

SCHOOLS

ANTI-FRAUD AND CORRUPTION POLICY

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THORNS PRIMARY SCHOOL

ANTI-FRAUD AND CORRUPTION POLICY

POLICY SUMMARY

This policy and detailed procedures define the expected conduct of all staff, regardless of their position, Governors and volunteers engaged at the School, in relation to preventing and/or detecting fraud and who to report it to should an incident occur or one be suspected. Throughout this document any reference to Fraud equally relates to Corruption, Bribery and other forms of malpractice.

It includes guidelines on what is acceptable in terms of gifts and hospitality and how these matters are to be declared.

Reference is made to other School policies where appropriate.

The School, members of staff, Governors and volunteers are totally committed to creating and maintaining an environment where fraud will not be tolerated. The School will operate a zero tolerance on fraud, all instances will be investigated and the perpetrator[s] will be dealt with in accordance with established policies. Action will be taken to recover any property, assets or monies stolen from the School. Criminal and disciplinary action will be considered where necessary. Where appropriate, arrangements will be made to ensure that the case receives maximum publicity to deter potential fraudsters.

ANTI FRAUD AND CORRUPTION POLICY

1. Policy Statement

- 1.1 This policy and detailed procedures define Anti-Fraud, Gifts & Hospitality and offers guidance for all members of staff, Governors and volunteers in the School.
- 1.2 The School aims to be an honest and ethical institution. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts its business. This document sets out the School's policy and procedures for dealing with the risk of fraud. In order to minimise the risk and impact of fraud, the School's objectives are, firstly, to create an anti-fraud culture which deters fraudulent activity, encourages prevention, promotes detection and reporting, secondly, to identify and document its response

to cases of fraudulent practices.

- 1.3 This policy, in line with the School's corporate values of integrity, consistency, impartiality, fairness and best practice, provides all staff regardless of position and Governors with mutually understood guidelines for the administration of these procedures.
- 1.4 In modern times there are many varied and specific terms of references for members of staff. The scope of this policy and procedures extend to **all** School employees regardless of position, for the purpose of this document staff include volunteers.
- 1.5 If members of staff are asked to provide information during an investigation they may be accompanied by a recognised trade union representative or work colleague unless they themselves are, or are suspected to be involved in the alleged fraud.
- 1.6 The School expects that all staff and Governors will assist in protecting resources and to conduct their affairs within a culture of integrity, honesty and openness. To assist this process there are a range of policies and codes which staff and Governors should be aware of, for example the Schools Code of Conduct, Standing Orders and Financial Regulations.
- 1.7 The School can raise concerns through the Council's well established Whistle Blowing Policy, which is intended to encourage and enable employees and suppliers to raise serious concerns. This reporting policy is now supported by a fraud hotline, which is publicised for internal and external reportees. Reporting of any potential concerns can be done via a secure and anonymous online form, telephone or e-mail.

2. Definitions

Fraud

- 2.1 Fraud is a general term covering theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these "others" are in ignorance of the fraud, or whether the fraud causes or intends to cause a loss to another, ie the School. Fraud is an intentional and deliberate act and for this reason it does not include negligence.

The Fraud Act 2006 which came into effect on 15th January 2007 created several offences of fraud including:-

- a. Fraud by false representation
- b. Fraud by failing to disclose information
- c. Fraud by abuse of position

It also created offences of:

- a. Obtaining services dishonestly
- b. Possessing, making and supplying articles for use in frauds
- c. Fraudulent trading applicable to non-corporate traders.

Corruption

2.2 Corruption is defined as the offering, giving, soliciting or acceptance of an inducement, reward or benefit which could influence the action of a person.

In addition, it is also the intention that this policy also includes the failure to disclose an interest in order to gain financial or other pecuniary benefit for oneself or another, or to create a loss for another, such as the School.

2.3 The term 'corrupt practices' is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement, reward or benefit which may influence the actions taken by members of staff, others working on behalf of the School or Governors.

Bribery

2.4 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.

