

M O P A C

MAYOR OF LONDON
OFFICE FOR POLICING AND CRIME



MPS-MOPAC JOINT AUDIT PANEL 5 July 2021

MPS Counter Fraud Strategy and Plan

Report by: Paul Oliffe, Chief Accountant and Commander Paul Betts, DPS

Report Summary

Overall Summary of the Purpose of the Report

1. Provide an update on the MPS/MOPAC Counter Fraud Strategy.
2. Provide an update on the implementation of the recommendations from DARA's counter fraud follow up review.

Key Considerations for the Panel

To note the progress of the implementation of DARA recommendations and next steps with regards to the response plan and Strategy.

Interdependencies/Cross Cutting Issues

None

Recommendations

The Audit Panel is recommended to note the progress made and next steps.

1. Governance

The governance around fraud in the MPS has been reviewed and enhanced. The Strategic Oversight Board (SOB), which is jointly chaired by the Commander for the Directorate of Professional Standards (Paul Betts) and Chief Accountant (Paul Oliffe), is now established and meeting regularly to provide appropriate governance around counter fraud activity within the MPS. The board includes DARA representatives, financial services, DPS and procurement.

Sitting under the SOB is a tactical group to support with research and actions. This is the 'DARA and DPS Tactical Liaison Forum' (TLF)

This governance structure takes responsibility for the oversight and implementation of existing counter fraud audit recommendations and the response plan to support the MOPAC and MPS anti-fraud, bribery and corruption strategy.

1.1 Counter Fraud Strategy update

The joint MOPAC/MPS anti-fraud, bribery and corruption strategy was refreshed in 2019. Shortly following this, DARA completed a review of counter fraud arrangements in MPS. The findings from that review were that the strategy was fit for purpose, although alignment was required with other related governance documents e.g. CFO Instructions. Since then, related guidance/documents have been aligned to the strategy to ensure consistency.

Now that new counter fraud arrangements in the MPS have begun to embed, it is an ideal time to review the strategy to ensure it remains extant. This review has now been completed by the fraud strategic oversight board. In general, the strategy was considered to remain fit for purpose, with the exception of the following amendments:

- Update of references to the whistleblower guidance – now superseded by raising concerns policy.
- Clarification of arrangements for monitoring delivery of the strategy – for MPS, this is via the fraud strategic oversight board.
- Following updated fraud and bribery awareness training material, clarification that whilst available to all staff, compliance monitoring will be focussed on key roles within MPS.
- Clarification to difference between triage of allegation vs investigation. Previous wording creating a false expectation that all allegations would be subjected to the same level of investigation, where in practice this will rightly depend on the outcome from triage.

As this is a joint strategy, amendments have been agreed with MOPAC. A copy of the revised strategy can be found at **Appendix 1**.

The next proposed review date for the strategy is set at 2 years – unless indicators suggest an earlier review is required. The fraud strategic oversight board in MPS will continue to monitor delivery of the strategy within MPS.

2. Update on the implementation of the recommendations from DARA's counter fraud review.

In December 2020 DARA completed a 'Follow Up Review: MPS Counter Fraud Arrangements'

This gave an audit assurance rating as limited. There are 9 multi-faceted agreed management actions which are all listed as medium risk. There are no high risk actions. Of these 9 DARA report that 7 have been partially implemented with 2 not implemented (**Appendix 2**).

The follow up review noted:

"There has been an improvement in the control framework with seven of the nine agreed actions partly implemented and two not implemented. Whilst the overall level of assurance remains limited, the creation and impetus of the Strategic Oversight Board now provides the foundation for effective delivery of the Anti-Fraud Strategy going forward."

The fraud Strategic Oversight Board have continued to make progress against the partially completed actions, and the two actions not yet implemented. Status of these is set out below:

2.1 MPS to review and refresh the anti-fraud strategy and action plan

As set out above, the strategy has been reviewed by the strategic oversight board and amendments are being agreed with MOPAC (reflecting this is a joint strategy). In addition, the fraud strategic oversight board have reviewed and updated the response plan. We anticipate this action being closed by the time of the Audit Panel meeting. The action plan is updated more routinely. The latest version is attached at **Appendix 3**.

2.2 Ensure all key documents, guidance and policies are up to date and properly aligned with MOPAC Financial Regulations in respect of reporting

At the time of the DARA review, the MOPAC Financial Regulations were being reviewed. This review has been completed and all documents now align. Action complete.

