Anti-Fraud and Corruption Policy

Hillborough Infant and Nursery School

Owned and Written by: LMS (LA) and Geraldine Fallon	**Date:** October 2024
Approved by: Full Governing Body	**Date:** November 2024
Next Review:	**Date:** LMS (LA)
This policy has been updated to reflect the General Data Protection Regulation (GDPR) and Data Protection Act 2018, and it supersedes the HM Government Information Sharing Guidance for Practitioners and Managers published in March 2015.	

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1. Introduction

The Scheme for Financing Schools includes the following provision -

"All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.

The governing body and head teacher must inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them; and the consequences of breaching these controls. This information must also be included in induction for new school staff and governors."

This policy document assists the Governing Body in meeting its responsibilities.

The Scheme for Financing Schools states the following:

> The Council's Chief Finance Officer must be told immediately about:
>
> 1. anything that involves (or is thought to involve) irregularities concerning cash, stores or other property;
>
> 2. any other suspected irregularity in the running of the school, and may investigate and report as he/she thinks necessary.

2. Fraud, Corruption and Bribery

Fraud is a criminal offence. The Fraud Act 2006 defines 'fraud' as:

> 1. Deceit, the intention to deceive or secrecy: and
>
> 2. (a) an actual loss or gain;
>
> (b) The intent to cause loss to another or expose them to the risk of it;
>
> 3. Dishonesty.

Offences of fraud can include abuse of position, making of a false statements, failure to disclose information, obtaining services dishonestly, deception, theft, misappropriation, embezzlement, forgery, corruption, extortion, false accounting, false representation, concealment of material facts, acts of conspiracy, collusion and aiding and abetting any act of dishonesty.

Bribery is a criminal offence and the Bribery Act 2010 introduces a clearer regime for tackling bribery. A definition is – inducement for an action which is illegal, unethical or a

breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages.

The council has a bribery policy statement and procedure and Fraud policy statement and procedure – which can be referred to for further detail / reference.

3. Council Policy

Luton Borough Council is committed to fighting fraud with high ethical and moral standards, and recognises that any fraud perpetrated against the Council including its schools is costly, both in financial terms and reputation.

The Council is therefore committed to a programme of zero tolerance.

The Council is committed to nurturing a strong anti-fraud culture, which is key to the prevention and detection of fraud.

Its Internal Audit Team is dedicated to investigating all instances of fraud committed against the Luton Borough Council and its schools.

4. School Policy

The Governing Body endorses the policy of the Council and is committed to take action to prevent, detect and deter fraud, corruption and bribery in all its activities.

This policy must be read in conjunction with the following policies – Whistle-blowing, financial policies & procedures, including delegation and Safer Recruitment procedures.

The school will ensure probity in administration and governance by taking positive action against all forms of fraud, corruption or bribery affecting school business whether it is from internal or external sources.

Governors

There is a specific duty expected of the Governors to set an example to the employees of the school and the community by acting with integrity, honesty and in a trustworthy manner befitting the school.

Members of the Governing Body will the standard for the school and therefore give their full support to all systems and controls in place to assure probity. In particular, governors have a personal responsibility to abide by the school's constitution, the Scheme for Financing Schools and Contract Standing Orders for Schools.

The Governing Body a legal responsibility for the school budget and will ensure a sound system of internal control is in place in the use of delegated and other funds given to the school.

Headteacher and senior staff

The Headteacher and senior members of staff are expected to set high examples of conduct in their day to day work, which are beyond reproach.

The Headteacher, with assistance from the school's School Business Manager or finance officer, bears overall responsibility for systems of financial control and may be liable to be called to account for specific failures.

However, all senior staff and other managers are responsible for ensuring an effective system of risk management and internal control exists within their areas of responsibility and that those controls operate effectively. Managers must take a lead in terms of fraud prevention and will be held accountable for not undertaking this as part of their position of trust and area of responsibility.

The Headteacher is responsible for ensuring the school's policy in relation to fraud is communicated to all staff.

All staff

This policy applies to all employees of the school. It also applies to consultants, temporary staff, contractors and vendors and any other parties with a business relationship with the school

All members of staff are expected to share this commitment to help the school protect the public funds to which it has been entrusted. All staff have a duty to assist the school in the prevention of fraud and are expected to alert their line manager where they believe the opportunity for fraud exists because of poor procedures or lack of appropriate supervision. All employees are expected to report any cases of suspected fraud, no matter how trivial they may seem.

All staff are expected to be fully accountable during their employment with the school, to follow the school's policies, financial procedures and any relevant professional code and to comply with all laws and regulations applicable to the school's business.

As stewards of public funds, staff must have, and be seen to have, high standards of personal integrity. Staff should not accept personal gifts, hospitality, or benefits of any kind from a third party that may be seen to compromise that integrity.

Internal Audit

Internal Audit will report on the existence and effectiveness of control systems and as part of the audit process may advise on best practice. The findings and recommendations of reports will be implemented promptly.

4. Prevention

Prevention is the most desirable factor in dealing with any fraud. Unfortunately, not all systems are always fool proof in stopping the committed fraudster.

Governors, school management and staff will carry out their responsibilities as outlined above and implement specific action as set out in the Fraud Policy.

