

Fraud policy

Purpose and scope

Like all organisations the Office of the Parliamentary and Health Service Ombudsman (PHSO) must ensure good levels of awareness and effective controls are maintained against the risk of fraud in order to deter it from happening, or if it does or is suspected, to ensure an effective and robust response.

In addition to internal fraud we may from time to time also encounter evidence of fraud externally during our operational work and we must also be able to respond to this effectively and appropriately.

PHSO policy therefore ensures that management and staff have a clear understanding of:

- the Office's position and instructions for reporting fraud or suspected fraud
- the respective responsibilities of the Office, management and staff
- the Office's expectations for the behaviour of staff, and consequences if these standards are not met

Safeguarding public assets

PHSO staff share the responsibility of other public servants to safeguard public assets and funds. The fraud policy enables us to discharge this responsibility in a managed, effective, and efficient way and ensures that we respond in an appropriate and proportionate way to the circumstances of any suspected fraud.

Three classes of fraud

The offences referred to as fraud are covered by the Fraud Act 2006. The Fraud Act sets out three classes of fraud by virtue of:

- falsification of documentation or making other false statements
- misuse of information such as disclosing or failing to disclose information
- abuse of position

For our purposes fraud can be defined as any circumstances in which an individual has acted dishonestly with intent to make a financial or other gain for themselves or anyone else, or acting maliciously to inflict a loss (or the risk of loss) on another as a result.

This policy covers PHSO staff, contractors, suppliers, and any third party who may have dealings with the Office or its employees. The policy also covers circumstances where evidence suggests fraud is being perpetrated by

a complainant, third party or employee of an organisation in which we are investigating a complaint.

Principles

The policy is underpinned by PHSO's organisational value of integrity (openness and honesty) in all our dealings and the responsibility and accountability we take for our actions.

PHSO does not tolerate any form of fraudulent or improper activity. The Office will take appropriate action against those who perpetrate or attempt to perpetrate fraudulent or improper acts, whether they are people we employ or others we contract or deal with.

All staff are required at all times to act honestly and with integrity and to safeguard public assets.

The Office will investigate all suspected cases of fraud against PHSO in accordance with the PHSO Fraud response plan.

Objectives

To ensure that PHSO staff and managers are aware of the need to be vigilant about the threat of fraud and how to deal with suspicions appropriately.

To enable staff and managers to respond effectively, proportionately and consistently in the following circumstances:

- suspected fraud against PHSO - Examples of fraud, indicators and countermeasures
- suspected fraud against another organisation - Case study (suspected fraud in a body in jurisdiction)
- when suspected fraud is reported to a manager.

To ensure that staff and managers understand their roles and responsibilities when dealing with a suspected fraud - Preventing and responding to fraud

To ensure that any suspicions of fraud are reported promptly and appropriately to a senior manager taking account if necessary of the PHSO Whistleblowing policy, and the PHSO Disciplinary policy.

To ensure that the involvement of third parties (eg the police) is managed and initiated as the result of informed decision making at a senior level within PHSO.

Outcomes

The outcomes of this policy are that:

all members of PHSO are aware of the possibility of fraud and their responsibilities if they suspect a fraud is occurring or have suspicions reported to them

- any occurrences of suspected fraud are identified and investigated as soon as possible
- appropriate confidentiality is maintained while the suspected fraud is investigated, and any follow up action completed, and for as long as necessary thereafter
- effective management action is in place to deal robustly with instances of fraud should they occur to limit potential loss of funds or other assets and put in place action to recover any actual losses
- where third parties (eg the police) are involved in the investigation of fraud at PHSO their involvement is understood and handled as part of the management response to the fraud
- where a fraud has occurred its circumstances are understood and any lessons learnt to help prevent any recurrence
- PHSO manages any risk to its reputation in the event of a fraud through an effective management response, and appropriate reporting and accounting for the fraud

Monitoring and review

The Deputy Chief Executive's office will keep this policy under review in consultation with Senior Management, the Audit Committee and others (for instance PHSO's internal auditors and the National Audit Office) as necessary.

The Deputy Chief Executive's office will monitor any instances where the fraud policy is relied upon to ensure the policy and its annexes operated effectively and any lessons in respect of policy and procedures are learnt.

Any instances where the fraud policy has been relied upon will be reported to the members of the Executive Board and the Audit Committee.

A formal review of this policy will take place annually unless there is a significant change in relevant legislation or circumstances which triggers a review before then.

