

Netherhall School

An Ambitious, Caring Community



NETHERHALL SCHOOL

Anti-Fraud, Bribery and Corruption Policy

Adopted by Netherhall School Governing Body

On March 2019

Signed: (Jan Clarke, Chair of Governors)

Date by which the procedure was last reviewed: March 2019

Anticipated review date: March 2020

Equality Act 2010

Our school is committed to equality both as an employer and a service provider. We welcome our general duty under the Equality Act 2010 to eliminate discrimination, advance equality of opportunity and foster good relations. In addition we recognise our specific duties to publish information every year about our school population; explain how we have due regard for equality; publish equality objectives which show how we plan to tackle particular inequalities and reduce or remove them.

We recognise our duty to ensure no-one experiences harassment, less favourable treatment or discrimination because of their age, any disability they may have, their ethnicity, colour or national origin, their gender identity or reassignment, their marital or civil partnership status, being pregnant or having recently had a baby, their religion or belief, their sexual identity and orientation.

We also welcome our duty under the Education and Inspections Act 2006 to promote community cohesion and British values.

1 INTRODUCTION

1.1 Netherhall School takes its responsibility for safeguarding public monies seriously and does not tolerate fraud, bribery, corruption or abuse of position for personal gain in any area of School activity. Fraud and corruption reduce the resources available to deliver services to those people who depend on us and undermine the School's reputation. This is particularly important in the current climate of reduced funding in local government.

1.2 The people of Cumbria are entitled to expect the School to operate with integrity, honesty and openness. They rightly expect the highest standards from all those connected with the School in any official capacity. The School is therefore committed to combating fraud and taking action against anyone who does attempt to commit fraud against it.

1.3 In addition, the School may be held liable for an offence under the Bribery Act 2010 if it fails to prevent a person (who could be a senior leader, other staff member, governor or any contractor or sub-contractor who provides services on the School's behalf) from committing bribery.

1.4 Having and adhering to adequate procedures to prevent bribery provides the School with a defence against liability under the Bribery Act 2010

2 DEFINITIONS

2.1 Fraud is defined within the 2006 Fraud Act which sets out three categories of fraud:

- a.** False representation – where a person makes a false representation in order to cause a gain for themselves or a loss to another person
- b.** Failure to disclose information – where there is a legal duty to do so
- c.** Abuse of position – where a person abuses the position they hold to cause a gain to themselves or a loss to another person.

2.2 Crucially, under the Fraud Act, the gain or loss does not have to have materialised for fraud to have been committed; it is the action and intent that creates the offence of a fraud.

2.3 Bribery means offering or giving someone a financial or other advantage to encourage them to perform their functions or activities improperly, or rewarding someone for having already done so. This includes:

- Offering or giving a bribe to another person;
- Receiving or agreeing to receive a bribe from another person;
- Facilitation payments (unlawful payments demanded by officials to perform or expedite the performance of their normal duties).

2.4 The School commits an offence if a person associated with it bribes another person for the School's benefit. An "associated person" includes senior leaders, teachers, governors, service providers and other partners.

2.5 Teachers and staff involved in planning and procurement should be especially aware of the possibility that they may be targeted for attempted bribery.

2.6 Corruption is defined by the Audit Commission as:

- The offering, giving, soliciting or acceptance of an inducement or reward which may influence any person to act inappropriately.

3 POLICY STATEMENT

3.1 The aim of this policy is to make clear to all employees (including permanent, temporary and agency staff), senior leaders, teachers, governors, other bodies and the public, Netherhall School's approach to fraud, bribery and corruption.

3.2 The School is committed to the prevention, deterrence and detection of fraud and has a zero tolerance approach. Robust arrangements are in place to deal with any instances of fraud committed against the School including both disciplinary and criminal proceedings where appropriate.

3.3 The School's policy aims to ensure that all appropriate action is taken to prevent the School and its senior leaders and teachers being exposed to bribery and sets out what teachers and staff members are expected to do if they suspect bribery.

3.4 The School opposes all corruption and will support its employees at all times in acting ethically

SCOPE OF THE POLICY

4.1 The policy applies to teachers and all staff of the School. The term 'staff' includes all staff working for the School whether full-time or part-time, paid or voluntary, temporary or casual and staff employed through an agency.

4.2 Where School services are delivered by other organisations, the School is still responsible for safeguarding the interests of service users and tax payers and therefore expects the same high standards of conduct and behaviour from all individuals working with and on behalf of the School. Where appropriate, we will build clauses into our contracts covering actions that will be taken in the event that fraud is identified.