2.3 MoU to be agreed and approved by the Director DARA and AC Professionalism.

The MoU content has been drafted and agreed at a working level for some time. Formal sign-off will be completed once approval received from DARA.

2.4 SOB to continue to explore ways of ensuring complete and accurate reporting of all instances of fraud across the MPS, including how centurion and the wider application of the fraud risk wheel and data analytics across the MPS can help to inform the process.

Significant progress has been on capturing potential fraud cases. Centurion is now used as the single reporting domain for all allegations of fraud. This provides a holistic view of cases and outcomes from which a) reporting can be facilitated and b) intelligence can feed the fraud risk wheel. This provides a reliable data set on which to inform discussions around the fraud risk wheel, and data analytics. However, the ambition is to improve further the reporting and analytics further. Propose action closed, and enhancements now part of business as usual activity.

2.5 Terms of Reference to be agreed for the strategic and tactical groups to ensure roles and responsibilities are defined and understood.

As reported to Audit Panel in January 21, ToR have been agreed for both groups. Action complete.

2.6 Review of the ownership, content and use of the anti-bribery and fraud awareness e-learning programme to be undertaken with the outcome escalated to SOB

The content of the e-learning package has been fully reviewed and approved by the SOB. In line with other organisational training packages, this has been moved to LinkedIn Learning. Launch of the revised training package is currently being agreed. Action close to completion.

2.7 Raising Concerns policy to be approved and issued

The new Raising Concerns policy, which provides far broader advice than the previous policy, has been approved by AC Ball. It is due to be launched on 29 June with a communications piece from Commander Paul Betts highlighting the importance of reporting all concerns, but including a spotlight on fraud, and the many methods in which people can do that. Action close to completion.

2.8 Establish a structured and co-ordinated manner through which activities informing organisational learning, including effective communication are implemented following instances of fraud.

There is now a direct link between the SOB and the MPS Organisational Learning Committee (chaired by Commander Paul Betts). Fraud risk is a standing agenda item for the Organisational Learning Committee, so this risk is suitably mitigated. Action Closed.

3. Conclusion

At the time of the DARA follow up review, the SOB had begun to put in place the building blocks for effective management and governance over fraud risk within MPS. At a tactical level, this has always been an area of strength, but this hadn't always been complemented by a strategic oversight function to bring key elements together. As set out above, SOB have continued to make good progress against completing DARA actions, but more importantly, there is now an established governance framework in place to drive continuous improvement in this area.

4. Equality and Diversity Impact

There are no equality and diversity implications directly arising from this report.

5. Financial Implications

There are no direct financial implications arising from this report.

6. Legal Implications

There are no direct legal implications arising from the report.

7. Risk Implications

There are no direct risk implications arising from the report.

8. Contact Details

- DAC Bas Javid, MPS (basit.javid@met.police.uk)
- Chief Accountant Paul Oliffe, MPS (paul.oliffe@met.police.uk)
- Commander Paul Betts, MPS (paul.betts2@met.police.uk)

9. Appendices

Appendix 1 – MOPAC and MPS Anti-Fraud, Bribery and Corruption Strategy

Appendix 2 – Fraud Action Plan DARA recommendations

Appendix 3 – Fraud Response Plan

Appendix 1

MOPAC and MPS Anti-Fraud, Bribery & Corruption Strategy

MOPAC and MPS anti-fraud and bribery and corruption strategy

Introduction

1. General

- 1.1 One of the basic principles of public sector organisations is the proper use of public funds. It is therefore, important that all those who work in the public sector are aware of the risk of and means of enforcing the rules against fraud, bribery and other acts of dishonesty.
- 1.2 The public expect the highest possible standards of all employees in public service. The Mayor's Office for Policing and Crime (MOPAC) and the Metropolitan Police Service (MPS) expect staff and officers at all levels to lead by example, act with honesty and integrity and ensure adherence to legal requirements, rules, policies and practices. Everyone who serves in MOPAC and MPS must be aware that they have to uphold and demonstrate high ethical standards of behaviour. MOPAC and the MPS will not tolerate fraud, bribery and corruption in the conduct of their business.
- 1.3 In carrying out its function and responsibilities the MOPAC and the MPS are firmly committed to dealing with and reducing fraud, bribery and corruption and will seek the appropriate disciplinary, regulatory, civil and criminal sanctions against perpetrators both within and outside the organisation.
- 1.4 The Chief Finance Officers (CFO) for MOPAC and MPS have a statutory responsibility¹ for ensuring that adequate systems and procedures are in place to account for all income due and expenditure disbursements made on behalf of MOPAC and the MPS, and that controls operate to protect assets from loss, waste, fraud or other impropriety.
- 1.5 MOPAC and the MPS expects everyone to act with integrity at all times, to be totally honest and trustworthy and to comply with all policy and regulations at all times. Fraud, corruption and bribery will not be tolerated.
- 1.6 In this document the generic term "employee" refers to MOPAC/MPS officers, staff, police community support officers, members of the special constabulary, volunteers, commercial partners and third parties acting on behalf of MOPAC/MPS.

