

**ESSEX PROBATION**

**FRAUD PREVENTION POLICY**

**Policy written by**

Debbie Came

**Related Operational/Functional area of responsibility**

Finance

**This policy/guidance is stored in the following policy sub-folder:**

Finance/Legal

**This policy should be read in conjunction with the following documents:**

Disciplinary and Capability Policy  
Whistle Blowing Policy  
Code of Conduct  
Complaints  
Practice Guidance – Fraud Response Plan

**This policy replaces the following policy and practice guidance:**

Fraud Policy

**This policy comes into operation from**

1 February 2009

**This policy will be reviewed on or before**

31 January 2011

# FRAUD PREVENTION POLICY

## 1. Purpose

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.

The creation of an anti-fraud culture underpins all other work to counter fraud. Staff within the Board must understand the risk to fraud faced by the organisation, that fraud is serious and that it diverts valuable resources from the Board's primary objective.

## 2. Fraud Prevention Policy

In administering its responsibilities, Essex Probation is committed to preventing fraud and corruption from occurring and to developing an effective anti-fraud culture throughout the organisation. The Board will discipline and consider dismissing any employee who fails to carry out their work in accordance with the Essex Probation Code of Conduct and professional standards and codes of ethics of Professional Bodies to which staff are affiliated. These standards equally apply to contractors, temporary or agency staff employed by the Service.

## 3. National Fraud Initiative

As part of the Essex Probation's commitment to preventing fraud and corruption, Essex Probation takes part in the National Fraud Initiative administered by the Audit Commission. This is an 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.

## 4. 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.

## 5. Staff Responsibilities

It is the responsibility of all members of staff to ensure that funds controlled by the Essex Probation are safeguarded against fraud. Staff must report any suspicion of fraud immediately to the Treasurer, Board Legal Advisor or Chief Executive. Staff must also alert their line manager if they believe an opportunity for fraud exists because of poor procedures or controls. Contact details are provided in Appendix A.

***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.***

## 6. Line Management Responsibility

- 6.1 While overall responsibility for preventing fraud rests with the Essex Probation Treasurer, the effective eradication of fraud starts with all managers and they should create the conditions in which staff have neither the motivation nor the opportunity to commit fraud.
- 6.2 Line managers are responsible for ensuring that an adequate system of internal control exists within their areas of responsibility and that those controls are effective. There is a need for all managers to review and to test those control systems regularly, to ensure that controls are being complied with; and to satisfy themselves that their systems continue to operate effectively.
- 6.3 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
  - 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.
- 6.4 The level of controls should be appropriate to the risk involved. The controls outlined above are essential in situations where cash or cash equivalent (e.g. travel warrants) are being handled. Line managers need to have in their sights, the areas of risk in the work for which they are responsible, e.g. the adequate control of orders and invoices, and ensure controls in place are effective to manage the level of risk to which the organisation is exposed.

Advice on managing risk and the development of controls will be provided by the Finance Manager.

- 6.5** Line managers must be alert to the possibility that unusual events or transactions could be symptoms of fraud or attempted fraud. Fraud may also be highlighted as a result of specific management checks or be brought to management's attention by a third party.

## **7. Sanction & Redress**

In all cases where fraud is suspected Essex Probation will consider initiating criminal proceedings against those responsible whether perpetrated by a member of staff or a source external to the organisation. Essex Probation will co-operate fully with the investigating body and will always seek to recover funds lost through fraud. It may be necessary for Essex Probation to initiate a Civil Action against the perpetrator/s. If the investigation identifies 'wrong-doing' or a failure in supervision or management of processes, the Board will consider disciplinary action.

## **8. Learning from the Experience**

Where fraud has occurred a review of systems and procedures will be undertaken. A report will be made to the Audit Committee including actions to prevent similar frauds from re-occurring.

## REPORTING PROCESS - CONTACT DETAILS

<b>Chief Executive</b>	e-mail	mary.archer@essex.probation.gsi.gov.uk
	Telephone	01376 501626
	Address	Cullen Mill, 49 Braintree Rd, Witham. CM8 2DD
<b>Board Treasurer</b>	e-mail	debbie.came@essex.probation.gsi.gov.uk
	Telephone	01376 501626 ext. 251
	Address	Cullen Mill, 49 Braintree Rd, Witham. CM8 2DD
<b>Board Legal Advisor</b>	e-mail	Shirley.Jarlett@essexcc.gov.uk
	Telephone	01245 506780/01245 506762
	Address	Essex County Council, PO Box 11 County Hall, Chelmsford, Essex, CM1 1LX

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