2.5 Examples of what could constitute fraud, corruption and bribery are:-

- a. Theft of cash
- b. Non-receipt of income
- c. Substitution of personal cheques for cash
- d. Travelling & subsistence claims for non-existent trips or events
- e. Travelling and subsistence claims artificially inflated, or purposefully extending routes
- f. Manipulating documentation to increase salaries/wages received, e.g. false overtime or mileage claims
- g. Payment of invoices for goods received by an individual rather than the School
- h. Failure to observe, or breaches of, regulations and/or other associated legislation laid down by the School
- i. Unauthorised borrowing or purchasing of equipment
- j. Breaches of confidentiality regarding information
- k. Failure to declare a direct pecuniary or otherwise conflicting interest
- l. Concealing a gift or reward
- m. Accepting gifts or hospitality in exchange for placing work services or anything similar
- n. Unfairly influencing the award of a contract
- o. Creation of false documents
- p. Deception
- q. Using position for personal reward
- r. Submitting an invoice for work not done
- s. Using position to influence decision making.

The list is not exhaustive and fraud can present itself in many ways – many will present themselves under normal working conditions and are common

sense which will not require explicit terms to identify it.

- 2.6 If there is concern or doubt about any aspect of a matter which involves an irregularity, or an ongoing investigation into a suspected irregularity, the best approach is to seek advice from the Head Teacher, Chair of Governors or the Head of Audit Services

3 Gifts & Hospitality

- 3.1 Any gifts, rewards and benefits that could be seen as an inducement to affect a business decision should be declared.
- 3.2 The offer or acceptance of gifts and hospitality is a sensitive area where purpose of or actions can easily be misconstrued. Much of what is acceptable practice in the private sector is not acceptable in the public sector. Unlike private industry, actions of employees are open to public scrutiny. Therefore, employees' actions should be such that they would not be embarrassed to explain them to anyone and would have a totally justifiable reason for the acceptance any gift, reward etc.
- 3.3 When the hospitality has to be declined, those making the offer need to be courteously but firmly informed of the procedures and standards operating within the School. Although declined, a record of the offer must be recorded in the Gifts and Hospitality Register.
- 3.4 These guidelines will help you to judge what sort of gift, and what level of hospitality is acceptable, if it is unclear whether or not a declaration should be made, it must be declared.
- 3.5 The following general rules and guidance only, they should not be seen as definitive or exhaustive:-
- a. To accept gifts should be the exception. You may accept small 'thank you' gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £10 in value. You should notify the Head Teacher of any gift or hospitality over this value for entry in the Gifts and Hospitality Register. A pattern of or repeated gifts of less than £10 in value should be brought to the attention of the Head Teacher.
 - b. An exception to this value limit may be any end of year gifts from pupils which are common for teachers, and a sensible approach should be taken in notifying the Head Teacher of any gifts of an unusually high value
 - c. Always say no if you think the giver has an ulterior motive. Be sensitive to the possibility that the giver may think that even small gifts or simple hospitality will elicit a more prompt service or preferential treatment
 - d. Never accept a gift or hospitality from anyone who is, or may be in the foreseeable future, tendering for any contract with the School, seeking employment with the School or is in dispute with the School, even if you are not directly involved in that service area
 - e. Where items purchased for the School include a 'free gift', such a gift should be handed to the Head Teacher who will determine

how to deal with it, for example it may be used for school fundraising

- f. If you are in doubt about the acceptability of any gift or offer of hospitality it is your responsibility to consult your Head Teacher and ensure it's declared

3.6 A gauge of what is acceptable in terms of hospitality is whether the School would offer a similar level of hospitality in similar circumstances.

Occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business provided they are not to an unreasonable level or cost.

Invitations to corporate hospitality or community level events must each be judged on their merit. Provided the general rules have been taken into account, it may be acceptable to join other company/organisation guests at :-

- a. Sponsored cultural and sporting events, or other public performances, as a representative of the School
- b. Special events or celebrations, especially those at community level.

But, consider the number of these events, and always take into consideration what public perception is likely to be if they knew you were attending.

Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited member of staff. In all such cases, your Head Teacher must be consulted and ensure it is declared appropriately.

Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation or the use of company villas/apartments.

If you are visiting a company to view equipment that the School is considering buying, you should ensure that expenses of the trip are paid by the School. Acceptance of refreshments and/or a working lunch may be acceptable, but care must be taken to ensure that the School's purchasing and/or tender procedures are not compromised in any way.

Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to your work are acceptable.

Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent the School must be agreed in advance with the Head Teacher. Where your spouse or partner is included in the invitation, and approval has been given for you to attend, it will be acceptable for your spouse or partner to attend as well, but if expenses are incurred, these are to be met personally and must be declared.

