FRAUD AND EMPLOYEE RESPONISBILITIES STANDARD OPERATING PROCEDURE (SOP)

STANDARD OPERATING PROCEDURE			
REFERENCE.	Policy/XXX/10		
PROTECTIVE MARKING	NOT PROTECTIVELY MARKED		
PORTFOLIO	Deputy Chief Constable (DCC)		
OWNER	Head of Professional Standards (PSD)		
START DATE	TBC		
REVIEW DATE	TBC		
THIS POLICY REPLACES:			
VERSION	**DATE**	**REASON FOR AMENDMENT**	**AMENDED BY**
0.2	June 2011	Change in legislation.	Jo Whiting, Employee Relations Case Officer, PSD.

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STANDARD OPERATING PROCEDURE (SOP) TEMPLATE

1 INTRODUCTION

1.1 This procedure enforces and is subject to the conditions of the Fraud and Employee Responsibilities Policy/XXX/10 and the BTPA Governance Code.

1.2 This procedure applies to England, Wales and Scotland.

1.3 This procedure applies to all British Transport Police (BTP) employees. Within this procedure, except where categories are specifically excluded, the term employee, or employees will include all members of British Transport Police, namely police officers, special constables, all categories of non-warranted employees including police staff and PCSOs, agency and temporary contract workers, workers seconded to BTP from other organisations and community volunteers.

1.4 This procedure details the responsibilities of all employees and managers in maintaining openness and preventing fraud as defined in the Fraud and Employee Responsibilities Policy statement. It sets forth the procedures in dealing with suspected fraudulent activity.

2 KNOWLEDGE

2.1 Bribery

For the purposes of this SOP the definition of bribery will be that set out by the Bribery Act 2010 as follows:

1. The offering, promising or giving of a reward or advantage to induce a person to perform a relevant function or activity improperly.
2. The accepting of, agreeing to accept or requesting of a reward or advanatge in return for performing a relevant function or activity improperly.

Please refer to the Fraud and Employee Responsibilities policy statement for more details on the Bribery Act 2010

2.2 **Fraud**

BTP chooses to adopt the Law Commissions definition for the purposes of this SOP. Fraud exists where a person dishonestly:

- Makes false representation, or
- Wrongfully fails to disclose information, or
- Secretly abuses a position of trust with intent to make a gain or to cause loss or to expose another to the risk of loss

Please refer to the Fraud and Employee Responsibilities policy statement for more details on the definition of Fraud used for this procedure.

2.3 **CARS** (Confidential Anonymous Reporting System) is an email reporting system for employees to report misconduct issues or general integrity concerns to the PSD Intel Unit (PSDIU) anonymously. It allows a two way communication between an informant and the PSDIU without compromising the informant's identity. This facility is exempt from any systems usage monitoring to ensure complete confidentiality.

3 RESPONSIBILITIES

3.1 **All employees** have a duty to prevent fraud and report actual or suspected incidents of fraud. If an employee suspects a colleague, supplier, contractor or other person(s) of fraud against BTP or any other person or organisation working with BTP, they must report it as soon as possible to one of the following:

- Line Manager
- Other appropriate manager
- PSD
- Confidentially through CARS

Under no circumstances should employees conduct investigations into suspected fraud by themselves.

3.2 **Line Managers and Supervisors** have a responsibility to ensure the following:

- This policy is effectively communicated and implemented
- Effective controls are in place within their own areas of responsibility to prevent fraud as far as is reasonably practicable
- They create an open and accessible work environment where employees have confidence to report suspected incidents of fraud
- The appropriate action is taken when any actual or suspected fraud is reported to them, including conducting initial checks as to the basis of reports or suspicions and informing PSDIU as soon as possible
- The necessary steps are taken to ensure the confidentiality of any report made

All allegations of fraud should be reported to the PSDIU whether they are considered to have foundation or not.

3.3 **All employees** have a duty to report incidents where they are offered, promised or given an advantage, or asked to provide an advantage that could be deemed inappropriate as set out in the Bribery Act 2010. Types of advantages could include, but are not limited to:

- Gifts or hospitality (Employees should refer to the Gifts and Hospitality Policy)
- Procedural leniency
- Provision of information

3.4 **Budget Holders** have a responsibility to ensure that all monies and resources allocated them are used as intended by the British Transport Police and that should

transactions and procedures within their jurisdiction be reviewed by our governing bodies and or members of the public, they would be satisfied with the use of these monies and resources. Budget Holders should not authorise any transactions or purchases that they are not fully aware of or confident they could justify.

3.5 **PSD** will be responsible for accepting notification of, recording, and investigating where appropriate all reports of actual or suspected fraudulent activity. PSD will also be responsible for ensuring the Chief Constable as additional Accounting Officer, has been made aware of any allegations or incidents of fraud. Where instructed to do so, PSD will also inform the Principle Accounting Officer on behalf of the Chief Constable.

