

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.

The School, members of staff, Directors and volunteers are 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.

1.3 This policy, in line with the School's core values of integrity, honesty, openness, 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 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 Directors 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 School's Code of Conduct or our Financial Regulations Policy.

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. 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 Directors.

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, the School's Business Manager or the Chair of Directors of the Trust.

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.

3.4 The School's Gift's and Hospitality Policy provides additional information on this matter.

3.5 Further advice and good practice:

a. 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.

- b. 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
- c. 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
- d. 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
- e. A gauge of what is acceptable in terms of hospitality is whether the School would offer a similar level of hospitality in similar circumstances.
- f. Invitations to corporate hospitality or community level events must each be judged on their merit. 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.
- g. Paid holidays or concessionary travel rates are not acceptable.
- h. 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.
- i. 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 a spouse or partner is included in an invitation, and approval has been given for them to attend, their expenses must be met personally and still declared.

j. Any invitation accepted should be made to in your professional / working capacity as a representative of the School. In all cases, consult with your Head Teacher and declare it before there is any acceptance of any kind.

4. Roles and Responsibilities

The Head Teacher

4.1 Head Teachers are responsible to the Trust 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 School's 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 Trust and Education and Skills Funding Agency (ESFA) are fully implemented, this includes but is not limited to recommendations made by Auditors.

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.

4.4 They must ensure that relevant 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.

4.6 A key preventative measure against fraud is the appointment of staff of good character and repute. Our Safeguarding Policy details the various measures in place, including a range of pre-employment checks and the expectation for Safer Recruitment Training.

4.7 The Head Teachers, Directors or members of staff should not notify the police of cases of fraud directly, in consultation with any relevant officer, such as the Fraud Officer within the London Borough of Barking and Dagenham. 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 Whole School Risk Assessment reviewed.

Directors

4.8 All Directors should familiarise themselves with the Directors' code of conduct, and ensure they comply with its requirements.

4.9 As part of the code of conduct it is essential that any declarations of interest are recorded on an annual basis.

4.10 The School's Gifts and Hospitality Policy extends to Directors too. This ensures that transparency is maintained at all times, and protects the Director and School from any alleged irregularities.

4.11 Directors should ensure they have considered the risk of fraud in any activities undertaken.

4.12 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 when making purchases or renewing services.

4.13 It is the duty of any member of Staff or Director to comply with this Anti-Policy. Any Director who suspects any financial must inform the Head Teacher (or in the case of suspecting the Headteacher, the Chair of Directors). The School's Whistle Blowing Policy provides a mechanism to report serious frauds or malpractice, in confidence.

Staff

4.15 All members of staff must familiarise themselves with 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

4.16 All members of staff with purchasing powers should familiarise themselves with the School's 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 or the School's Business Manager.

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

- a. All members of staff will be made aware of this policy.
- b. Directors will meet regularly
- c. A requirement for all staff and Directors to declare prejudicial interests and not contribute to business related to that interest
- d. The requirement for staff and Directors to disclose personal interests
- e. All members of staff and Directors will be made aware of the School's Gifts and Hospitality Policies
- f. Clear recruitment policies and procedures.

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

Auditors

4.19 The Trust undertakes termly Internal Control Evaluations and an Annual Audit, which is reported to Directors. Where Auditors 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 Lead Auditor in consultation with the Head Teacher and/or the Chair of Directors will decide who should investigate the matter in conjunction with LBBB's HR Team.

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 Local authority and the Head of Audit Services.

5.2 The School's Whistle Blowing Policy provides a mechanism to report serious frauds or malpractice, in confidence.