Any invitation you accept should be made to you in your professional /

working capacity as a representative of the School.

If there is any doubt whatsoever, consult with your Head Teacher and declare it before there is any acceptance of any kind.

4. Roles and Responsibilities

4.1 Head Teachers

Head Teachers are responsible for preventing and detecting fraud in their School by maintaining effective control systems and ensuring that members of staff adhere to them. They are also responsible for ensuring they have considered the risk of fraud in their activities. Appropriate entries should be made in the Schools Risk Register including mitigating actions to help prevent and detect fraud.

4.2 Specifically, they must ensure that:-

- a. Standing Orders, and Financial Regulations are observed
- b. Any other controls required by the Chief Officer Finance & Legal are fully implemented, this includes but is not limited to recommendations made by Audit Services.

4.3 In addition they should put into operation whatever other controls they consider necessary to prevent/detect fraud in the activities for which they are responsible, including working with other for example partnerships and other stakeholders. In doing so, they should take account of the recommendations and advice of Audit Services, Risk Management and the Insurance Section

4.4 They must ensure that members of staff are fully conversant with:-

- a. Those parts of Standing Orders and Financial Regulations which are relevant to their roles
- b. The requirements of this Policy in relation to declarations of interest and receiving gifts and hospitality

4.5 They should ensure that staff receive appropriate training in these matters and particularly in areas of high risk of fraud; it is strongly recommended by Audit Services that all staff should undertake the appropriate available [online] training.

4.6 A key preventative measure against fraud is the appointment of staff of known good character. The Head Teacher, and Governors should therefore ensure that :-

- a. References testifying to the honesty and integrity of potential employees are obtained before a person is appointed
- b. Check that qualifications are legitimately held
- c. In appropriate cases, checks are made with the Disclosure and Barring Service [DBS] and/or Independent Safeguarding Authority
- d. Ensure that potential employees have the right to work in the United Kingdom

- 4.7 Head Teachers, Governors or members of staff should not notify the police of cases of fraud directly. This is the responsibility of the Chief Officer Finance & Legal, in consultation with any relevant officer, such as with the Strategic Director or Head Teacher, or in conjunction with Audit Services. There is an exception where the circumstances clearly indicate that losses have resulted from forced entry. In that case, the police should be notified directly and the Risk Management and Insurance Section who should notify Audit Services if it is considered that there may have been weaknesses in security arrangements.
- 4.8 Head Teachers, Governors or members of staff, should not authorise any investigation of fraud, or make suspects aware that they are under suspicion without the prior agreement of the Head of Audit Services or authorised deputy such as the Corporate Fraud Manager. In particular they should not undertake or authorise any surveillance of a suspect, this is a technical area which requires careful consideration within the Council's RIPA [Regulation of Investigatory Powers Act] Guidelines.

Governors

- 4.9 All Governors should familiarise themselves with the Governors code of conduct, and ensure they comply with its requirements.
- 4.10 As part of the code of conduct it is essential that any declarations of interest are recorded in particular:-
- a. Declaration of relationships with contractor (including any companies tendering for work)
 - b. Relationships with applicants for employment
 - c. Personal interests in conflict with the Council's interests
- 4.11 It is good practice to ensure any gifts and hospitality, both given and received are recorded in writing at the relevant School. This will ensure that transparency is maintained at all times, and protects the governor and School from any alleged irregularities.
- 4.12 Governors should ensure they have considered the risk of fraud in any activities undertaken.
- 4.13 Procedures and regulations are in place to help protect staff, School finances and Governors by ensuring a robust framework is followed for obtaining value for money, these include :-
- a. School Standing Orders
 - b. School Financial Regulations
 - c. Implementation of audit recommendations
- 4.14 Under School Financial Regulations it is the duty of any member of staff or Governor to comply with the Corporate Anti-Fraud and Corruption Policy. Any Governor who suspects that an irregularity involving cash,

materials or any other property of the School or Council may have occurred must inform the Head Teacher and or the Head of Audit Services immediately. The School's Whistle Blowing Policy provides a mechanism to report serious frauds or malpractice, in confidence.

Staff

4.15 All members of staff should familiarise themselves with the Employee's Code of Conduct and this policy and ensure they comply with any requirements. Specific requirements relating to the prevention and detection of fraud include :-

- a. Declaration of relationships with contractors
- b. Relationships with applicants for employment
- c. Personal interests in conflict with the School's interests
- d. The separation of duties in tendering
- e. Giving/receiving gifts
- f. Giving /receiving hospitality

In addition, members of staff are expected to observe any Code of Conduct laid down by any professional body to which they belong, where membership is necessary or relevant to their role with the School.

