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BRITISH TRANSPORT POLICE

COUNTER CORRUPTION AND FRAUD STANDARD OPERATING PROCEDURE (SOP)

STANDARD OPERATING PROCEDURE			
REFERENCE.	Policy/277/11		
PROTECTIVE MARKING	NOT PROTECTIVELY MARKED		
PORTFOLIO	Deputy Chief Constable (DCC)		
OWNER	Head of Professional Standards (PSD)		
START DATE	12 October 2011		
REVIEW DATE	October 2014		
THIS POLICY REPLACES:	This is an update to the existing policy- policy/052/07		
VERSION	DATE	REASON FOR AMENDMENT	AMENDED BY
0.2	June 2011	Change in legislation.	Jo Whiting, Employee Relations Case Officer, PSD.
0.3	7.07.11	Review and amendments	Devika Nair, Policy Co-ordinator, SDD.
0.4	12.07.11	Further review and amendments clarifying with BTPA and PSD	Jo Whiting (PSD), Sam Elvy (BTPA) and Devika Nair (Policy, SDD)
0.5	15.07.11	Review and amendments	Marie Daniels (Head of SDD)
0.6	06.10.11	Amendments following consultation, title changed from Fraud & Employee Responsibilities	Jo Whiting (PSD)
0.7	06.10.11	Review of SOP	Devika Nair (Policy, SDD)



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1 INTRODUCTION

- 1.1 This SOP enforces and is subject to the conditions of the Counter Corruption and Fraud Policy - Policy/277/11 and the British Transport Police Authority Corporate Governance Code.
- 1.2 This SOP applies to England, Wales and Scotland.
- 1.3 This SOP applies to all British Transport Police (BTP) employees. Within this SOP, 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, consultants, workers seconded to BTP from other organisations and community volunteers.
- 1.4 This SOP details the responsibilities of all employees and managers in maintaining openness and preventing fraud as defined in the Counter Corruption and Fraud Policy - Policy/277/11. It sets forth the procedures in dealing with suspected fraudulent activity.

2 KNOWLEDGE

2.1 Bribery

- 2.1.1 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 advantage in return for performing a relevant function or activity improperly.



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2.1.2 Please refer to the Fraud and Employee Responsibilities policy - policy/277/11 for more details on the Bribery Act 2010.

2.2 Fraud

2.2.1 BTP chooses to adopt the Law Commission's definition and that of the Fraud Act (2006) for the purposes of this SOP. According to the Law Commission, 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.

2.2.2 Please refer to the Fraud and Employee Responsibilities policy statement (Policy/277/11) 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 anonymously report misconduct issues or general integrity concerns to the PSD Intelligence (Intel) Unit (PSDIU). 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.

2.4 **Principal Accounting Officer** - This is the Chief Executive of the British Transport Police Authority (BTPA).

2.5 **Additional Accounting Officer**- This is the Chief Constable of British Transport Police (BTP). They must be advised of all allegations and incidents of fraud.

3 RESPONSIBILITIES

3.1 All Employees

3.1.1 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



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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:

- Their line manager
- Other appropriate manager
- PSD
- Confidentially through CARS
- PSDIU
- BTPA

Managers receiving reports of fraud should pass them to the PSDIU.

3.1.2 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

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

3.2 Line Managers and Supervisors

3.2.1 Line managers and supervisors have a responsibility to ensure the following:

- This policy is effectively communicated and implemented
- That effective controls are in place within their own areas of responsibility to prevent fraud as far as is reasonably practicable
- That they create an open and accessible work environment where employees have the 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



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- The necessary steps are taken to ensure the confidentiality of any report made

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

3.3 Budget Holders

3.3.1 Budget holders have a responsibility to ensure that all monies and resources allocated to them are used as intended by BTP. Budget Holders must also ensure that if transactions and procedures within their jurisdiction should be reviewed by our governing bodies and/or members of the public, these governing bodies/members of the public 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.

3.3.2 Budget Holder should adhere to the guidance and procedures set out in the Chief Constable's Budget Holder Delegation and Responsibilities Paper (February 2011). For further guidance contact the Finance Department.

3.4 PSD, Additional Accounting Officer and Principal Accounting Officer

3.4.1 PSD will be responsible for accepting notification of, recording, and investigating where appropriate all reports of actual or suspected fraudulent activity. PSD will inform the Additional Accounting Officer of any allegations or incidents of fraud. The Additional Accounting Officer will either make a report directly or will instruct PSD to report allegations or incidents of fraud to the Principal Accounting Officer for oversight. The Principal Accounting Officer once notified by PSD that an allegation or incident of fraud has been identified should inform the Chair of the Audit Committee. The Principal Accounting Officer will act as a point of contact going forward, to ensure the Audit Committee remains updated on any investigation. Where it is considered necessary and appropriate the Principal Accounting Officer will advise the Department for Transport (DfT) of any such allegations or incidents.



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3.5 The Audit Committee

3.5.1 The Audit Committee has general oversight of the development, application and effectiveness of both the BTPA and BTP fraud prevention arrangements. As part of this duty the Audit Committee will also receive reports of and oversee the investigation into any allegations or incidents of fraud whether conducted by BTP or the BTPA.

4 PROCEDURES

4.1 Correct use of Financial Resources

4.1.1 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, making purchases and sets out who has procurement authority to award work.
- Chief Constable's Budget Holder Delegation and Responsibilities Paper (February 2011)
- Business Interests, Secondary Employment and Voluntary Work SOP
- Gifts and Hospitality Policy

4.1.2 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

4.2.1 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



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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)

4.3.1 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 than they are entitled to under any of these headings, a report must be made to PSD. Reference should be made to the Attendance and Leave Procedures for more information. Alternatively please contact the HR Business Centre for advice.

