

Police Service of Northern Ireland

HQ Ref: FRAS/RH/1/2006

PD 11/06

POLICY DIRECTIVE

ANTI-FRAUD POLICY

1. POLICY IDENTIFICATION

POLICY TITLE: Anti-Fraud Policy

POLICY OWNERSHIP:

DEPARTMENT	Finance and Support Services
BRANCH	Financial Reporting and Accounting Services

POLICY APPROVED BY:

CCF REF/OTHER	Chief Constable's Forum - Ref 41/06
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2. POLICY STATEMENTS

- (1) Fraud is an ever-present threat to the effective utilisation of resources and should always be an important concern for all members of the organisation. The aim of the Police Service of Northern Ireland (PSNI) is that fraud should be detected and potential fraud prevented to the maximum extent practicable.
- (2) Fraud of any kind will not be tolerated within the Police Service.

3. INTRODUCTION

(1) Executive Summary

- (a) This Policy provides guidelines on both the prevention of fraud and the procedures to be followed where a fraud is suspected or detected.
- (b) All cases of suspected or detected fraud must be reported immediately.
- (c) Such cases must be vigorously investigated and followed up.
- (d) Every effort must be made to recover losses from fraudulent activity.
- (e) Disciplinary action must be taken, where appropriate.
- (f) All matters must be dealt with in confidence and in strict accordance with the terms of the Public Interest Disclosure (Northern Ireland) Order 1998. This statute protects the legitimate personal interests of staff.
- (g) The Policy applies to all police officers and police staff. In particular, it explains the responsibilities of line management within the Police Service.

(2) Background

- (a) The Chief Constable has overall responsibility for establishing and maintaining a sound system of internal control designed to respond to and manage the risks which the organisation faces in achieving its policies, aims and objectives.
- (b) The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and manage them effectively. Managing the risk of fraud should be seen in the context of the management of this wider range of risks.
- (c) The Director of Finance and Support Services has an important role in supporting the system of internal control and in managing the risk of fraud.

(3) Aims

The aim of this Policy is to:

- (a) promote an anti-fraud culture;
- (b) establish a clear Fraud Policy Statement and communicate the approach to fraud;
- (c) ensure all cases of suspected or detected fraud are reported immediately and followed up.

(4) Application

This Policy applies to all staff within PSNI. All staff should be aware of the high standards of conduct expected of them and must not lay themselves open to any suspicion of impropriety or dishonesty. In particular, all police officers are expected to comply with the Code of Ethics for the PSNI. Police staff should aspire to the same high standards but are governed by the NICS Pay and Conditions of Service Code and the NICS Staff Handbook (www.dfpni.gov.uk).

(5) Legal Basis

- (a) Fraud may be defined as 'any course of action involving dishonesty, where any person by the use of deception makes a gain for himself/herself or another or causes loss to another'.
- (b) No precise legal definition of fraud exists; many of the offences referred to as fraud are covered by the Theft Act (Northern Ireland) 1969, Theft (Northern Ireland) Order 1978, and the Forgery and Counterfeiting Act 1981. The term is used to describe such acts as theft, deception, bribery, forgery, extortion, corruption, embezzlement, misappropriation, false representation, false accounting, concealment of material facts, conspiracy and collusion.
- (c) Common examples of fraud in the public sector include theft or damage of property, deception and falsification of records (eg time keeping, unauthorised absence, false expenses etc).
- (d) The Chief Constable is required to formulate and communicate a Fraud Policy Statement to all staff, in accordance with the Framework Document issued by the Northern Ireland Office (NIO). A copy of the Framework Document is included as an Appendix to Policy Directive 02/07 - Financial Regulations. This Framework Document is issued in pursuance of Section 9 of the Police (Northern Ireland) Act 2000.
- (e) The development of a Fraud Policy is also a matter of good practice and a requirement under the rules of Government Accounting (www.hm-treasury.gov.uk).

4. IMPLICATIONS OF THE POLICY

(1) Fraud Awareness

The Policy should help to raise awareness to the risks of fraud and the implications of fraud for the organisation, management and individuals. The Policy should also help to promote an anti-fraud culture.

(2) Human Resources/Training

Fraud awareness is already included as part of initial training for all staff.

(3) Risks

Lack of a current and effective fraud policy could expose the organisation to unnecessary risk and external criticism.

(4) Consultation

The following have been consulted during the preparation of this Policy:

- (a) PSNI Chief Officers;
- (b) Audit and Risk Committee;
- (c) Finance and Support Services Department;
- (d) Crime Operations Department;

- (e) Professional Standards Department;
- (f) Head of Internal Audit;
- (g) Northern Ireland Audit Office;
- (h) Superintendents' Association Northern Ireland;
- (i) The Police Federation for Northern Ireland;
- (j) Northern Ireland Public Service Alliance.

5. HUMAN RIGHTS/UNCRC/CODE OF ETHICS/FREEDOM OF INFORMATION

- (1) This Policy is deemed to be Human Rights compliant, it has been screened for Section 75 considerations and complies with the PSNI Code of Ethics.
- (2) The Policy is suitable for disclosure in accordance with the Freedom of Information Act 2000. The accompanying procedures are suitable for internal dissemination only.
- (3) This Policy will be published externally via the Freedom of Information Publication Scheme.

6. REVIEW

- (1) This Policy will be reviewed in 12 months time.
- (2) Interim reviews may also be prompted by feedback, challenge or change in legislation.
- (3) Feedback relating to this Policy should be addressed to Financial Reporting and Accounting Services Branch.