



Derby City Council

Ashgate Primary School - Anti-Fraud and Corruption Policy

1. Introduction

The Scheme for Funding Schools includes the following provision, as paragraph 2.28 -

“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 Funding Schools section 2 – point 2.1 – Audit General, states the following:

Schools must comply with the Council’s requirements on financial controls and monitoring as set out in this scheme, in financial procedure rules and other documentation produced by the Council which is compatible with the scheme. The Strategic Director of Resources is the responsible officer for the proper administration of the financial affairs of the Council under Section 151 of the Local Government Act 1972. Taken together with the Accounts and Audit

Regulations 1996, this means that all accounting procedures of the Council (including schools) should be determined by the Strategic Director of Resources, who must be satisfied that all systems and records take account of proper professional practices. Schools must comply with the financial procedure.

2. Fraud, Corruption and Bribery

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

3. Deceit, the intention to deceive or secrecy: and
4. (a) an actual loss or gain;
(b) the intent to cause loss to another or expose them to the risk of it;
5. 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

The Derby City 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 and is dedicated to investigating all instances of fraud committed against Derby City Council and its schools.

6. 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.

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 set 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 Funding Schools and Contract Standing Orders for Schools.

The Governing Body has 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 /bursar/finance officer, bears overall responsibility for systems of financial control set by Governors and may be liable to be called to account for specific failures. It is for Governors to agree the systems of finance.

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.

5. 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 at the end of this document.

6. Detection

Internal Audit carries 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 Section 151 officer.

All staff have an obligation to report concerns to school management.

7. 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 senior leadership team, 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 and or chief finance officer, both parties will then liaise and it a decision will be made as to whether it will be dealt with by finance or a full internal investigation will be carried out.

Whilst an investigation is on-going the team investigating will have the 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 investigating 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.

8. 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.

The Governing Body 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 Governing Body at its meeting on

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 Fraud 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.	
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.	Headteacher (with assistance of finance officer)	
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 (with assistance of finance officer)	
Ensure recruitment procedures established to ensure all staff are vetted correctly prior to commencing their employment.	Headteacher (assisted by person carrying out HR procedures)	
Ensure statements of employment or undertaking include reference to the school's Fraud Policy	Headteacher (assisted by person carrying out HR procedures)	
Ensure Disciplinary procedures are in place to deal any acts of misconduct by school employees.	Chair of Staffing Committee (or similar)	
Inclusion of Fraud policy and Whistle-blowing policy in Staff Handbook	Headteacher (assisted by person carrying out HR procedures)	
Inclusion of Fraud policy and Whistle-blowing policy in staff induction programmes	Headteacher (assisted by person carrying out HR procedures)	
Inclusion of Fraud policy and Whistle-blowing policy in governor's induction programmes	Chair of Governors (assisted by person carrying out HR procedures)	
Staff should not accept personal gifts, hospitality, or benefits of any kind from a third	Headteacher to maintain a gifts and hospitality	

party that may be seen to compromise their integrity.	register	
Publicise the school's commitment to fighting fraud, e.g. providing information on its website and school documents, such as the prospectus	Headteacher	