



**Northamptonshire Firefighters' Pension  
Scheme(s)  
(1992, 2006, 2015)**

**Anti-Fraud and Corruption Policy  
March 2019**

## **1. Introduction**

- 1.1 This is the Anti-Fraud and Corruption Policy of Northamptonshire Firefighters' Pension Schemes 1992, 2006 and 2015.
- 1.2 This policy clearly demonstrates that the Scheme Manager of The Office of Northamptonshire Police, Fire and Crime Commissioner will take all necessary steps to prevent fraud and corruption. Every effort will be made to detect any such attempts and will robustly pursue those responsible and recover losses, referring matters to the Police where appropriate.
- 1.3 Fraud and corruption is defined as: -  
Fraud – 'The intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain.'  
Bribery and Corruption – 'A bribe is a financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity'.

## **2. Purpose of the policy**

- 2.1 The purpose of the policy is to –
- Prevent ongoing losses of funds where fraud has occurred and to maximise the potential for recovery;
  - Minimise the occurrence of fraud by taking rapid action at the earliest opportunity;
  - Minimise the chance of destruction of evidence;
  - Maximise the chances of success in future sanction action, including criminal prosecution; and
  - Minimise adverse publicity

## **3. Effective date**

- 3.1 This policy was reviewed by the Local Pension Board on 11 March 2019 approved by the Scheme Manager on 11 March 2019 and is effective from 11 March 2019.

## **4. Review**

- 4.1 This Anti-Fraud and Corruption Policy is expected to be appropriate for the long-term but it will be reviewed biannually, and if necessary, more frequently to ensure it remains accurate and relevant.

## **5. Scope**

- 5.1 This policy applies to –
- Members of the Local Pension Board;
  - Officers of The Office of Northamptonshire Police, Fire and Crime Commissioner
  - Administrators of the Firefighters' Pension Scheme (LGSS Pensions)
  - Relevant stakeholders;
  - Professional organisations that provide services; and
  - Professional advisors

## **6. Culture**

- 6.1 A zero tolerance approach is taken towards fraud, corruption and other malpractice for personal gain. Dishonesty, lack of integrity avoidance of controls and failure to comply with agreed policies will not be tolerated.
- 6.2 The prevention/detection of fraud/corruption and the protection of the public funds are everyone's responsibility and of paramount importance.
- 6.3 Concerns must be raised when members or officers reasonably believe that one or more of the following has occurred, is in the process of occurring or is likely to occur:
- a criminal offence;
  - a failure to comply with a statutory or legal obligation;
  - improper unauthorised use of public or other funds;
  - a miscarriage of justice;
  - maladministration, misconduct or malpractice; and/or
  - deliberate concealment of any of the above.
- 6.4 The Scheme Manager will ensure that any allegations received in any way, including by anonymous letters or phone calls, will be taken seriously and investigated in an appropriate manner, subject to the requirements of the Human Rights Act 1998 and other statutory provisions. The Scheme Manager will deal firmly with those who defraud, or who are corrupt, or where there has been financial malpractice. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as raising malicious allegations) may be dealt with as appropriate.
- 6.5 When fraud or corruption have occurred because of a breakdown in systems or procedures, the Scheme Manager will ensure that appropriate improvements are implemented to prevent a reoccurrence.

## **7. Statutory Duties**

- 7.1 Regulation 4 of The Firefighters' Pension Scheme (England) Regulations 2014(Amendment) assigns The Office of the Northamptonshire Police, Fire and Crime Commissioner as the Scheme Manager for each of the Firefighters' Pension Schemes. The Scheme Manager is responsible for the management and administration of the Firefighters' Pension Schemes
- 7.2 The Scheme Manager are responsible for the key areas of governance and administration as detailed in the Pensions Regulator's code of practice number 14, including managing risks and ensuring there are adequate internal controls (to prevent fraudulent activity).

## **8. Deterrence**

- 8.1 The publication of this policy and regularly reinforcing the zero tolerance approach will help deter those considering perpetrating fraudulent activity.
- 8.2 Where any loss is incurred to fraud and corruption the Scheme Manager will take action to recover monies owed.
- 8.3 LGSS Pensions, as the administrator, will conduct risk reviews of the systems and procedures for which they are responsible and proactively update where weakness has been identified.

8.4 After an investigation, sanctions will be applied where fraud and corruption are proven to be present. This will be done in a comprehensive, consistent and proportionate manner whereby all possible sanctions – disciplinary, civil and criminal are considered.