4.4 Recruitment

4.4.1 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 Actions taken by Employees who suspect fraud occurring

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



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- 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

4.5.2 This list is not exhaustive, and it should not be assumed that individuals displaying this behaviour are taking part in acts of fraud. Managers should take steps to identify the reasons behind this behaviour and take appropriate steps where necessary including provide welfare support and guidance.

4.5.3 Employees who suspect fraud is taking place, must record their 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

4.5.4 If employees do not already have all or any of this information, they must not conduct further investigations by themselves or put themselves at risk of being discovered by suspected fraudulent parties. They must under no circumstances approach or accuse individuals whom they suspect directly.

4.5.5 In the first instance, employees must report suspicions to their line manager or appropriate other manager. If an employee does not feel confident that appropriate action will be taken, or they suspect that management are involved in the alleged fraud, then employees can inform PSDIU directly, make a report through CARS, or notify the BTPA.



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4.6 Actions taken by Managers and Supervisors when employees report to them suspected fraud

- 4.6.1 Managers and Supervisors must be responsive to employees' concerns and take all allegations of fraud seriously.
- 4.6.2 Managers and Supervisors should collect all possible information from the reporting employee, including any documentary evidence.
- 4.6.3 Next managers and supervisors must identify all other supporting documentation they can obtain without alerting the suspected fraudulent parties and take appropriate steps to preserve it. They must not interfere with documentary evidence in any way.
- 4.6.4 Following this the manager / supervisor must make an assessment of the allegation reported to determine whether they feel the alleged fraud could have taken place. They should then report the allegations to the PSDIU as soon as possible, along with an assessment of their validity.
- 4.6.5 Managers and Supervisors should refrain from attempting to conduct an investigation into the matter themselves, including approaching the accused individuals directly, interviewing or discussing the matter with suspected individuals or discussing the matter with potential witnesses.
- 4.6.6 Managers and Supervisors should make best efforts at preserving the confidentiality of the reporting employee, and under no circumstances are to discuss the matter with anyone other than PSDIU unless PSD instruct them to do so.

4.7 False allegations

- 4.7.1 Every effort will be made to ensure the validity of allegations before any action is taken by PSD. 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 against individuals concerned.



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4.8 Investigation process

- 4.8.1 PSD will deal with all allegations of fraud in line with the applicable standard procedures. Where necessary and appropriate the Director of Corporate Resources will be notified in order that action can be taken to protect BTP assets and property.
- 4.8.2 PSD will inform the Head of Risk Management and Insurance 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 Principal Accounting Officers have been advised and that they are kept updated as to the progress of any investigation.
- 4.8.3 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.
- 4.8.4 Allegations against Chief Officers or a senior member of staff (ACC or above or police staff equivalent), will be investigated and dealt with by the BTPA's Chief Executive under the oversight of the Audit Committee.
- 4.8.5 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 request support from them. The BTPA can also request the External Auditor to conduct a full investigation into such incidents.

5 PREVENTION

- 5.1 Recruitment vetting as set out in the Force Vetting Policy and the Recruitment Vetting SOP will be applied to ensure that any indicators of a lack of integrity or honesty are assessed and where necessary employment is prevented. References must be obtained for the previous 3 years before employment with BTP can commence.



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- 5.2 All 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 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 PSD, 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 BTPA 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 which are open to risk of fraud or corruption and take all appropriate steps to mitigate the risks when identified. These assessments should be managed by the local Risk Champion who will also review and update the assessment on a yearly basis. This will be monitored and supported by the Corporate Risk Team. See Appendix A 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



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local, national and international concern regarding fraudulent and corrupt activity in the public and private sector.

5.9 BTP 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
- TRIBAL (Internal Auditors)
- HM Inspector of Constabulary (HMIC)
- The Independent Police Complaints Commission (IPCC)
- HM Revenue & Customs (HMRC)

5.10 PSD will provide records/ documentation to officers belonging to these independent bodies after they have seen satisfactory proof of identity. PSD will provide relevant assistance to aid any review conducted by these independent bodies. Areas which the independent bodies deem as 'of most concern' will be treated by PSD at the appropriate level of priority and as such PSD will ensure matters are responded to from the appropriate senior level of authority.

6 MONITORING AND COMPLIANCE

- 6.1 Regular internal audits by TRIBAL are undertaken to ensure that internal controls by line managers are being carried out effectively.
- 6.2 The Force Information Security Officer (PSD) also completes regular audits and checks and monitors the use of BTP systems and secure facilities.
- 6.3 The Finance Department must ensure that all required documentation is completed and appropriate authority obtained regarding the use of BTP financial resources. Finance should also pass relevant information to the PSDIU for analysis and further investigation where necessary as per the Information Share between the Corporate



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Resources Directorate and Professional Standards Departments Service Level Agreement. (Currently being updated)

- 6.4 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 October 2014.

7 RELATED DOCUMENTS

7.1 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
- Discipline (Police Staff) SOP
- BTP (Conduct) Regulations 2008 (Ref 148/08)
- BTP (Complaints & Misconduct) Regulations 2008 (Ref 150/08)
- BTP (Complaints & Misconduct) (Scotland) Regulations 2008 (Ref 151/08)
- BTPA Corporate Governance Code
- Information Share between the Finance and Corporate Services, Human Resources and Professional Standards Departments Service Level Agreement. (Currently being updated)
- Strategic Risk Assessment Template in relation to Fraud.