2. Objectives

- 2.1 The objective of this document is to provide an anti-fraud, bribery and corruption strategy for MOPAC and the MPS. The strategy is supported by the joint MOPAC and MPS anti-fraud, bribery and corruption action plan and response plan. This strategy is designed to;
 - Reduce losses due to fraud and corruption to an absolute minimum
 - Maintain a "zero tolerance" culture to fraud and corruption

¹ under Section 151 of the Local Government Act 1972

- Encourage sanctions and the implementation of recovery of monies where fraud is identified; and
 - Prevent fraud and corruption by designing and continuing to review policies and systems.
- 2.2 As part of its strategic risk management process, both MOPAC and the MPS have a robust framework in place to mitigate risk of fraud and corruption.

3. Defining Fraud, Bribery and Corruption

Fraud

- 3.1 The Fraud Act 2006 creates a general offence of fraud and sets out three ways in which it can be committed;
- Fraud by dishonest false representation
 - Fraud by dishonestly failing to disclose information
 - Fraud by dishonestly abusing a position of trust.
- 3.2 In all three classes of fraud, for an offence to have been committed, a person must have been dishonest and have intended to make a gain or cause loss to another.
- 3.3 For the purposes of this policy, fraud will also include theft, forgery, concealment and conspiracy. Fraudulent acts may include, but are not limited to:
- stealing cash or equipment, including non-return of imprests or other advances
 - submitting false expense or overtime claims
 - Misuse of MOPAC or MPS business expense cards, including fuel cards, Barclay Cards and P-cards or MPS online systems like iProcurement
 - unauthorised removal of MOPAC or MPS property or property from the Criminal Exhibits Stores
 - failing to declare monies or property received on behalf of MOPAC or MPS, including that of prisoners or proceeds of crime
 - intentionally overcharging for a service provided to MPS/MOPAC
 - manipulating or falsifying accounts, records or returns
 - irregular contract arrangement and other financial irregularities.

Bribery and corruption

- 3.4 For the purposes of this policy “corruption” is defined as the offering, promising, giving, requesting, receiving or agreeing to accept an inducement or reward, (i.e. a bribe), which may influence a person to act against the interests of MOPAC/MPS. The definition of what constitutes a bribe is extremely broad and covers any financial or other advantage offered to someone to induce them to act improperly. The Bribery Act 2010 creates offences of:
- Offering, promising or giving a bribe (active bribery)
 - Requesting, receiving or agreeing to accept a bribe (passive bribery)

- 3.5 The Act also creates a new offence which can be committed by commercial organisations which fail to prevent persons associated with them (including third party providers) from bribing another person on their behalf. For the purposes of this policy, bribery and corruption acts may include, but are not limited to:
- Accepting a payment or other consideration to act other than in accordance with proper procedures,
 - Accepting private payments or rewards relating to official activity,
 - The favourable release of information to selected contractors/suppliers or other interested parties.

Money Laundering

- 3.6 Money laundering is a process by which the proceeds of crime are converted into asset that appear to have a legitimate origin so they can be retained permanently or recycled into other criminal enterprises.
- 3.7 Offences covered by the Proceeds of Crime Act 202, the Money Laundering Regulations 2007 and the Terrorism Act 2000 will be considered and investigated in line with the anti-fraud and corruption framework.
- 3.8 The Proceeds of Crime Act 2002 makes provision in relation to money laundering, other than in relation to the laundering of terrorist's funds. The offences under the relevant provisions of the act including
- Offences involving a failure to disclose
 - The offence of tipping-off
- 3.9 The Money Laundering Regulations' 2007 oblige organisations to have systems to detect and prevent money laundering.

