

ST AIDAN'S
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Anti-fraud and corruption policy

Introduction

Fraud and corruption can have significant financial implications for the Council and can cast doubt on its credibility. Schools are responsible for the public money delegated to them and the Council has a statutory duty to prevent the fraudulent use or misappropriation of the income and expenditure it controls.

At St Aidan's we seek to eliminate fraud by the way we conducts school business. This document sets out our procedures for dealing with the risk of significant fraud or corruption.

This policy is written in line with Haringey's *Schools' Financial Regulations 112-114*.

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1 Aims and objectives

At St Aidan's we aim to be an honest and ethical institution. In order to minimise the risk and impact of fraud, our objectives are:

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

1.1 All St Aidan's staff are required to adhere to the Anti Fraud and Corruption Code and Policy. Failure to comply with any aspect of the Code will be a breach of conduct and possibly a criminal offence and will be investigated and addressed in line with school disciplinary procedures.

1.2 We expect and encourage all staff members to raise any concerns they may have relating to fraud and corruption. However, care must always be taken to ensure such concerns are raised in good faith. In the first instance concerns can be raised with the Headteacher or Deputy Headteacher. Staff are required to read and familiarise themselves with the School's *Whistleblowing policy*.

2 Definitions

Irregularities fall within the following broad categories, all of which are criminal offences:

- a. **Theft** – the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession, for example:
 - retaining cash collected for school dinners, trips; taking away school assets for personal use;
 - unauthorised purchase of equipment for personal use;
 - improper use of petty cash for personal use.
- b. **Fraud** – the intentional distortion of financial statements or other records by persons internal or external to the school, which is carried out to conceal the misappropriation of assets or otherwise for gain, for example:
 - falsifying or altering accounting records or other documents;
 - suppressing or omitting the effects of transactions from records or documents;
 - adding records of transactions that have no substance;
 - wilful misrepresentation of transactions or other school affairs;
 - false claims for travel or un-worked overtime;
 - processing false invoices for personal gain and pocketing the proceeds;
 - making false entries on the payroll such as inventing a fictitious employee and arranging to be paid a salary.
- c. **Bribery and corruption** – the Bribery Act 2010 defines bribery as giving someone a financial or other advantage to encourage that person to perform their function or activities improperly or to reward that person for already having done so, for example:
 - payment of inappropriate bonuses;
 - improper recruitment (e.g. employing a family member or individual known personally to a member of staff without following appropriate recruitment procedures);
 - buying from a supplier or contractor known personally to a member of staff without following the required procurement processes or declaring a business interest.
 - staff accepting money to give preference to a child (staff may accept small end-of-term gifts offered by individuals or groups of parents).



3 Prevention procedures

The St Aidan's Resources Committee has a robust system of internal controls in place to minimise theft, fraud and corruption.

- 3.1 The Governing Body expects the Resources Committee to ensure that the following arrangements are in place:
- financial management checks, reconciling accounts at the end of each month and keeping an audit trail of documents;
 - separation of duties – no one member of staff should be responsible for both validating and processing a transaction, for example certifying that goods have been received and making the payment for them;
 - strictly limited access to systems for authorising and making payments;
 - spot checks on systems and transactions – this will help identify new risks and measure the effectiveness of existing controls. It also indicates to staff that fraud prevention is a high priority;
 - investigation and logging of every incident of irregularity, including instances of attempted fraud;
 - careful pre-employment checks on staff who will have financial responsibilities;
 - making staff members' financial responsibilities clear through written job descriptions and desk instructions.

4 Detection.

It is the responsibility of all staff to inform the Headteacher if fraud is suspected. Staff reporting the fraud or irregularity should ensure that any supporting documentation or evidence is secured and that confidentiality is maintained so as not to prejudice any subsequent investigation.

- 4.1 The Headteacher will report any suspected irregularities to the Chair of Governors and the Resources Committee. This step is essential because it:
- ensures the consistent treatment of information;
 - facilitates proper investigation, including compliance with statutory requirements and appropriate liaison at correct stages with the Police ensuring the proper implementation of relevant system improvements.
- 4.2 If the Headteacher or Chair of Governors appears to be implicated or involved in the matter, then the staff member must inform the Head of Haringey's Audit and Risk Management.
- 4.3 The Head of Audit and Risk Management will report the matter to the Police and other external agencies as necessary.

5 Response to allegations

When an allegation is made the Resources Committee will inform the Head of Audit and Risk Management.

- 5.1 The Head of Audit and Risk Management will agree the appropriate course of action in conjunction either with the Governing Body, the Headteacher and/or the Director of Children and Young People's Service. The appropriate form of action could result in an investigation, suspension from work or possible immediate arrest.



- 5.2 We work in partnership with other organisations in detection and investigation of fraud, theft and corruption. These organisations include the Police, Head of Audit and Risk Management, National Anti-Fraud Network and Government departments.
- 5.3 The Head of Audit and Risk Management has the right to determine, in consultation with the Governing Body, Headteacher and/or Director of Children and Young People's Service, the objectives, scope, timing and method of any internal investigation of fraud or irregularity.
- 5.4 Internal audit is able to carry out investigations into alleged fraud, irregularity or corruption independently of any request from, or report by individual schools.

6 Record keeping

The St Aidan's Resources Committee will keep a written log of any instances of fraud or theft detected. The log will help the School to identify patterns of misconduct and any weaknesses in their current arrangements which need to be addressed. The written log will be made available to all investigating agencies, for example:

- the Police;
- the Head of Audit and Risk Management.

7 Monitoring and review

The Resources Committee monitors the implementation of this policy and its related procedures and strategies and reviews the policy itself every two years.

Date of policy: **OCTOBER 2017**

Policy ratified: (Signature) (Date)

Review due: **OCTOBER 2019**