3.6 **Additional Accounting Officer**, will ensure that all allegations and incidents of fraud are reported to the Principle Accounting Officer at the British Transport Police Authority (BTPA) for oversight. The Chief Constable of BTP has been appointed the additional Accounting Officer and as such must be advised of all allegations and incidents of fraud.

3.7 **Principle Accounting Officer**, once notified by the additional Accounting Officer that an allegation or incident of fraud has been identified, is responsible for informing the Chair of the Audit Committee and will act as a point of contact going forward to ensure the Committee remain updated on any investigation. Where it is considered necessary and appropriate the Principle Accounting Officer will advise the Department for Transport of any such allegations or incidents.

3.8 **The Audit Committee** have general oversight of the development, application and effectiveness of both the BTPA and BTP fraud prevention arrangements. As part of this duty the Committee will also receive reports of and oversee the investigation into any allegations or incidents of fraud. Where the allegation or incident of fraud involves a Chief Officer or senior member of staff (ACC rank and above or equivalent), the Audit

Committee will have responsibility for managing and coordinating the BTPA investigation.

4 PROCEDURES

4.1 Correct use of Financial Resources

Employees must ensure they use funds in a responsible, lawful manner and in accordance with BTP policy and procedures. The following documents and locations contain guidance and correct procedures for ensuring the correct use of BTP financial resources:

- Business Travel and Expenses SOP
- Use of Government Procurement Cards SOP
- BTP Preferred Hotel Programme 2011
- Procurement Intranet Site - includes procedures on engaging new suppliers, consultants and making purchases
- Business Interests, Secondary Employment and Voluntary Work SOP
- Gifts and Hospitality Policy

This list is not exhaustive; if employees are unsure of any procedures regarding the use of BTP financial resources they should seek advice from Finance and Corporate Services.

4.2 Correct use of BTP systems

All employees should be mindful that BTP systems should only be used for their designated purpose and for the completion of their duties as part of their role with BTP. The unauthorised use of BTP systems outside of their designated use, or outside of the use proscribed for an employee's role may result in disciplinary or criminal proceedings.

4.3 Rest Days in Lieu (RDIL), Time Off in Lieu (TOIL) and Annual Leave (AL)

It is the responsibility of all employees to ensure that their line managers or supervisors are aware of and that the relevant BTP systems are updated with the correct balance and use of their AL, RDIL and TOIL. It is the responsibility of line managers to ensure they are aware of their employees' use of AL, RDIL and TOIL and to challenge where they suspect an abuse of the system. Where there is evidence that an employee is knowingly seeking to gain more time off under any of these headings than they are entitled to, a report must be made to PSD.

Please refer to Force Attendance and Leave Procedures for more information. Alternatively contact the HR Business Centre for advice.

4.4 Recruitment

All recruitment undertaken by BTP follows a fair and transparent process including vetting and reference checks for all applicants. For more information on the recruitment process please see the Recruitment and Retention intranet page, or contact the HR Business Centre.

4.5 What to do if you suspect fraud

4.5.1 Employees are encouraged to be vigilant against fraud and corruption. Signs that fraud may be taking place are:

- Failure to book annual leave
- Taking annual leave only in short spells, perhaps 1-3 days
- Change in personality or attitude
- Employees seeming unnecessarily or unreasonably stressed
- Always working late or arriving at work early
- Reluctance to share responsibility for tasks or work
- Refusal of promotion or reluctance to apply for promotion

- Unexplained wealth
- Overly close relationship with suppliers or contractors and/ or suppliers and contractors only willing to work with one employee
- Unauthorised or improper access of force systems and data bases
- Irregularities in paperwork
- Failure to adhere to standard or official procedures

This list is not exhaustive.

4.5.2 If you do suspect fraud is taking place, make a note of your concerns and the relevant details of events causing suspicion, if possible including:

- Dates and times
- Names and job roles
- Incriminating documents and/ or correspondence and where they can be found

If you do not already have all or any of this information, do not conduct further investigations by yourself or put yourself at risk of being discovered by suspected fraudulent parties. **Do not approach or accuse individuals directly.**

Report suspicions to your line manager or appropriate other manager in the first instance. If you do not feel confident that appropriate action will be taken, or you suspect that management are involved in the alleged fraud, employees can inform PSDIU directly, make a report through CARS, or notify the British Transport Police Authority.

4.5.2 **Managers/ Supervisors** – be responsive to employees' concerns and take all allegations of fraud seriously.

Collect all possible information from the reporting employee, including any documentary evidence. Identify all other supporting documentation you can obtain without alerting the suspected fraudulent parties and take action to preserve it. Do not interfere with evidence in any way.

Make an assessment of the allegation as to whether you feel the alleged fraud could have taken place. Report the allegations to the PSDIU as soon as possible, along with your assessment of their validity.

Do not try to conduct an investigation into the matter yourself, this includes approaching the accused individuals directly, interviewing or discussing the matter with any one you suspect or consider to be a witness.

