

DORSET POLICE AUTHORITY – 12 FEBRUARY 2010

ANTI FRAUD AND CORRUPTION STRATEGY

REPORT BY THE CHIEF CONSTABLE

PURPOSE OF THE REPORT

To provide an annual update to members on the effectiveness of the controls to prevent fraud and corruption.

1. BACKGROUND

- 1.1 The Force has in place a number of different strategies designed to assist in the prevention, reporting and detection of fraud and corruption in all of its activities.
- 1.2 Fraud and corruption may be perpetrated by those inside the Force or by those external to the Force.
- 1.3 Any member of the Force with concerns regarding fraud and corruption, who does not feel confident to raise them with their line manager can raise them in confidence and anonymously direct with the Professional Standards Department, through the independent 'Integrity Line' hosted by Crimestoppers or the Force 'Confide in Us' anonymous e-mail service.
- 1.4 The operational aspect of these preventative activities are implemented and monitored primarily through the Force Professional Standards Department.
- 1.5 The Treasurer to the Police Authority has a duty to ensure the proper administration of the Police Authority's financial affairs. Included within this is the monitoring of internal control mechanisms to assist in the prevention and detection of fraud.
- 1.6 The Authority's Financial Regulations and Standing Orders on Contracts outline the minimum standards for contracting and financial controls that must be in place within all processes throughout the Force. Included within this is the separation of duties for the authorisation of payments and exception reporting, which are specifically in place to prevent fraud. As part of these arrangements, reports are made to the Treasurer on any financial irregularities that have been identified and the Chief Executive is informed.
- 1.7 In the 2009/10 year only one financial irregularity was identified and this related to the cloning of a Force credit card, which was subsequently used in America. This was promptly identified by Barclaycard and the card cancelled. There was no financial detriment to the Force.

- 1.8 Whilst Internal and External Audit are not primarily responsible for the detection of fraud, their audits focus on the adequacy of the control mechanisms designed to prevent fraud. The findings from these audits are reported separately to members of the Audit, Resources and Continuous Improvement Committee.
- 1.9 As part of the national Fraud Strategy, the Force participates in the Audit Commission's National Fraud Initiative (NFI). This Initiative cross matches data from a number of public sector bodies, including council tax and benefit information in order to detect potential fraud.
- 1.10 The NFI for the 2008/09 year highlighted 995 potential matches for the Force. Research into these potential matches has resulted in highlighting a potential underpayment of £11.21 in VAT. The majority of matches relate to duplicate creditors records that failed to be filtered out when the data was uploaded to the Audit Commission for the exercise, others relate to legitimate periodic payments of a similar amount to a single creditor.
- 1.11 No instances of fraud have been detected and no matches have led to a recovery of money to the Force.
- 1.12 The NFI is run every two years by the Audit Commission with the next audit taking place over 2010/11, with the submission of data taking place in October 2010.
- 1.13 Since its inception in 1996, the initiative has identified fraud and overpayments totalling nearly £550 million nationally.
- 1.14 An overarching strategy is in the process of being developed to pull together the various strands of activity across the Force in the prevention and detection of fraud and corruption. In accordance with the Authority's Financial Regulations the Chief Constable, in conjunction with the Chief Executive and the Treasurer, is responsible for establishing and maintaining such a strategy and arrangements are in hand for the draft strategy to be circulated for consultation. The Anti Fraud and Corruption Strategy will be presented to members for approval at a future meeting.

2. RECOMMENDATION

- 2.1 Members are asked to note the report.

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Chief Constable

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Background Papers

Financial Regulations and Standing Orders on Contracts
National Fraud Strategy
Audit Commission National Fraud Initiative