## 9. Detection and prevention of fraud and corruption

9.1 The below table demonstrates the activity undertaken to mitigate the likelihood of fraud and corruption occurring.

### Member Fraud Prevention

<b>Activity</b>	<b>Detail of activity</b>	<b>Timescale</b>	<b>Responsibility</b>
Returned payslips	Pensioner payslips are sent the first month an individual receives a pension, and then if their net pay changes by more or less than £5 from one month to the next. Payslips are also issued every March, April and May to reflect pensions increase. Returned payslips could be due to a change of address or death of member.	Ad Hoc	Investigations to be carried out by Pensions Officers within one month of the returned payslip being received. The member payroll record will be immediately suspended until contact is re-established with the scheme member or confirmation of the member's death. The Head of Pensions will inform the Scheme Manager of any fraudulent cases.
Returned BACS payments	BACS payments returned by the recipient's bank/building society shortly after the payment date if the account has closed or an error has occurred. The returned payment could be due to a change of bank details or death of member.	Monthly	Investigations to be carried out by Pensions Officers within one month of the returned payment The member payroll records will be suspended until contact is re-established with the scheme member or confirmation of the member's death. The Head of Pensions will inform the Scheme Manager of any fraudulent cases.
Falsification/non submission of documents (Member)	Members may provide incorrect information for financial gain.	Day to day basis	All birth, death and marriage/civil partnership certificates need signing and verifying by the individual submitting them. All benefits need to be claimed via a signed declaration. Pensions Officers are responsible to carrying out the necessary security checks before benefits are paid. The Head of Pensions will inform the Scheme Manager of any fraudulent cases.

## Employer Fraud Prevention

<b>Activity</b>	<b>Detail of activity</b>	<b>Timescale</b>	<b>Responsibility</b>
Falsification/non submission of documents.	The employer may provide the service with incorrect data in order to gain financially.	Day to day basis	Data verification checks to look for inconsistencies. Electronic signatures are only accepted from a verified email address from authorised personnel. The Head of LGSS Pensions will inform the Scheme Manager of any fraudulent cases.

## Administration Fraud Prevention

<b>Activity</b>	<b>Detail of activity</b>	<b>Timescale</b>	<b>Responsibility</b>
Employee maladministration	There is a clear separation of duties between employees and all calculations and payments are checked at a more senior level.	Day to day basis	It is the responsibility of the Pensions Officer releasing the payment generated by another Officer to ensure the payment is of the correct amount and to the correct individual. The Head of LGSS Pensions will inform the Scheme Manager of any fraudulent cases.
Destruction of evidence	There is a clear separation of duties between employees and all calculations and payments are checked at a more senior level. The pensions Altair system report can identify all changes/deletions on all member records if required.	As required	Officers are responsible for keeping accurate member records. The Altair Pensions System can track changes on all member records and any suspicious activity can be investigated through a system report. The Head of LGSS Pensions will inform the Scheme Manager of any fraudulent cases.
Conflicts of Interest	Local Pension Board members must ensure that they avoid situations where there is a potential for a conflict of interest. Declarations ensure potential conflicts are identified and dealt with appropriately mitigating the risk of fraudulent activity.	Each Meeting/Ad Hoc	Local Pension Board members are required to declare potential conflicts at the start of each meeting. Democratic Services are responsible for ensuring all declarations are held on a register.

9.2 The Public Interest Disclosure Act 1998 (the “Act”) places a legal responsibility on employers to ensure that matters of serious public concern can be addressed.

- 9.3 A 'qualifying disclosure' is any disclosure of information that is made in the public interest and in the reasonable belief of the individual may show that one or more of the following is either happening at the present time, took place in the past or is likely to happen in the future:
- a criminal offence
  - a miscarriage of justice
  - an act creating risk to health and safety
  - an act causing damage to the environment
  - a breach of any other legal obligation; or
  - concealment of any of the above
- 9.4 In making the disclosure, an individual must have a reasonable belief that the information disclosed shows one or more of the offences or breaches listed above. The belief need not be correct, but the individual must show that they held the belief and that it was a reasonable belief, in the circumstances, at the time of the disclosure.

## **10. Investigation**

10.1 All suspected irregularities are investigated within LGSS Pensions in the first instance and will be dealt within 2 months of identification. All probable and confirmed cases are required to be reported to the Scheme Manager by the Head of LGSS Pensions.

10.2 This is essential to the policy, to:

- ensure the consistent treatment of information regarding fraud and corruption;
- facilitate a proper and thorough investigation by an experienced audit team, in accordance with the requirements of the CPIA and PACE codes of practice.

## **11. Sanctions**

11.1 It is highly likely that the Scheme Manager will seek to prosecute offenders wherever appropriate. However, it also recognises that it may not always be in the public interest to refer cases for criminal proceedings.

11.2 Any decision to refer a matter to the police will be taken by the Head of LGSS Pensions and Scheme Manager.

## **12. Related Documents**

12.1 Further details of the National Fraud Initiative can be found –  
<https://www.gov.uk/government/collections/national-fraud-initiative>

12.2 Fighting Fraud and Corruption Locally can be found –  
<http://www.cipfa.org/services/counter-fraud-centre/fighting-fraud-and-corruption-locally>

12.3 CPIA Code of Practice can be found –  
<https://www.gov.uk/government/publications/criminal-procedure-and-investigations-act-code-of-practice>

12.4 The Fraud Act 2006 can be found –  
<http://www.legislation.gov.uk/ukpga/2006/35/contents>