Agenda Item No.

10

JOINT INDEPENDENT AUDIT COMMITTEE
13th September 2023

SUBJECT	THE PCC AND FORCE 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 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 is **attached at appendix C**. (The document is temporarily unavailable online because of ongoing IT systems improvement work). 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 are reviewed annually by JIAC as part of a bespoke report on the activities of the AFCSG.

5.2 The AFCSG meeting brings together the Internal Audit Manager, the PCC's Chief Finance Officer, the Head of the Professional Standards Department (PSD), the Force Director of finance & corporate services, the Head of Finance, the Research and Performance Officer, and representatives from the HR Department, 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 There is a fraud specific 'risk matrix' its purpose is to ensure a focussed approach to managing fraud risk, without duplicating existing risk management procedures. Key aspects of the Matrix include:

6.2.1 Recording the top practical fraud risks faced on a day-to-day basis within each organisational function. (Excluding operational policing)

6.2.2 Noting the practical mitigation / controls currently in place to tackle the risks identified.

6.2.3 Recording a judgement, made 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 is reviewed on an annual basis by the AFCSG, and content and risk judgements are updated. The AFCSG review also identifies any further mitigation activity planned / required.

7. Anti-Corruption Unit (ACU)

7.1 Within the Lincolnshire Police Professional Standards Department (PSD) there is a dedicated Anti-Corruption Unit (ACU) headed by a Detective Inspector along with a Deputy Detective Sergeant. 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 telephone line or reporting web page 'Bad Apple'. The 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. There is a recent separate wellbeing reporting mechanism in existence outside of PSD, whereby the owners of that methodology can also refer matters to either ACU or PSD as required and when appropriate.

7.2 The ACU completes an annual Strategic Assessment which analyses all Lincolnshire Police anti-corruption reports, the last being between 1st July 2021 and 30th June 2022. This assessment informs strategic leaders and ACU staff of the updated threats, informs corruption control strategies and identifies gaps and recommendations. This is a rolling process which is completed annually.

7.3 The assessment identified that the subject matter areas of concern that were identified in 2022, remain the same for 2023. These are vulnerability, misuse of systems, disclosure of Information and sexual misconduct (including abuse of position for sexual purpose) and are commensurate with identified national threats.

7.4 In order to address these priorities, the ACU have developed a control strategy and appointed a subject matter expert to each area to proactively develop a preventative and investigative strategy. 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 Standard either includes or is supplemented by specific articles focussing on core risk areas, such as sexual harassment, abuse of position for sexual purpose (APSP), or vulnerability. All staff have been required to complete mandatory training packages on APSP and corruption in the past 24 months, and this has been expanded to sexual harassment which is currently ongoing.

7.8 The Head of Professional Standards has been working since early 2020 to seek an uplift of staffing within the department as there had been no increase since 2017 and there were insufficient case investigators within the ACU to proactively look for intelligence for the control strategy priorities and investigate misconduct. This has been successful with 2 new detective constable posts and two new full time and one part time case investigator posts. The team currently consists of:

1 x Detective Inspector
1 x Detective Sergeant
3 x Detective Constables
6.64 x Case Officers
1 x Analyst

7.9 As 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.

7.10 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 hybrid working. There is also a risk in relation to ongoing changes to force IT systems and development of comprehensive audit capability on all systems as they are introduced.

7.11 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 (HR, ACU, Vetting) before offering them a role within our Force and this has resulted in a reduction in misconduct investigations involving transferees. This remains an important safeguard for Lincolnshire Police and is recognised as best practice.

7.12 In early 2022, new monitoring software (ATA – Audit Trail Appliance) commenced roll out across force systems. This is still being embedded as other systems change and evolve but has enhanced the ability of ACU to proactively monitor and identify misuse of police systems and potential corruption, including APSP. Owing to its enhanced capability, this makes the retention of staff within ACU all the more important to manage the increased work that is emanating or may emanate from the system.

7.13 Inputs to staff have been delivered on a greater frequency since Covid restrictions ended to proactively address causes of corruption, deliver understanding of warning signs and promote the reporting of concerning behaviours or signs. This is particularly important as the force emerges from the conditions imposed during the covid pandemic, which nationally has altered the way the police service operates.

7.14 The Professional Standards Department has developed and supported the force response to emerging national concerns, such as Violence Against Women and Girls (VAWG) and Police Perpetrated Domestic Abuse (PPDA). Both areas include working across the organisation to help develop the force response and control measures to these deeply concerning issues. It is anticipated that these areas will be subject to forthcoming HMICFRS inspections.

7.15 Following the HMICFRS report on vetting, misogyny and misconduct in the police service, the force has completed all the recommendations to date and continues to embed and prepare for the changes anticipated in the new vetting APP expected by the end of 2023. With the completion of the roll out of new mobile data terminals to staff, this will facilitate the completion of an annual integrity review questionnaire to support the findings of the Historic Data Wash and ensure any concerns are identified and investigated.

7.16 The force has also completed the Historic Data Wash that was mandated by the Home Secretary, which has seen all members of Lincolnshire Police being washed against the Police National Database (PND). This provides reassurance as to the integrity of all members of staff currently working in Lincolnshire Police, including volunteers.

7.17 The Professional Standards Department is working closely with Lynchpin and is heavily involved in the “Cultural” work that is taking place within the Force in order to promote ethical behaviour amongst all staff. We are trying to encourage a healthy workplace whereby officers and staff will challenge and report inappropriate behaviours and we have done a lot of work around the “#speakout now campaign” to ensure everyone in the workplace feels supported around issues of this nature. This has now been enhanced through the roll out of a campaign that encourages all staff members ‘to be an upstander and not a bystander’ and to challenge and report any improper behaviours.

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. This has now been replaced with an assessment titled ‘tackling workforce corruption’ but has yet to be inspected. We anticipate that there will be a further inspection (vetting & corruption) in the near future and we await contact around this.

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.