5. Detection

Internal Audit carry out audits of all schools based on an assessment of the risk management. Internal Audit regularly liaises with External Audit and will refer any suspected fraud or irregularity to the Head of Finance.

All staff have an obligation to report concerns to school management. All staff will be made aware of the school's Whistle-blowing Policy.

6. Investigation

Where any matter that might constitute fraud, theft, corruption or bribery comes to the attention of any governor, the Headteacher or member of the SLT it will be in the first instance investigated by the Headteacher to ascertain the basic facts.

Subject to the findings the matter must be referred to Internal Audit team and/or chief finance officer.

The Council's Internal Audit Team is responsible for investigating all allegations of suspected fraud. The Team has full right of access to examine any documents or contents of school property. This also includes examination of computers, and related equipment and interviews with staff.

The Internal Audit Team has been designated this responsibility to ensure consistency in dealing with all allegations of fraud, to ensure a detailed and proper investigation is carried out by skilled investigators, and to ensure the Council and its maintained schools' assets and interests are protected and/or recovered where applicable.

The team will work closely with the Chair of Governors and Headteacher in fraud related cases involving disciplinary investigation, action and hearings. Where fraud is proven, this constitutes gross misconduct and cases will be dealt with appropriately, according to school's disciplinary procedures.

It is recognised that being subject to an investigation can be a stressful experience, therefore all investigations will be handled as quickly as possible and confidentially to ensure the person under investigation is dealt with in an appropriate and timely manner.

7. Deterrence

The Governing Body views fraud as a serious offence against the school and employees will face disciplinary action if there is evidence to support any allegation of fraud. Disciplinary action may be taken in addition to, any criminal proceedings, depending on the circumstances of each case.

Luton Borough Council has a policy which clarifies the authority's position with regard to prosecutions and to deter those who may attempt to commit offences against the authority or its schools.

The Governing Body endorses the Council's Prosecution Policy and is committed to deterring potential cases of fraud through the implementation of robust systems and procedures and will act quickly and efficiently where fraud is alleged, leading to the most appropriate outcome.

It will take all steps possible to ensure appropriate penalties are sought in cases where fraud is proven, strenuously attempt recovery of any monies lost as a result of fraud and thoroughly assess the systems and processes to ensure fraud is minimised in future.

The Governing Body will ensure its policy is communicated to staff and the community.

Statement 1

This policy was approved by the Resources and Finance at its meeting on 5th November 2024 Signed……Chair of Governors Date……..

Statement 2

I can confirm to the Governing Body that the policy has been implemented by the actions set out below.

Signed…… Chair of Governors Date……

Implementation of Anti-Fraud, Bribery and Corruption Policy

Action	Lead person	Carried out
Governors to abide by the school's constitution, the Scheme for Financing Schools, Contract Standing Orders for Schools, and act within the law in an open, honest and trustworthy manner	Monitored by Chair of Governors and Chair of Finance Committee over the past year.	The Schools Financial Handbook is available to view on GovernorHub. Policies are updated by LMS or LA, are shared with Governors.
Ensure an effective system of internal financial control exists within the school, that it is clearly documented in the school's own Financial Procedures and that those controls operate effectively.	School Business Manager	As detailed in the School's Financial Manual which is reviewed annually by Governors/Committee. Any subsequent changes to the Finance Manual is approved by the Full Governing Body.
Budget managers to assess risk involved in their area of responsibility; to review the control systems, and to ensure that controls are being complied with properly by undertaking regular checks.	Headteacher in conjunction with Budget Holders (School Business Manager)	School Business Manager to distribute guidance for Budget Holders.
Ensure recruitment procedures established to ensure all staff are vetted correctly prior to commencing their employment.	Headteacher (assisted by School Business Manager & PA to SLT)	As per Luton's Safer Recruitment policy.

Ensure statements of employment or undertaking include reference to the school's Fraud Policy	Headteacher (assisted by School Business Manager & PA to SLT)	Teachers contract include reference to Fraud policy. Seeking clarity from Luton HR in relation to support staff contracts.
Ensure Disciplinary procedures are in place to deal any acts of misconduct by school employees.	Chair of Full Governing Body	As per Luton's policy
Inclusion of Fraud policy and Whistle-blowing policy in Staff Handbook	Headteacher (assisted by School Business Manager & PA to SLT)	Staff Handbook updated to include
Inclusion of Fraud policy and Whistle-blowing policy in staff induction programmes	Headteacher (assisted by School Business Manager & PA to SLT)	School to ensure staff induction includes Fraud policy.
Inclusion of Fraud policy and Whistle-blowing policy in governor's induction programmes	Chair of Governors (assisted by Clerk to Governing Body)	Clerk to ensure staff induction includes Fraud policy.
Staff should not accept personal gifts, hospitality, or benefits of any kind from a third party that may be seen to compromise their integrity.	Headteacher (assisted by School Business Manager & PA to SLT)to maintain a gifts and hospitality register	Gifts and Hospitality Register in place.

Publicise the school's commitment to fighting fraud, e.g. providing information on its website and school documents, such as the prospectus	Headteacher (assisted by School Business Manager & PA to SLT)	School to update website, staff handbook, induction process and prospectus.

Reviewed: 24.10.2024

Next review due: Autumn 2025