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Lowther Endowed School Anti Fraud and Corruption Policy

Approved by	
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Position:	Chair of Governors
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Summary

This policy and procedure defines the expected conduct of all staff engaged at Lowther Endowed School (The School), whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption, and who to report it to. It includes clear guidelines on what is acceptable in terms of gifts and hospitality and how these matters are declared.

1. Introduction

1.1 The School is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the School has a responsibility in respect of preventing and detecting fraud. The School also recognises the role of others in alerting them to areas where there is suspicion of fraud. Appendix A gives definitions of fraud, corruption and Gifts and Hospitality. Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.

1.2 It is the duty of all employees and governors to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Governing Body to review the adequacy of the measures proposed.

1.3 Any investigation carried out in relation to alleged irregularities is linked to the school Disciplinary Procedure.

2. Policy Statement

2.1 In order to minimise the risk and impact of fraud, the School's objectives are:

- to create a culture which deters fraudulent activity, pursues preventative measures and actively promotes detection and reporting; and
- to identify and document its response to cases of fraud and corrupt practices.

2.2 The scope of this procedure extends to all School employees, permanent, voluntary, casual and fixed term.

2.3 If there is concern or doubt about any aspect of a matter which involves an irregularity, or an ongoing investigation into a suspected irregularity, this must be reported to the Headteacher or if it relates to them (the Headteacher) to the Chair of Governors. If requested, employees may be accompanied by a recognised Trade Union representative or work colleague, not involved in any part of the process, at any interviews.

3. Gifts and Hospitality

3.1 Any gifts, rewards and benefits that are disproportionately generous or that could be seen as an inducement to affect a business decision should be declared. The acceptance of gifts and hospitality is a sensitive area where actions can easily be misconstrued. Therefore, employees' actions should be such that they would not be embarrassed to explain them to anyone. The following general rules apply and must guide decisions on receipt of gifts and hospitality as an employee of the School:

- To accept gifts should be the exception. You may accept small 'thank you' gifts of a reasonable value, such as a diary, a coffee mug or bunch of flowers, not over £25 in value. You should notify the Headteacher of any gift or hospitality over this value for entry in the Register of Business Interests.
- 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 prompter service or preferential treatment.
- 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.
- Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.
- Where items purchased for the School include a 'free gift', such a gift should either be used for the School or handed to the Headteacher to be used for charity raffles.
- If you are in doubt about the acceptability of any gift or offer of hospitality, it is your responsibility to consult the Headteacher for advice.
- Any gift must be recorded in the Gifts and Hospitality log held in school.
- 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.
- 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 Headteacher. 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 will be met personally.
- Any invitation you accept should be made to you in your professional/working capacity as a representative of the School.
- Invitations to corporate hospitality events must each be judged on their merit. Provided the general rules have been taken into account, it may be acceptable to join other schools or organisation guests at:
    - sponsored cultural and sporting events, or other public performances, as a representative of the School;

- special events or celebrations. 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.

5. Reporting a Suspected Fraud

5.1 All allegations of suspected fraud and irregularities are to be brought to the attention of the Headteacher unless the Headteacher is involved in the irregularity in which case the Chair of Governors must be informed. Please refer to the Whistleblowing Policy for further guidance.

6. Responses to Allegations

6.1 The Headteacher will have initial responsibility for co-ordinating the response. In doing this, they will consult with the HR regarding potential employment issues. The Headteacher will also see legal advice on both employment and litigation issues before taking any further action.

6.2 The Headteacher will ascertain whether or not the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, they will pass the matter on to the Chair of Governors. Even if there is no evidence to support the allegation, the matter must be reported.

6.3 The Governing Body may delegate the management of the investigation:

- They will, if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required.
- They will determine whether the findings, conclusions and any recommendations arising from the preliminary investigation should be reported to any outside agency.
- If further investigations are required, they will determine which outside agencies should be involved (police, auditors).

6.4 The Headteacher is required to notify the Local Authority of any serious financial irregularities. This action will be taken at the first opportunity following the completion of the initial investigations and will involve keeping the Chair of Governors fully informed between committee meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

6.5 If evidence of fraud is forthcoming then the Headteacher will inform the Local Authority and consider whether or not to refer the matter to the police.

7. Confidentiality and Safeguards

7.1 The School recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. The School 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.

7.2 This does not mean that if the person raising the concern is already the subject of a disciplinary, redundancy or other procedure, that those procedures will be halted as a result of the concern being reported. In these circumstances there is a need to ensure that the process is not misused. For further guidance on such matters the Trust's Disciplinary, Grievance and Capability policies should be referred to and HR advice sought.

8. Links with other Policies

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

- Disciplinary Procedure
- Financial Procedures
- Staff Code of Conduct
- Whistleblowing

9. Review

This policy will be reviewed every three years or sooner if fraud case review requires.

Appendix A – Definitions and Examples

Fraud: The intentional distortion of financial statements or other records by persons internal and/or external to the School, which is carried out to conceal the misappropriation of assets or otherwise for gain. Fraud is intentional deceit and for this reason it cannot include negligence. Fraud may also involve theft, larceny, embezzlement, fraudulent conversion, false pretences, tax evasion, forgery, corrupt practices and falsification of accounts.

Corruption: The term 'corrupt practices' is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by the School.

Criminal Offences: There are three specific criminal offences relevant to this policy:

- Theft - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession;
- Fraud - the intentional distortion of financial statements or other records by persons internal and/or external to the School, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- Bribery and corruption – involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement.

Other Irregularities

- Failure to observe, or breaches of, the School Financial Scheme of Delegation and Financial Regulations;

Examples of what could constitute fraud and corruption include:

- theft of cash;
- non-receipt of income;
- substitution of personal cheques for cash;
- travelling and subsistence claims inflated or for non- existent journeys/events;
- manipulating documentation to increase salaries/wages received, e.g. false overtime claims;
- payment of invoices for goods received by an individual rather than the School;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the School or Local Authority;
- unauthorised borrowing of equipment;
- breaches of confidentiality regarding information;
- failure to declare a direct pecuniary or otherwise conflicting interest;
- concealing a generous gift or reward;
- unfairly influencing the award of a contract;
- creation of false documents;
- deception;
- using position for personal reward.

The above list is not exhaustive, and fraud and corruption can take many different paths. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the Headteacher immediately.