

APPENDIX 1



# ANTI FRAUD AND CORRUPTION POLICY *AND* FRAUD RESPONSE PLAN

## Contents

<i>Paragraph</i>	<i>Subject</i>	<i>Page No.</i>
	Definitions	3
Introduction		
1.1	Introduction	4
1.2	Application of this Policy	4
1.3	Relationship to other Policies	4
Part A - Policy Statement		
2.1	Policy	4 and 5
Part B - Responsibilities under the Policy		
3.1	General Duty	5
3.2	Managers	5
Part C - Code of Practice		
4.1	Corporate Governance	6
4.2	MPA Staff reporting to the Clerk or Treasurer	6
4.3	Codes of Practice	6
4.4	Reporting Fraud and wrongdoing	6
4.5	Public Interest Disclosure Act	7
Part D - Fraud Response Plan		
5.1	Reporting Fraud and wrongdoing	7
5.2	Detection and Investigation	7
5.3	Liaison between Directorate of Professional Standards and Internal Audit	8
5.4	Liaison between the Authority and others	8

## **Definitions**

<b>CORRUPTION</b>	The offering, giving, soliciting or acceptance of an inducement or reward that may influence the action of any person to the detriment of the MPA.
<b>FINANCIAL REGULATIONS</b>	A document approved by the members of the Metropolitan Police Authority in accordance with legislation setting out the roles and responsibilities of officers and their levels of delegation to enter into financial commitment on behalf of the Authority.
<b>FRAUD</b>	A theft perpetrated or concealed by the distortion or manipulation of financial statements or records. It can range from the simple alteration of documents to complicated, sophisticated and technical manipulation. The aim is always to extract value illegally and improperly (such as cash, assets or information).
<b>HRA</b>	Human Rights Act 1998.
<b>MPA or MPS</b>	Metropolitan Police Authority or Service.
<b>RIGHT LINE</b>	A confidential telephone line operated by the MPS for police officers and civil staff to report wrongdoing and fraud by police officers, civil staff and contractors that comes to their attention.

## **1.1 Introduction**

The Metropolitan Police Authority is committed to a culture that is one of honesty, integrity and propriety in the use of public funds and the holding of public office. The Authority will not tolerate fraud and corruption in the administration of its responsibilities from inside or outside the Authority.

## **1.2 Application of this Policy**

This policy is applicable to Members of the MPA, police officers of all ranks, civil staff and all external persons with whom the MPA conduct business. It also applies to those MPA employees reporting to the Clerk or Treasurer.

## **1.3 Relationship with other Policies**

A number of policies within the MPA and MPS interface with this policy. This is the highest level policy covering the MPA and MPS in relation to fraud and corruption. Other policies that should be read in conjunction with this document include:-

- Code of Conduct for Members' of the MPA<sup>1</sup>
- MPA Financial Regulations<sup>2</sup>
- MPS Professional Standards Strategy<sup>3</sup>
- MPS Prevention and Detection of Fraud and Theft<sup>4</sup>
- MPS Code of Practice for acceptance of gifts and hospitality.<sup>5</sup>

## **Part A - Policy Statement**

### **2.1 Policy**

The policy of the Metropolitan Police Authority<sup>6</sup> in relation to fraud and corruption has been endorsed by members and is set out below. The Authority requires that:-

- Members, police officers and civil staff at all levels will lead by example in ensuring compliance with legal requirements, rules, procedures and practices, including those relating to acceptance of gifts and hospitality and outside business interests. In the words of the MPS Professional Standards Strategy 'integrity is not negotiable'.
- Members will conduct themselves in accordance with the spirit and letter of the Code of Conduct for Members' of the MPA.

---

<sup>1</sup> MPA Authority Minutes of 25 April 2002 and associated report (see MPA web site).

<sup>2</sup> MPA Authority Minutes of 27 June 2002 and associated report (see MPA web site)

<sup>3</sup> MPS Special Notice 13/02 dated 13 September 2002 (see MPS Intranet site).

<sup>4</sup> MPS Special Notice 5/00 dated 10 March 2000 (see MPS Intranet site).

<sup>5</sup> MPS Special Notice 28/97 dated 29 August 1997 (see MPS Intranet site)

<sup>6</sup> MPA Audit Panel Minutes of 20 June 2002 and associated report (see MPA web site).

- Senior officers of the MPA and MPS are required to deal swiftly and firmly with those who defraud the Authority or are corrupt.
- Individuals and organisations such as suppliers, contractors, service providers that it conducts business with, will act towards the Authority with integrity and a total absence of fraudulent or corrupt practices.
- All police officers paid by the MPA and employees of the MPA, including MPS civil staff, have a duty to report any suspected fraudulent or corrupt practice affecting the MPA or the MPS to the appropriate line manager or senior officer at the earliest opportunity.
- Members have a duty to report any fraudulent or corrupt practice coming to their notice that may affect the MPA or the MPS to the Clerk at the earliest opportunity.
- All fraud and corruption affecting the MPA or the MPS, including suspected cases, will be reported immediately to the Director of Internal Audit on behalf of the Treasurer, irrespective of whether the matter is the subject of a criminal investigation. The Treasurer will bring to MPA member attention those cases he regards as sufficiently serious so to do.
- In those cases where sufficient evidence is available, criminal or disciplinary action will be taken.
- Civil recovery (including civil court action) of funds lost by fraud and corruption will be considered in all established cases.
- Managers at all levels will ensure that effective procedures, practices and controls are in operation in their areas of responsibility to minimise the opportunities for fraud and corruption.
- The memorandum of understanding that exists between MPA Internal Audit and the MPS Directorate of Professional Standards to facilitate effective action in responding to cases of suspected fraud and corruption is to be maintained.

