

FRAUD PREVENTION POLICY

The Policy:

1. Policy Statement:

The role of Essex Probation in the Criminal Justice System gives rise to the expectation of a high standard of integrity, personal conduct and discipline in all staff. Confidence and credibility are fundamental to the reputation of the Service. That is why robust systems and detection mechanisms are needed to maintain a secure, honest and open working environment. It is also why the Board requires that all suspected frauds are thoroughly investigated and action taken where necessary.

2. Purpose:

2.1 What is Fraud?

The UK Fraud Act 2006 identified Fraud can be committed in 3 ways:

- False representations (s2)
- Failing to disclose information (s3)
- Abuse of position (s4)

Fraud is the term used to describe such acts as deception, corruption, bribery, forgery, concealment of facts, embezzlement, misappropriation, false representation and collusion. It is no longer necessary to prove that the victim was deceived. All that is required is to prove that the fraudster was dishonest in their behaviour and that they intended to make a gain for themselves or cause loss to another.

2.2 National Fraud Initiative

As part of its commitment to preventing fraud and corruption, Essex Probation takes part in the National Fraud Initiative administered by the Audit Commission. This is a bi-annual data matching exercise that compares sets of data held by participating public bodies to identify inconsistencies or other circumstances that might indicate fraud or error, for further investigation. This will include personal data of staff and staff are advised annually of this process.

3. Roles and Responsibilities:

3.1 Essex Probation Board has a responsibility to:

- Make sure that all staff are aware of the organisation's anti-fraud policy and know what their responsibilities are in relation to combating fraud

PROTECT

- Make sure that all those working on our behalf including contractors, agency and fee-paid staff are also aware and operate to our standards
- Co-operate fully with the investigating body and will always seek to recover funds lost through fraud, including initiating a Civil Action against the perpetrator/s
- Consider initiating criminal proceedings against those responsible whether perpetrated by a member of staff or a source external to the organisation, in all cases where fraud is suspected
- Consider disciplinary action if the investigation identifies 'wrong-doing' or a failure in supervision or management of processes.

3.2 Director of Finance has a responsibility to:

- Ensure systems and procedures are in place that will prevent the occurrence of fraud
- Undertake a review where fraud has occurred and make a report to the Audit Committee including actions to prevent similar frauds from re-occurring
- Establish an effective fraud response plan that is commensurate with the level of fraud risk

3.3 All Managers have a responsibility to:

- Create the conditions in which staff have neither the motivation nor the opportunity to commit fraud
- Assess the types of risk, including fraud risk, involved in the operations for which they are responsible.
- Ensure that staff are alert to the possibility of fraud
- Ensure that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively
- Regularly review and test the control systems for which they are responsible.
- Ensure that controls are being complied with and their systems continue to operate effectively.
- Where frauds have taken place, implement where necessary new or improved controls to reduce the risk of similar frauds occurring.
- Ensure that all contractors, agency and fee-paid staff are aware of this policy and are alert to the possibility of fraud

In terms of establishing and maintaining effective controls it is generally desirable that:

- a) There is rotation of staff, where possible
- b) There is separation of duties so that control of a key function does not rest with one staff member; and

PROTECT

- c) When new systems are being designed, safeguards against fraud are considered at an early stage and advice sought from the Finance Manager or Internal Auditor.

3.4 All Employees have a responsibility to:

- Conduct themselves in accordance with the Essex Probation Code of Conduct which requires staff to act professionally with integrity, objectivity, honesty, impartiality and to comply with the law
- Act with propriety in the use of official resources and the handling and use of public funds whether they are involved with cash or payments systems, receipts or dealing with suppliers or offenders.
- Be alert to the possibility that unusual events or transactions could be indicators of fraud.
- Alert their line manager if they believe an opportunity for fraud exists because of poor procedures or controls
- Immediately report the details to the Director of Finance or Chief Executive, if they suspect that a fraud has been committed or see any suspicious acts or events
- Co-operate fully with those conducting internal checks, reviews or fraud investigations.

Essex Probation expects that members of staff will be confident in reporting fraud related issues, however it appreciates that making a disclosure may give rise to concern for an individual for a number of reasons. Where this is the case staff should be aware that Essex Probation has a Whistle-Blowing Policy, which gives details of how to make a protected disclosure.