, however if the author logs onto the system again to see any response from the ACU this allows further communication.

7.2 The ACU has recently completed a Strategic Assessment which analysed all Lincolnshire Police anti-corruption reports between 1st July 2019 and 30th June 2020. This assessment informs strategic leaders and ACU staff of the updated threats, informs corruption control strategies and identifies gaps and recommendations.

7.3 The assessment identified that the subject matter areas of concern that were identified in 2020, remain the same for 2021. These are vulnerability, misuse of systems, disclosure of Information and sexual misconduct (including abuse of position for sexual purpose).

7.4 In order to address these priorities, the ACU have developed a control strategy and appointed a subject matter expert to each area. These are regularly reviewed with the Head of Professional Standards and the Control Strategy is available on the force intranet.

7.5 A major focus from the Department is to prevent misconduct, fraud and corruption occurring in the first place. Sixty second video briefings have been produced for all of the control strategy priorities as well as covering gifts and hospitalities, notifiable associations and business interests. This is a simple but effective way to share the messages of prevention across the organisation. All misconduct findings are published on the intranet and internet as a deterrent to others.

7.6 The Standard is a quarterly newsletter which is produced by the Professional Standards Department and circulated to all staff to promote and raise awareness of lessons learnt both locally and nationally which includes anti-fraud and corruption advice.

7.7 The Head of Professional Standards has been working since early 2020 to seek an uplift of staffing within the department as there has been no increase since 2017 and there are insufficient case investigators within the ACU to proactively look for intelligence for the control strategy priorities and investigate misconduct. The team currently consists of:
1 x Detective Inspector
1 x Detective Sergeant
1 x Detective Constable
1.57 Case Officers
1x Analyst

7.8 A s part of the process of providing regular data to the NCA, the ACU continues to monitor corruption reporting thus identifying any local emerging trends. The ACU also works closely with regional and national counterparts, as well as partner agencies, to discuss emerging trends and allowing the sharing of information.

7.9 The threats identified in the strategic assessment recognise the greater vulnerability of our staff due to the increase in levels of debt as well as increase in lone working and drifting staff due to the coronavirus pandemic. There is also a risk in relation to changes to force IT systems and a lack of ability to audit all systems, noting the transition from our current contractor, G4S, in March 2022.

7.10 It was previously recognised that a disproportionate number of officers under investigation for conduct matters were transferees from other forces. A new process has been established to ensure that all information from the officer's previous force is scrutinised by a panel before offering them a role within our Force and this has resulted in a reduction in misconduct investigations involving transferees.

8. HMICFRS PEEL Legitimacy Inspection results

8.1 The most recent HMICFRS PEEL inspection report (2018) provides an overall grading of "Good" for the 'Legitimacy' element.

8.2 All areas for improvement (AFI) and recommendations contained within the PEEL report are monitored and managed via the HMICFRS Tracker which is reported to the JIAC on a quarterly basis. (The tracker contains details of current remedial activity / progress against all outstanding AFIs and recommendations.).

B. Financial Considerations

None.

C. Legal and Human Rights Considerations

None.

D. Personnel, Equal Opportunities and Diversity Issues

(Including any impact or issues relating to Children & Young People)

No specific issues arising from this report. The policy applies equally to the PCC, OPCC, all Lincolnshire Police employees, commercial partners and all external persons with whom the PCC and Lincolnshire Police conduct business.

E. Review Arrangements

Each of the policies referred to in this report contain a stipulated review date. The scheduled review dates for the OPCC and Force's approach to anti-fraud and corruption are set out in the JIAC's forward plan.

F. Risk Management

Fraud and corruption can have a severe impact on the operation, status and reputation of the both the PCC and the Force. The anti-fraud and corruption policy and processes detailed in this report serve to mitigate the risks of abuse of position, fraud and corruption.

G. Public Access to Information

Information in the report along with any supporting material is subject to the Freedom of Information Act 2000 and other legislation.