4. Approach

- 4.1 Fraud risk is a component of risk management within MOPAC and the MPS, and will be considered and evaluated with appropriate controls and other management processes being put in place to reduce the likelihood of fraud occurring.
- 4.2 A Fraud Strategic Oversight Board has been established and is responsible for the delivery and monitoring of this strategy within the MPS; and is made up of representatives from:
- | | |
|-------|---------------------------------------|
| MOPAC | DARA – Counter Fraud |
| MPS | Met HQ – Finance |
| MPS | Directorate of Professional Standards |
| MPS | Commercial Services |
| MOPAC | Finance |
- 4.3 Within MOPAC, delivery and monitoring is through the Governance and Risk Working Group, which is made up of representatives from:

MOPAC	DARA
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MOPAC	Directorate of Corporate Services
MOPAC	Directorate of Strategy and Policing Oversight
MOPAC	Directorate of Private Office and Human Resources
MOPAC	Directorate of Commissioning and Partnerships
MPS	Strategy and Governance

4.4 MOPAC and the MPS have a number of interrelated policies and procedures that provide a framework to counter fraudulent activity. These are an important part of the internal control process and it is important that all staff are familiar with them;

- Scheme of consent and delegation
- Scheme of devolved financial management
- Financial regulations
- Contract regulations
- Chief Finance Officers instructions
- Gifts and hospitality policy
- Business interest policy
- Raising concerns policy

4.3 This strategy sets out clearly the MOPAC and MPS joint approach to managing the risk of fraud and dealing with all aspects of fraudulent activity that may occur within the respective organisations. The aim is to reduce fraud, bribery and corruption to an absolute minimum by;

- Develop an anti-fraud, bribery and corruption culture in MOPAC/MPS
- Deter fraud, bribery or corruption where possible
- Prevent fraud, bribery or corruption where it cannot be deterred
- Detect fraud, bribery or corruption where it cannot be prevented.
- Professionally and objectively investigate suspicions of fraud, bribery or corruption where they arise.
- Consistently apply a range of sanctions where fraud, bribery or corruption is proven
- Seek redress to recover all funds obtained through fraud.
- Develop and maintain a Raising Concerns policy to enable members of their respective staffs, contractors, service providers, suppliers and members of the general public to report suspicions of fraud, bribery and corruption.
- Develop and maintain a [Gifts and Hospitality Policy](#) and associated register to be published externally.
- Develop and maintain a [Business Interest Policy](#) with an annual declaration
- Disclose annually any material transactions with related parties²

4.4 The key aim of the strategy is to ensure that public funds entrusted to MOPAC and the MPS are protected against fraud and loss. To do these the key objectives of this strategy are;

² Related Party Disclosure note in MOPAC/MPS financial accounts

- Prevention
- Detection
- Investigation
- Sanctions and redress

Prevention

- 4.5 All employees have a duty to protect the assets of the MOPAC/MPS, which includes information and goodwill, as well as property, and MOPAC/MPS encourages anyone having suspicions of fraud, corruption and bribery to report them.
- 4.6 The key components in preventing fraud is the development of an anti-fraud and bribery culture, which sets and maintains high ethical standards and behaviours. This is achieved through the establishment of an effective internal control framework, effective communication, supervision and review, and appropriate training.

To achieve this MOPAC/MPS will:

1. Undertake effective recruitment and staff vetting to ensure the integrity of all new staff.
2. Adopt the Code of Ethics – a code of practice for the principles and standards of professional behaviour for the Policing Profession of England and Wales.
3. Evaluate policy and procedure documents³ relating to fraud, bribery and corruption to confirm they reflect up to date changes in operational and service delivery and ensure they are fit for purpose.
4. Provide fraud and bribery awareness training to appropriate staff and officers consisting of key messages focussing on high-risk areas of the organisations⁴.
5. Ensure business areas are responsible for the effective management of their fraud risks and provide an annual confirmation that the key controls are operating effectively through the annual governance statement/statement of internal control.
6. Ensure appropriate sanctions are applied in proven cases of fraud and corruption.
7. Publicise (where possible) the outcomes of proven fraud and corruption cases to act as a deterrent.
8. Providing information to the National Fraud Initiative (NFI).

