

**Memorandum of Understanding between**

**Internal Audit**

**(a joint resource for the Police and Crime Commissioner  
for North Wales and for the Chief Constable of North Wales  
Police)**

**and**

**The Professional Standards Department  
for the Chief Constable of North Wales Police**

**For the Reporting of Suspected Financial Irregularities**

## Background

The Office of the Police & Crime Commissioner (OPCC) and the Force are required to maintain the highest standards of propriety and regularity in financial matters, as well as meeting statutory requirements.

This Memorandum of Understanding (MoU) recognises that the Professional Standards Department, the Section 151 Officers (the Chief Finance Officer for the Police and Crime Commissioner and the Director of Resources and Internal Audit) have roles in dealing with financial irregularities involving the Police Service. The MoU formalises current arrangements in place for the notification and investigation of suspected financial irregularities. The policy of the OPCC and the Force in relation to the prevention and detection of fraud is set out in the joint Anti-Fraud and Corruption Policy.

## Roles and Responsibilities

The Police Reform Act 2002 and the Police (Conduct) Regulations 2008 govern the role of the Professional Standards Department (PSD). The PSD has a duty to investigate unprofessional and unethical behaviour, complaints and discipline matters, corruption and dishonesty within North Wales Police. All such matters are reported to it for investigation. These matters will include financial irregularities.

The role of Internal Audit relating to financial irregularities is set out in the Financial Regulations, which are included in the Manual of Governance. Any suspected loss or irregularity must be reported to the Section 151 Officers and to Internal Audit.

For the purposes of this MOU:

Irregularity means:

*“Actual or suspected fraud, corruption or any significant loss of assets or funds.”*

Fraud is defined as:

*“The intentional distortion of financial statements or other records by persons internal or external to the OPCC or Force which is carried out to conceal the misappropriation of assets or otherwise for gain”.*

Corruption has many definitions, which include:

*“Any activity carried out by an individual for gain, favour, advancement or reward that is inconsistent with the proper practice of their office, employment or responsibility” (SOCA/ACCAG)*

*“A law enforcement official commits an unlawful act or deliberately fails to fulfil their role arising out of an abuse of their position for personal or organisational advantage having the potential to affect a member of the Public” (SOCA/ACCAG)*

*“The abuse of entrusted power for private gain” (Transparency International)*

It also includes any circumstances where systems, procedures or controls have been breached or ignored in a way that would have provided an opportunity for fraud, corruption or loss to occur.

Internal Audit is the service provided under S7 of the Accounts and Audit (Wales) Regulations 2014 (as amended) (currently provided by TIAA).

## **Aims of this Agreement**

Our aims are to:

- formalise mutual respect and professional partnership between PSD and IA in dealing with financial irregularities so that both parties fulfil their roles effectively and efficiently;
- promote trust and mutual confidence between PSD and IA to enable the sharing of information;
- formalise close co-operation by supporting each other’s roles;

- provide arrangements for enabling financial irregularities to be discussed and to nominate contact points;
- ensure that action is taken to address any system weaknesses identified as a result of a financial irregularity; and
- provide assurance to the PCC and the external auditors that appropriate corporate governance arrangements are in place to address financial irregularities within North Wales Police or the Office of the Police and Crime Commissioner.

## MEMORANDUM OF UNDERSTANDING

### 1) It is agreed that: -

Internal Audit will notify PSD of all suspected irregularities concerning North Wales Police officers and police staff, whether wholly employed, contracted or voluntary. In addition, it should be noted that allegations of serious corruption should be referred to the Independent Police Complaints Commission (IPCC) as a matter of course. A definition of serious corruption is provided in their statutory guidance publication POL/06.

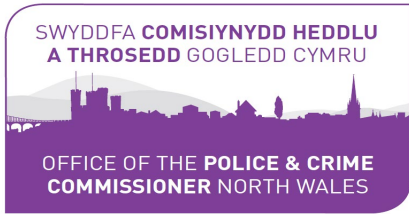
### 2) PSD will inform Internal Audit of any suspected irregularities that relate to:

- funds or assets of the OPCC;
- procurement contracts, equipment, stores or other assets of the OPCC;
- seized and found monies or other property in the custody of North Wales Police; or
- private or other funds administered by the Force or OPCC by virtue of their office.

### 3) The notification will include as much of the following information as is available, typically:

- a brief outline of what is suspected or alleged to have occurred;
- who is/are suspected or involved;
- the status of the investigation;

- the amount or value that is or could be involved; and
  - the name and telephone number of the Investigating Officer and an estimated timescale for the investigation.
- 4) Except in circumstances where the matter must be referred immediately to the IPCC, a meeting will take place at the outset of any investigation between PSD and Internal Audit in order to determine:
    - a proportionate approach to the investigation; and
    - the reporting lines
  - 5) All relevant parties will keep each other informed of the status of investigations in order to avoid cases either being overlooked or effort being duplicated.
  - 6) Internal Audit will ensure that all systems implications identified in cases are appropriately reported.
  - 7) Internal Audit will provide appropriate assistance to the PSD when requested in respect of any matter covered by this MOU.
  - 8) PSD will afford appropriate access to its facilities to Internal Audit in support of their examinations and investigations relating to matters covered by this MOU.
  - 9) PSD will inform Internal Audit of the outcomes of investigations covered by this MOU. Similarly, Internal Audit will advise PSD of the outcomes of any matter referred to them.
  - 10) Internal Audit will notify the Chief Finance Officer and, as appropriate, the Director of Finance and Resources of any matter reported under this MOU.
  - 11) Internal Audit will co-ordinate and complete on behalf of the OPCC and Force the annual fraud return to the external auditors if requested. PSD will provide a sufficient level of information on its cases in order that the return can be compiled within the time-scale set for its completion.
  - 12) Internal Audit and PSD will produce relevant information summarising anti-fraud and anti-corruption activity for the preceding year, for inclusion in the Annual Governance Statements. Information or intelligence exchanged under the terms of this MOU will be secured and handled confidentially and in accordance with appropriate legislation.



**HEDDLU GOGLEDD CYMRU**  
Gogledd Cymru diogelach

**NORTH WALES POLICE**  
A safer North Wales

**Kate Jackson**  
**Chief Finance Officer**  
**Police and Crime Commissioner**

**Seb Phillips**  
**Director of Finance and Resources**  
**Chief Constable**

Signature

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Date.....

Signature

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Date...15/09/21.....

**Helen Cargill**  
**Head of Internal Audit**

**Det Supt Dan Tipton**  
**Chief Constable**

Signature

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Date.....15/09/21.....

Signature

Date.....31/8/21

This Memorandum of Understanding will be jointly reviewed at least annually.