



# ANTI FRAUD AND CORRUPTION (INC. GIFTS AND HOSPITALITY) POLICY

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Person Responsible for policy: NJW

## **ANTI FRAUD AND CORRUPTION (INC. GIFTS AND HOSPITALITY) POLICY**

### **Summary**

This policy and procedure defines the expected conduct of all staff engaged at 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.

Also, reference is made to other School policies where appropriate.

### **1. Introduction**

1.1 Everyone involved with the School has a responsibility in respect of preventing and detecting fraud.

1.2 It is the duty of all employees and Governors at the School to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Responsible Officer and Auditors to review the adequacy of the measures taken by the School to test compliance and to draw attention to any weaknesses or omissions. These measures include:

- Segregation of duties in use of financial systems is practised, so, for example, no individual has undue management of payments, income or assets.
- Definition of clear roles and responsibilities, with set levels of authority for authorising transactions
- Limitations of electronic access to prevent the possible misuse of information technology.

...as prescribed in the Finance Policy.

1.3 Any investigation carried out in relation to alleged irregularities is linked to the School's Disciplinary and Dismissals Policy.

### **2. Definitions**

#### **2.1 Fraud**

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. Fraud is intentional deceit and for this reason it does not include negligence.

Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts and other documents.

#### **2.2 Corruption**

The term 'corrupt practices' is defined for the purpose of this policy as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by the School, its staff or Governors. This includes receipt of Gifts and Hospitality. 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.

### 2.3 Failure to Observe

Failure to observe or breaches of the Finance Policy (or other School policies relating to fraud and corruption) can constitute an irregularity that would result in fraud or corruption as defined above.

### 2.4 Examples of what could constitute fraud or corruption are:

- theft of cash;
- non-receipt of income, including money received from students in return for product/services;
- travelling and subsistence claims for non-existent journeys/events;
- travelling and subsistence claims inflated;
- 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 Academy;
- 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 forms. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the headteacher.

## 3. Policy Statement

3.1. The scope of this procedure extends to all Academy employees, permanent, voluntary and fixed term.

### 3.2. *Guidance on Gifts and Hospitality*

3.2.1. 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 token value, such as a diary, a coffee mug or bunch of flowers, not over £25 in value. You should notify the headteacher if 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 more prompt 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 area of work.
- Where items purchased for the School include a ‘free gift’, such a gift should either be used for School business 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.

3.2.2. A gauge of what is acceptable in terms of hospitality is whether this School would offer a similar level of hospitality in similar circumstances.

- 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.
- 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 company/organisation guests at:
  - sponsored cultural and sporting events, or other public performances, as a representative of the Academy;
  - 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.

- Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited employee. In all such cases the Headteacher must be consulted.
- Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.
- If you are visiting a company to view equipment that the School is considering buying, you should ensure that the School pays expenses of the trip. 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.
- 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 a 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.

#### **4. Roles and Responsibilities**

##### **4.1. Staff and Governors**

The School has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- The Governors Resources and Audit Committee meets regularly
- A requirement for staff and governors to disclose personal interests;
- All staff and governors are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures.

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

##### **4.2. The Headteacher**

The headteacher has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of the School.

In respect of fraud it is therefore the responsibility of the headteacher to ensure internal controls prevent and detect any frauds promptly. This includes:

- Proper procedures and financial systems;
- Effective management of financial records;
- Management of the Academy's financial position.

##### **4.3. External Audit**

The Academy's Annual Report and Financial Statements include an Independent Auditors' Report. This report includes a view as to whether the financial statements give a true and fair view and whether proper accounting records have been kept by the Academy throughout the financial year. In addition, it reports on compliance with the accounting requirements of the relevant Companies Act and confirms compliance with the financial reporting and annual accounting requirements issued by the Department of Education.

#### **5. Potentially Suspicious Behaviour**

Staff members who have committed serious financial irregularities may attempt to conceal this by

- taking few holidays
- regularly working alone late or at weekends
- being resistant to delegation
- resenting questions about work

If any suspicions are raised they should be discussed with the headteacher.

## **6. Reporting a Suspected Case of Fraud or Corruption**

- 6.1. All allegations of suspected fraud and irregularities are to be brought to the attention of the headteacher, unless this individual is involved in the irregularity in which case the Chair of Governors should be informed.

Please refer to the School's Whistleblowing Policy for further guidance. 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. 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.

## **7. Response to Allegations**

- 7.1. The headteacher will have initial responsibility for co-ordinating the initial response. In doing this he/she will consult with the Human Resource Manager regarding potential employment issues. The headteacher will also see legal advice from the School's solicitors on both employment and litigation issues before taking any further action.
- 7.2. The headteacher will ascertain whether or not allegations have substance. In every case, and as soon as possible after the initial investigation, they will pass the matter on to the Chair of the Resources and Audit Committee. Even if there is no evidence to support the allegation, the matter must be reported.
- 7.3. The Audit Committee will undertake 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 the Chair of Governors. If further investigations are required, they will determine which outside agencies should be involved (e.g. Police, auditors, insurers etc.).
- 7.4. Where the case is sufficiently serious, an individual may be suspended, with or without pay, while an investigation is under way, in accordance with the School's disciplinary procedures in an attempt to prevent further losses.

It may be necessary to plan the timing of suspension to prevent destruction or removal of evidence that may be needed to support disciplinary or criminal action. The individuals involved should be approached unannounced. They should be supervised at all times before leaving the School's premises and should be required to reveal relevant computer passwords, and not remove, either on

disk or electronically, data from the premises. The ICT Systems Manager should be instructed to immediately withdraw access permissions to the School's computer systems.

- 7.5. The headteacher is required to notify the Governing Body 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 the Governing Body fully informed between governor meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.
- 7.6. If evidence of fraud is forthcoming then the Governing Body will
- inform the Department for Education as required by the Funding Agreement (over £5k or unusual or systematic fraud, regardless of value)
  - consider whether or not to refer the matter to the Police
  - consider whether to instruct the School's solicitors to investigate the possibility of recovering any losses (including costs as a result of the action taken)

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The School's Data Protection Officer is the *Governance Manager* who can be contacted at Droitwich Spa High School and Sixth Form Centre, Briar Mill, Droitwich, WR9 0AA or by email at [privacy@droitwichspahigh.worcs.sch.uk](mailto:privacy@droitwichspahigh.worcs.sch.uk)