Detection

- 4.7 The early detection of fraud acts as a deterrent and contributes to the establishment of an anti-fraud culture. Detection methods include whistle blowing and reporting arrangements, audit and inspection, supervision and

³ The evaluation for MOPAC and MPS will be undertaken annually and any amendments or updates will be reported to the Audit Panel

⁴ A e-learning package on Anti-Bribery and Fraud Awareness has been developed and is available through NCALT

review plus local pro-active reviews, using analytical techniques to identify potential fraud and corruption.

Investigation

- 4.8 All reported suspicions of fraud are recorded and assessed by appropriately skilled staff, in a fair, consistent, timely and professional manner.

Sanctions and redress

- 4.9 Following the conclusion of an investigation, if there is sufficient evidence of fraud, bribery or corruption then appropriate disciplinary, regulatory, civil and/or criminal sanctions against perpetrators both within and outside MOPAC and the MPS will be undertaken.

5. Roles and responsibilities

5.1 Deputy Mayor for Policing and Crime and the Commissioner

- 5.1.1 The Deputy Mayor for Policing and Crime (DMPC) and the Commissioner have a duty to protect the assets of the organisations and avoid any suspicion of impropriety. The DMPC and the Commissioner must ensure proper financial practice and adherence to all codes of ethics and standards.

- 5.1.2 The DMPC and Commissioner maintain separate reporting concerns policies that will enable members of their respective staffs to make allegations of fraud, misuse and corruption in confidence and without recrimination, to an independent contact. They will ensure that allegations are properly investigated to ensure that they are not malicious and that the appropriate action is then taken to address any valid concerns identified.

- 5.1.3 The DMPC and the Commissioner also maintain a corporate register of hospitality and gifts, business interests and additional employment which is published externally.

5.2 MOPAC/MPS Audit Panel

- 5.2.1 The MOPAC/MPS Audit Panel has the responsibility for scrutiny and oversight of the joint audit function. A specific objective of the Audit Panel is reviewing and monitoring the effectiveness of MOPAC and MPS strategies and policies for addressing issues of integrity and ethical behaviour and tackling fraud and corruption". The Audit Panel also receives, as appropriate, information from Internal Audit, External Audit and any other Investigating Officers where suspected fraud has been investigated. The Audit Panel also receives regular reports on the expenses and register of gifts and hospitality.

5.3 Chief Finance Officers for MOPAC and MPS

- 5.3.1 The Chief Finance Officers (CFO) for MOPAC and MPS have a statutory responsibility under Section 151 of the Local Government Act 1972 for ensuring that adequate systems and procedures are in place to account for all income due and expenditure disbursements made on behalf of MOPAC and

the MPS, and that controls operate to protect assets from loss, waste, fraud or other impropriety.

5.3.2 The CFO–MOPAC/MPS are responsible for:

- undertaking a continuous internal audit of the accounting, financial and other operations within MOPAC and MPS, including to what extent assets and interests are accounted for and safeguarded from losses due to fraud and other offences.
- monitoring the actions taken in respect of all allegations of fraud reported irrespective of whether the matter is the subject of criminal investigation with regard to any loss, financial irregularity or suspected irregularity, including those relating to cash, physical assets or other property of the organisation.
- In addition the CFO-MPS is responsible for notifying the Commissioner and CFO-MOPAC of any suspected fraud, theft, irregularity, improper use or misappropriation of property or resources of the Commissioner or the DMPC.

5.3.3 The CFO-MOPAC/MPS will undertake pro-active work within the agreed Internal Audit Plan to detect cases of fraud and corruption, particularly where system weaknesses have been identified. In addition the CFO-MOPAC/MPS is responsible in consultation with DARA (Director of Audit, Risk and Assurance) for ensuring that there is a full review of procedures to prevent any recurrence.

5.4 Directorate of Audit, Risk and Assurance (DARA)

5.4.1 In consultation with the MOPAC and MPS CFOs, DARA has responsibility to ensure that there is a full review of procedures to prevent any recurrence where an enquiry establishes that a fraud or theft has occurred.

5.5 Directorate of Professional Standards (DPS)

5.5.1 The Directorate of Professional Standards is responsible for dealing with allegations of breach of standards, complaints from the public, reports of wrongdoing and civil actions against the Met. DPS staff assess all allegations of wrongdoing whether internally, from the public or any civil actions and ensure that, when it's appropriate, lessons are learned and the necessary changes are embedded into the organisation.