## **Part B - Responsibilities under the Policy**

### **3.1 General Duty**

It is expected that every Member, police officer, member of the MPS civil staff and those MPA staff reporting to the Clerk or Treasurer will conduct themselves ethically at all times in respect of their duties and will act in accordance with the Authority's policy as set out in Part A of this document.

### **3.2 Managers**

Managers at all levels, both police and civil, have duties laid to them in the policy, particularly:-

- To ensure that the areas for which they are responsible have effective controls in place to minimise the risk of fraud, deter fraudsters and detect fraud when it occurs. Advice on control is available from Internal Audit Directorate<sup>7</sup>.
- Taking action when fraud is detected in accordance with this fraud response plan.
- Taking decisions on the basis of the Authority's fraud policy set out in Part A of this document.

## **Part C - Code of Practice**

### **4.1 Corporate Governance**

Good practice in corporate governance in public sector authorities requires that codes of practice be in place, this is particularly so in the area of law enforcement. The MPS has comprehensive codes of practice in place to cover other risk as well as fraud and corruption - see footnotes on page 4 of this document for details.

The published codes of practice are intended to provide practical advice on the standard of conduct that is expected. Failure to follow the guidance may result in disciplinary action being taken or in the case of Members, the matter being referred to the Standards Board for England for investigation.

### **4.2 MPA Staff Reporting to the Clerk or Treasurer**

MPA staff reporting to the Clerk or Treasurer are required to conduct themselves to the same standard as staff under the control and direction of the Commissioner and as set in the codes of practice below.

### **4.3 Codes of Practice**

Codes of practice for specific groups or issues can be found in the following documents, which are available on the MPS Intranet or MPA web site:-

- Members' Code of Conduct for the Metropolitan Police Authority
- Code of Conduct for Police Officers
- MPS Civil Staff Personnel Manual
- MPS Special Notice - Prevention and detection of fraud and theft.
- MPS Code of Practice for the Acceptance of Gifts and Hospitality.

### **4.4 Reporting Fraud and Wrongdoing**

The above codes of practice and the MPS Professional Standards Strategy establish a telephone facility, the *Right Line*, for the confidential reporting of

---

<sup>7</sup> See Internal Audit Advice Note Number 1 - "Prevention and Detection of Fraud - Minimising the Risk (document available on MPS Intranet site).

fraud and wrongdoing. Callers to the *Right Line* have an option of reporting fraud and wrongdoing<sup>8</sup> to Directorate of Professional Standards for matters concerning police officers and Internal Audit Directorate in respect of civil staff or contractors. While the source of calls to the *Right Line* is in certain circumstances identifiable, all callers are treated on a confidential basis.

#### **4.5 Public Interest Disclosure Act**

In respect of fraud and wrongdoing that staff feel unable to report within the MPA and MPS, an external reporting arrangement will be established and details published.

### **Part D - Fraud Response Plan**

#### **5.1 Reporting Fraud and wrongdoing**

All fraud or wrongdoing will be reported and investigated in accordance with this plan. Fraud and wrongdoing may be reported either to a direct line-manager, an other manager, via the *Right Line* or to the external reporting point of contact. Arrangements for reporting fraud or wrongdoing will be published within the MPS. All cases or suspected cases of fraud must be reported at the first opportunity to Internal Audit Directorate, whether or not there is a police investigation.

#### **5.2 Detection and Investigation**

- 5.2.1 Managers becoming aware of fraud will ensure that the matter is reported and investigated. Matters concerning police officers will be reported to Directorate of Professional Standards and matters involving civil staff to Internal Audit Directorate.
- 5.2.2 A memorandum of understanding will be maintained between the Directorate of Professional Standards and Internal Audit Directorate to ensure that all reported allegations of fraud are appropriately investigated.
- 5.2.3 When an allegation of fraud is made a senior manager will be appointed to oversee the proper conduct of the investigation and subsequent action.
- 5.2.4 The investigation and any managers involved will take account of the Authority's policy on fraud set out in this document when determining the action to take.
- 5.2.5 The investigation conducted into allegations of fraud or wrongdoing shall take account of the requirements of the criminal law, discipline arrangements set out in Police Regulations and the Civil Staff disciplinary procedures.

---

<sup>8</sup> MPS Special Notice 14-00 of 30 June 2000 - Policy for the reporting of wrongdoing in the MPS and Public Interest Disclosure Act 1998 (document available on MPS Intranet).

**5.3 Liaison between Directorate of Professional Standards and Internal Audit Directorate**

- 5.3.1 The MPS will consult with Internal Audit Directorate when revising their policies and procedures for dealing with fraud and wrongdoing; who will ensure that they comply with the Authority's Financial Regulations and the policy set out in this paper.

**5.4 Liaison between the Authority and others**

- 5.4.1 Serious cases of fraud or wrongdoing will be reported to the Treasurer, who will determine if the matter has to be drawn to the attention of the Authority. In the event that a Member is involved, the matter will be reported to the Clerk.
- 5.4.2 Internal Audit Directorate will maintain a link with District Audit in order to keep them apprised of developments in serious cases.