Try to ensure the confidentiality of the reporting employee and do not discuss the matter with anyone other than PSDIU unless instructed to do so.

4.6 **False allegations**

Every effort will be made to ensure the validity of allegations before any action is taken. Where allegations are found to be false, deliberately misleading or malicious, this will be dealt with as a serious matter and criminal or disciplinary proceedings may be taken.

4.7 **Investigation process**

4.7.1 PSD will investigate all allegations of fraud in line with the Misconduct and Unsatisfactory Performance or Attendance Policy. Where necessary and appropriate the Director of Finance and Corporate Services will be notified in order that action can be taken to protect BTP assets and property.

4.7.2 The Head of Risk Management and Insurance will be advised of all suspected and confirmed acts of fraud as soon as it is practical and as long as to do so will not compromise any criminal or disciplinary investigation into such acts. PSD will ensure that both the additional and Principle (BTPA) Accounting Officers have been advised and that they are kept updated as to the progress of any investigation.

4.7.3 Investigations will take account of the requirements of criminal law and advice will be sought at the earliest opportunity to determine whether the alleged act may constitute a criminal offence.

4.7.4 Allegations against Chief Officers (ACC or above) will be investigated and dealt with by the BTPA under the direction of the Audit Committee.

4.7.5 The External Auditor (currently the National Audit Office) also has powers to investigate fraud and corruption. The BTPA is obliged to report incidents of fraud and corruption to the External Auditor and may call on them to support or conduct in full any investigation into such incidents.

5 PREVENTION

5.1 Recruitment vetting as set out in the Force Vetting Policy will be applied to ensure that any indicators of a lack of integrity or honesty are assessed and where necessary employment is prevented.

5.2 All BTP employees are expected to follow all professional codes of conduct related to their role within the organisation as well as those issued by their own professional bodies.

5.3 All BTP employees are required to seek authorisation for and to declare all offers of gifts and hospitality made to them and by them as set out in the Gifts and Hospitality Policy and related SOP.

5.4 All employees are required to declare any business interests or secondary employment, including volunteer work as set out in the Business Interests, Secondary Employment and Voluntary Work SOP

5.5 BTP will ensure that an effective disciplinary procedure is in place and is enforced by the Professional Standards Department, overseen by the Professional Standards and Complaints Monitoring group, a working group of the BTPA.

5.6 The BTPA Financial Director has a statutory responsibility for advising the Authority on financial propriety. Significant emphasis is placed on the thorough documentation of financial systems, and every effort is made to continually improve and develop these systems in line with modern business practice to ensure that efficient and effective internal controls are in place.

5.7 All Areas and departments within BTP will conduct strategic fraud risk assessments to identify areas in practice and procedure open to risk of fraud or corruption. These assessments will be reviewed on yearly basis and monitored by the Corporate Risk Team. See appendix XX for guidance on this process.

5.8 BTP are committed to encouraging and taking part in the exchange of information between Police Authorities, other Constabularies and external agencies on matters of local, national and international concern regarding fraudulent and corrupt activity in the public and private sector.

5.9 We are subject to, and welcome, a high degree of external scrutiny by a variety of independent bodies including:

- Members of the public and service users
- The National Audit Office
- Internal Audit
- TRIBAL
- HM Inspector of Constabulary (HMIC)
- The Independent Police Complaints Commission (IPCC)
- HM Revenue & Customs (HMRC)

Records will be made available to officers of these bodies on request having provided satisfactory proof of identity. Explanations will be sought and responses provided to assist them in their review. Areas of concern will be treated with the suitable level of priority and responses will be provided at an appropriately senior level

6 MONITORING AND COMPLIANCE

6.1 Regular internal audits are undertaken to ensure that internal controls by line managers are being carried out effectively. The force Information Security Officer also completes regular audits and checks and monitors the use of BTP systems and secure facilities. Finance and Corporate Services ensure that all required documentation is completed and appropriate authority obtained regarding the use of BTP financial resources. Finance and Corporate Services also pass relevant information to the PSDIU for analysis and further investigation where necessary as per the Information Share between the Finance and Corporate Services, Human Resources and Professional Standards Departments Service Level Agreement.

6.2 This SOP and the related policy are owned by the Head of Professional Standards and will be reviewed every 3 years. The date of the next review will be XXX

7 RELATED DOCUMENTS

As well as the documents already listed within this procedure, employees are directed to the following for further information:

- Force Information Security Policy
- Business Interests, Secondary Employment and Voluntary Work SOP
- Gifts and Hospitality Policy
- Confidential Reporting SOP
- Misconduct and Unsatisfactory Performance or Attendance Policy
- BTPA Corporate Governance Code
- Information Share between the Finance and Corporate Services, Human Resources and Professional Standards Departments Service Level Agreement.
- Strategic Risk Assessment Documents in relation to Fraud