5.6 MOPAC/ MPS Managers

5.6.1 All staff and officers in management positions are responsible for ensuring that corporate procedures and systems of internal control are in place to safeguard the resources for which they are accountable. To help achieve this, managers have a responsibility to ensure their staff are aware and comply with requirements of the Codes of Ethics, Financial Regulations, and other policies and regulations.

5.6.2 All staff and officers in management positions must ensure that effective procedures, practices and controls are in operation in their area or responsibility to minimise the opportunity for fraud and corruption.

5.6.3 As part of their stewardship role managers should be aware of all the areas within their service where the risk of fraud and corruption is high and must satisfy themselves that adequate controls are in place to detect irregularities at the earliest opportunity. There must be controls in place to:

- Safeguard assets;
- Check and evidence compliance with MOPAC/MPS policies and procedures;
- Ensure that resources are applied in the manner and on the activities intended;
- Minimise the opportunity for fraud and detect any instances of financial dishonesty;
- Ensure that expenditure is properly authorised and incurred only for the purposes which the funds were provided;
- Ensure that all income is identified, collected and accounted for.

5.7 MOPAC/MPS Employees

5.7.1 All employees have a duty to protect the assets of the MOPAC/MPS, which include information and goodwill, as well as property, and MOPAC/MPS encourages anyone having suspicions of fraud, corruption and bribery to report them. All employees can do this in the knowledge that such concerns will be treated in confidence and will be properly investigated.

5.7.2 All employees must declare;

- Any pecuniary interest in contracts and must not accept fees or rewards other than by proper remuneration.
- All offers of gifts and hospitality whether accepted or declined. These must be declared and properly recorded in accordance with the Gifts and Hospitality Policy. It is the MPS policy to decline offers of gifts and hospitality unless a refusal could cause serious offence or damage working relations.
- Any business interest or additional employment. All MOPAC employees are required to declare any [Business Interest](#) or additional employment. A register of second interests for all officers is maintained and for senior officers this is published externally.

5.7.3 All employees must bring to the attention of their line managers any areas of activity where systems of control appear inadequate, or there seems to be a risk that MOPAC/MPS property or interests can be misused or misappropriated.

5.8 Third Parties

5.8.1 The attention of all employees working for third parties acting on behalf of the MOPAC/MPS must be drawn to this policy, as there is a requirement for them to adhere to the requirement for MOPAC and MPS managers and staff.

Strategic Oversight Board

Action Plan

The aim of the action plan is to identify responsibilities and a timeframes for reviewing and implementing/refreshing the key aspects of the strategy including prevention, detection and deterrent activities, anti-bribery and fraud awareness training and effective communication.

	Risk	Objective	Activity	DARA Ref Dec 2020	Update	
Effective Strategy	The absence of a planned approach to delivery may result in the strategy failing to achieve its objective to minimise loss resulting from fraud and corruption	The MOPAC Financial Regulations are currently under review - when they have been issued the Strategy and Response Plans needs to be reviewed to ensure alignment.	Feedback has been provided on the Draft MOPAC Financial Regulations		Complete	
		Key elements of the Strategy and Response Plan need to be revisited to ensure focus and approach continues to meet organisational needs.	Key areas to review includes: The policy ownership Reporting Fraud Roles and Responsibilities Ambiguity Gaps	1.1	Complete	
		Fraud response plan needs to clearly defines the roles and responsibilities of the individual and line manager in reporting suspected cases of fraud	Update the Strategy and Response plan in consultation with MOPAC		Complete	
	Ill-defined roles within the anti-fraud framework may cause confusion over responsibilities for fraud risk management and investigation.	The role of internal audit to be clarified and made consistent across the strategy, the MOPAC Financial Regulations, MPS CFO Instructions and Whistleblowing guidance	To be actioned on completion of ES1 SOB to ensure all key documents, guidance and policies are up to date and aligned to Finance Regulations	2.1	Complete	
		DPS and DARA to agree an effective mechanism through which instances of suspected or detected fraud are reported	DPS and DARA to establish common parameters with regard to data captured on identified fraud and the response of each investigating group to help the consistent reporting of detected fraud	2.3	Complete	
	The absence of coordination across the MPS to tackle fraud may result in inactivity or duplicated efforts	Following review and update of the MOU between DPS and DARA, the Fraud Response Plan to be made clearer on the remit of individuals/teams	MOU is under review and when signed off, the Fraud Response Plan will need to be updated	2.2	June 21 - MOU has been drafted and agreed at a working level. Awaiting sign-off by DARA and DPS.	
		The Tactical Group supports te Strategic Board and the ToR needs to be finalaised to ensure roles and resposibilities of the two roups is clearly defined	Terms of Reference to be agreed for the Strategic and Tactical Group to ensure roles and responsibilities are defined and understood	3.2	Complete	
	A poorly defined and inaccessible policy for whistleblowing may discourage officers, staff and third parties from reporting wrongdoing or irregularities	Raising Concern Policy content needs to be aligned to MOPAC Financial Regualtions and CFO Instructions	Policy is out for consultation and it will be reviewed for alignment to the Financial Regulations when these have been sined off by MOPAC	6	June 21 - Policy has been approved by AC Ball. Due for launch 29 June.	
	Fraud Risk Management	The absence of an up to date and informed view on fraud risk may hamper the effective planning and resourcing of pro-active exercises to detect, prevent	Risk information and assessments are captured in a model recognised by the Chartered Institute for Public Finance and Accountancy (CIPFA) Counter Fraud Centre (fraud risk wheel). The fraud risk assessment methodology to be reviewed for continued appropriateness.	Strategic Board to review the revised fraud risk assessment (risk wheel) and consider its wider use and application across the MPS	4.1	June 21 - Complete. Fraud risk wheel will continue to be reviewed by TLF and SOB.

