

ANTI-FRAUD AND CORRUPTION STRATEGY

Introduction

1. In carrying out its functions and responsibilities, the PCC has adopted a culture of openness and expects the highest standards of propriety and accountability
2. These standards are also expected from organisations that have dealings with the PCC including suppliers and contractors.
3. This Strategy embodies a series of measures designed to frustrate any attempted fraudulent or corrupt act and the steps to be taken if such an act occurs. For ease of understanding, it is separated into five areas:
 - (a) Culture
 - (b) Prevention
 - (c) Deterrence
 - (d) Detection and investigation
 - (e) Awareness and Training

Definition of Fraud and Corruption

4. Fraud and corruption are defined by the Audit Commission as:

Fraud – *“the intentional distortion of financial statements or other records by persons internal or external to the County Council which is carried out to conceal the misappropriation of assets or otherwise for gain”.*
5. This Strategy demonstrates clearly that the PCC is firmly committed to dealing with fraud and corruption and will deal equally with perpetrators from inside and outside the PCC. There will be no distinction made in investigation and action between cases that generate financial benefits and those that do not.
6. Fraud includes similar actions, as defined within the Fraud Act 2006:
 - (a) fraud by false representation;
 - (b) fraud by failing to disclose information; and
 - (c) fraud by abuse of position.
7. This Strategy covers all financial irregularities and criminal acts which may affect the PCC, including: theft of property; false accounting; obtaining by deception; computer abuse and crime.

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

And this Strategy also covers “*the failure to disclose an interest in order to gain financial or other pecuniary gain.*”

(a) Culture

8. The prevention and detection of fraud and corruption and the protection of the public purse are everyone’s responsibility.
9. Employees and other stakeholders play an important role in creating and maintaining this culture and are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status. Such concerns will, wherever possible, be treated in confidence.
10. Concerns must be raised when people reasonably believe that one or more of the following has occurred, is in the process of occurring or is likely to occur:
 - (a) a criminal offence
 - (b) a failure to comply with a statutory or legal obligation
 - (c) improper unauthorised use of public or other funds
 - (d) a miscarriage of justice
 - (e) maladministration, misconduct or malpractice
 - (f) endangering of an individual’s health and safety
 - (g) damage to the environment
 - (h) deliberate concealment of any of the above.
11. Any allegations received in any way, including by anonymous letters or phone calls, will be taken seriously and investigated in an appropriate manner.

(b) Prevention

12. We will strive to create an environment in which people feel able to raise any concerns they may have about suspected irregularities and ensure that, where people are responsible for cash handling or are in charge of financial systems and systems that generate payments, relevant training is provided so that proper procedures are followed.
13. We recognise that a key preventative measure in dealing with fraud and corruption is taking effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts.
14. Our formal recruitment procedure contains appropriate safeguards on matters such as written references and verifying qualifications held.
15. People are expected always to be aware of the possibility that fraud, corruption or theft may exist in the workplace and be able to share their concerns with their manager.

(c) Deterrence

16. Everyone is responsible for immediately notifying the Chief Finance Officer of any circumstances suggesting the possibility of an irregularity which affect the PCC's assets or interests.
17. Theft, fraud and corruption are serious offences against the PCC. Employees will face disciplinary action if there is evidence that they have been involved in these activities. Disciplinary action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case.
18. In all cases where financial loss to the PCC has occurred, the PCC will seek to recover the loss and advertise this fact.

(d) Detection and Investigation

19. Audits play an important role in the detection of fraud and corruption and will include reviews of internal controls within key financial systems and specific fraud and corruption tests. Spot checks and unannounced audits may also occur.
20. In some cases frauds are discovered by chance or 'tip-off' and arrangements are in place to enable such information to be properly dealt with. All suspected irregularities are required to be reported (verbally or in writing) either by the person with whom the initial concern was raised or by the originator.
21. Any decision to refer a matter to the police, External Audit or other external agency will be taken by the Chief Finance Officer in consultation with the Chief Executive. The PCC will normally wish the police to be made aware of, and investigate independently, offenders where financial impropriety is discovered.

(e) Awareness and Training

22. The PCC recognises that the success of this Strategy will depend on the awareness of people throughout the PCC and will ensure that people are made aware of this strategy and that appropriate training is provided.

Conclusion

23. This strategy fully supports the PCC's intention to maintain an honest organisation, free from fraud and corruption based on setting and maintaining high standards and a culture of openness, with core values of fairness, trust and value.

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