4.16 All members of staff should familiarise themselves with any parts of Standing Orders and Financial Regulations which are relevant to their role.

4.17 Members of staff should ensure that they comply with all relevant requirements of Standing Orders and Financial Regulations. In case of doubt about which requirements are relevant to them, or how these requirements apply, they should seek guidance from their Head Teacher.

4.18 To ensure that Schools are conducting business which actively promotes an anti-fraud culture, the following measures will demonstrate its commitment to anti-fraud and corruption:-

- a. All members of staff will be made aware of the School Code of Conduct for Employees and this policy.
- b. The Governing Body will meet regularly
- c. A requirement for all staff and Governors to declare prejudicial interests and not contribute to business related to that interest
- d. A requirement for staff and Governors to disclose personal interests
- e. All members of staff and Governors will be made aware of the understanding on the acceptance of gifts and hospitality
- f. Clear recruitment policies and procedures.

Staff and Governors also have a duty to report anybody including another member of staff or governor whose conduct is reasonably believed to represent a failure to comply with the above.

Audit Services

- 4.19 Where Audit Services find that controls against fraud are inadequate in principle or ineffective in practice, they must report this to management together with recommendations on how the situation can be improved.
- 4.20 Where cases of known or suspected fraud have been identified, the Head of Audit Services in consultation with the Head Teacher and or Strategic Director are responsible for deciding who should investigate them, whether:-
- a. Audit Services
 - b. Staff in the school
 - c. Other
 - d. Combination of the above
- 4.21 Where it is agreed with the Head of Audit Services that an investigation into fraud should be undertaken by member(s) of staff (or someone else other than Audit Services staff) in a School, no final decision on whether to proceed with any criminal or disciplinary action should be taken until Audit Services has had the opportunity to review the investigation and undertake/request any further work they consider necessary.

5. Reporting a Suspected Fraud

- 5.1 All allegations of suspected fraud and irregularities that are to be brought to the attention of the Head Teacher and/or the Chair of Governors must in all cases be referred to the Head of Audit Services.
- 5.2 The School's Whistle Blowing Policy provides a mechanism to report serious frauds or malpractice, in confidence.
- 5.3 All reported irregularities will be thoroughly investigated with due regard to any legislative requirement, such as the Human Rights Act, Data Protection Act, the Regulation of Investigatory Powers Act and other policies in force.
- 5.4 In line with the Schools Financial Regulations any Head Teacher, Governor or any member of staff who suspects that an irregularity involving cash, materials or any other property of the School may have occurred must inform the Head of Audit Services or the Chief Officer Finance & Legal.
- 5.5 Each Head Teacher, Governor, member of staff where applicable will :-
- a. Respond without undue delay to any enquiries or recommendations made by the Chief Officer Finance & Legal or the Head of Audit Services
 - b. Inform the Chief Officer Finance & Legal as soon as possible of failures of financial control, including matters which involve, or may involve financial irregularity.

6. Confidentiality and Safeguards

- 6.1 Head Teachers, Governors and members of staff recognise that the decision to report a concern can be a difficult, not least because of the fear of reprisal from those responsible for the alleged fraud or malpractice. However the Head Teacher and Governors will not tolerate harassment or victimisation and will do what it lawfully can to protect an individual when a concern is raised in good faith. Further information regarding this is contained within the Whistle Blowing Policy.
- 6.2 This does not mean that if the person raising the concern who is already the subject of a disciplinary investigation, redundancy or other procedure, that those procedures will be halted as a result of the concern being reported.
- 6.3 There is a need to ensure that the process is not misused. For further guidance refer to the School Disciplinary and Dismissals Policy.

7 Links with other Policies

- 7.1 The Governing Body is committed to preventing fraud. To help achieve this objective there is a clear network of systems and procedures in place for the prevention, detection, investigation and resolution of fraud. This Anti-Fraud and Corruption Policy attempts to consolidate those in one document and should be read in conjunction with the following school policies:

Whistle Blowing Policy
Financial Regulations
Employee Code of Conduct
Employee Improvement and Disciplinary Procedure
Equality Scheme

8.0 Contacts

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