	and deter fraud	Fraud risk mitigation activity is captured in the risk assessment and appropriately used to assess the exposure to fraud risk	Risk scores need to be developed to inform the risk assessment and exposure to fraud	4.4	Complete
Training	A lack of awareness and understanding of potential fraud risks by officers and staff may result in reduced levels of reporting of wrong doing and subsequent action	The content of the e-learning programme to be reviewed, updated where necessary and used to raise awareness of fraud and reporting through the whistleblowing process		5	June 21 - Content updated. Awaiting formal launch via LinkedIn Learning
		The e-learning programme to be effectively signposted and communicated			LinkedIn Learning will be developed and publicised
Detection and monitoring fraud	Inability to proactively analyse financial and transactional data may result in hidden fraudulent activity and the true extent of fraud	Consideration of how we can utilise data analytics	DARA have purchased a Data Analytical software and consideration needs to be given as to how this can be developed to provide greater interrogations of data to ensure a) is within agreed risk appetite b) address the current lack of transparency around levels of undetected fraud in high risk areas c) facilitates proactive detection and redress	7	June 21 - Consideration has been given to the level of analytics currently deployed. There is appetite to do more, but only where activity is focussed and will generate value. Current discussions with DARA regarding potential analytical reviews would provide a high level of false positive instances which would require significant time to investigate, so not providing value. Current plan is to continue with existing approach to analytics, and consider focussed analytics in areas of identified risk.
		Proactive detection activity will be coordinated and undertaken to try and detect fraud in high-risk areas of business or where little is known about the level of fraud.			June 21 - Detection activity already exists through financial control processes e.g. duplicate payments testing, National Fraud Initiative and external audit testing.
Data capture and fraud reporting	The lack of an accurate and complete picture on detected fraud limits the ability to estimate the true level of fraud and may provide false assurance on fraud management within the MPS	establish common parameters with regard to data captured on identified fraud and the response of each investigating group to help the consistent reporting of detected fraud	The Centurion system is to be updated/replaced and DPS are intending to configure the system to identify, capture and report fraud and financial irregularities	8	Complete
		Establish a mechanism to report on detected level of fraud			Complete
Organisational Learning	A siloed approach to learning from instances of fraud may impact the ability to build resilience against fraud and potential financial losses	A more collaborative and communicative approach to learning from fraudulent activity and near misses will help to raise awareness, educate and deter further potential instances, enabling the MPS to build organisational resilience against fraud.	Development of structured and co-ordinated organisational learning strategy	9	Complete



Appendix 3

MPS Anti-Fraud Response Plan (updated February 2021)

MPS anti-fraud response plan

1. Introduction

The purpose of the MPS anti-fraud response plan is to define responsibilities for action and reporting lines in the event of suspected fraud or irregularity. The MPS have a responsibility to deal swiftly and firmly with those who defraud or who are corrupt.

1.2 MPS officers, staff and contractors are a key element in combatting fraud and they are positively encouraged to raise any concerns that they may have and in response the MPS will;

- Record and assess all reports of fraud irrespective of the source of the information e.g. confidential reporting line, data detection or referral from employee.
- Ensure investigations are undertaken in a fair, proportionate, consistent, timely and professional manner.
- Apply appropriate sanctions in all cases where sufficient evidence is available - these may include criminal, disciplinary and civil recovery.
- Proactively seek redress in proven cases of fraud, bribery and/or corruption.

2. Raising a Concern

2.1 The Raising Concerns policy is intended to encourage and enable staff and managers to raise concerns within the organisation. Where staff have reasonable suspicions that fraud and/or corruption has taken place and the suspect is believed to be a member of the MPS, then they should follow the reporting processes described in the raising concerns policy.

2.2 All officers, staff and contractors have a responsibility to report breaches of the Standards of Professional Behaviour. This is emphasised within the Code of Ethics - Challenging and Reporting Improper Conduct. According to this standard, you must never ignore unethical or unprofessional behaviour by a policing colleague, irrespective of the person's rank, grade or role. You have a positive obligation to question the conduct of colleagues that you believe falls below the expected standards and, if necessary, challenge, report or take action against such conduct.

2.3 There are a number of ways in which the report can be made, depending on the individual circumstances, but reporting openly in person is always encouraged and supported. Every OCU has a professional standards unit who are able to give advice at an early stage.

- 2.5 Line managers have additional responsibilities to deal with concerns. They must either deal with the matter raised and/or escalate it to the appropriate process (e.g. MM1 or 5020). It is highly recommended that line managers speak with the local Professional Standards unit to ensure that they use the correct process. The various pathways to report are described in the Raising Concerns policy.
- 2.6 The MPS will support every ‘worker’ (includes staff, volunteers and contractors) who raises a genuine concern. If a concern is believed to fall under the Public Interest Disclosure Act (PIDA) guidance, early contact should be made with the DPS IB Superintendent via either email DPS Mailbox – Raise Concerns – Report Wrongdoing or telephone the Right Line on 765599 or 0207 230 5599
- 2.7 Individuals are also able to report directly to the Chief Finance Officer, to MOPAC, by emailing counterfraudteam@mopac.london.gov.uk, or through online reporting to the Action fraud website <https://www.actionfraud.police.uk/reporting-fraud-and-cyber-crime>.

3. Recording

- 3.1 The MPS Directorate of Professional Standards (DPS) is responsible for the prevention, detection and investigation of corrupt acts involving police officers and/or staff working for the MPS.
- 3.2 In addition to providing our own assurances that genuine concerns can be raised without fear of victimisation, harassment, discrimination or disadvantage, the Public Interest Disclosure Act (PIDA) provides protection for ‘workers’ (includes staff, volunteers and contractors) making it automatically unfair to dismiss or otherwise penalise workers for making a “protected disclosure”.
- 3.3 The MPS DPS IB will monitor all reports of fraud against the MPS and ensure a six monthly report is provided to the MPS CFO and DARA. Reports should be recorded on Centurion, CRIS or DPS intelligence systems and flagged appropriately.

4. Investigation

- 4.1 All reports where the suspect is known and not a member of the MPS, will be investigated by the suspects home OCU/ police force.
- 4.2 Allegations against serving MPS officers/staff will normally follow the established pathways (recording decision through CST/App Authority). Depending on the severity assessment, whether the offending is on duty/off duty and the complexity, it will be assigned to the appropriate unit (DPS/BCU etc) to progress.

- 4.3 On occasion, it may be more appropriate for investigations to be reallocated between DPS/DARA based on expertise and resources. These will be decided on a case by case basis through a simple referral process (ad hoc or through the TLF). If DARA decline to investigate/audit, the matter will sit with the DPS to progress or review.
- 4.4 Wherever possible, losses should attempt to be recovered to reduce the loss of the MPS.

5. Organisational Learning

- 5.1 MPS and DARA will work collaboratively together to identify opportunities, risks and trends through the Tactical Liaison forum and the Strategic Oversight Board and to put in place measures to prevent further fraud.
- 5.2. The MPS will ensure all officers, staff and contractors are fully informed of their responsibilities and provide training and awareness to reduce fraud against the MPS.