4.3 Cumbria County Council commend the policy to our partner organisations and County Council schools with the expectation that it is either adopted in full or used as a basis for their local arrangements.

4.4 Where it is suspected that fraud has been committed against the School by staff from 3rd party organisations, we will report the matter to the employing organisation and will support them fully in dealing with the issues under their respective organisational policies and procedures.

4.5 Contractors and sub-contractors acting on the School's behalf are responsible through contractual arrangements put in place during the tender process and through contracts, for compliance with the Bribery Act 2010.

4.6 The School will adhere to provisions in procurement law requiring the exclusion of contractors convicted of active corruption.

4.7 The School will also include clauses in tender documents and contracts which permit exclusion of contractors, termination of contracts and recovery of losses by the School in the event of an act of corruption by a tenderer or contractor (including sub-contractors).

CORPORATE CULTURE AND FRAMEWORKS

5.1 Netherhall School is committed to creating an environment where the risk of fraud, bribery and corruption is minimised. Responsibility for an anti-fraud culture is the joint duty of all those involved in giving political direction, determining policy and management. Senior leaders and governors are committed to creating a culture that is resilient to the threats of fraud and corruption and which aligns to the standards of good governance.

5.2 Staff at all levels are required to acknowledge and identify the risks of fraud occurring within their service areas and implement controls to mitigate these fraud risks.

5.3 Senior leadership is expected to deal swiftly and firmly with those who defraud the School. The School will be robust in dealing with financial irregularities.

5.4 The School expects that Senior leaders, teachers and staff will lead by example in ensuring adherence to all legal requirements, contract and financial procedure rules, codes of conduct and best practice. There is a framework of interrelated policies and procedures that provide a corporate framework to counter fraudulent activity. These have been formulated with regard to the relevant legislative requirements and include:

- Staff Guide
- The School behaviour policy
- Policy for Financial Delegation+
- Effective Recruitment & Selection Policy
- Disciplinary Procedure
- Whistleblowing policy
- Information Security policy
- Acceptable use policy

5.5 The School also fully supports the seven Nolan principles that apply to anyone who serves the public:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty; and
- Leadership

5.6 As employees of the School, we all serve the public and therefore must abide by these principles in every aspect of our working lives.

5.7 Line managers are responsible for ensuring that all their staff are aware of and understand their responsibilities within this policy and for periodically reminding staff of these.

RESPONSIBILITIES IN RELATION TO FRAUD, BRIBERY AND CORRUPTION

6.1 The Head teacher, Senior leaders and Governors are responsible for communicating the Anti-Fraud, Bribery and Corruption Policy to employees, and for promoting awareness of the commitment to eliminating all forms of corruption.

6.2 The Head teacher, Senior leaders and Governors are responsible for ensuring that any risk of fraud, bribery and corruption is identified, documented and managed at the appropriate level in the School. Managers are responsible for ensuring there are appropriate controls within their systems to prevent fraud.

6.3 All managers are responsible for ensuring that if they receive an allegation under this policy, they:

- deal with the matter promptly in line with this policy;
- Record, preserve and secure all evidence received;
- Implement the School's disciplinary procedures where appropriate.

6.4 Each staff member is responsible for their own conduct and for performing their functions with honesty and integrity, in the public interest.

6.5 Staff are expected to follow and abide by the [School's Code of Conduct for Employees](#), in addition to any Code of Conduct of their professional or trade body.

6.6 All employees are required to be vigilant to the possibility that fraud may occur and have a responsibility to report any suspicions of fraud, bribery and corruption through the arrangements described within this policy. Where an employee fails to report suspicions, they themselves become implicated in the wrongdoing and the School will treat failure to report concerns as a serious matter which may in the case of a person employed by the School, amount to a disciplinary matter.

6.7 The School will seek to ensure that companies of which it is a member/shareholder and major partnerships in which it participates or for which it is accountable body have in place arrangements to prevent fraud, bribery and corruption in respect of their activities

PREVENTION

7.1 The School's main aim is to prevent fraud, bribery and corruption from occurring. This is done through a combination of an effective ethical culture and behaviours whereby wrongdoing is seen as unacceptable by everyone and maintaining well-controlled systems that do not allow wrongdoing to succeed.

7.2 A key element in fraud prevention is the regular checks undertaken by senior leaders to confirm that their anti-fraud, bribery and corruption controls continue to work effectively. Internal audit can advise on appropriate controls to mitigate risk but it is senior leaders' responsibility to ensure controls are implemented and continue to work effectively.

7.3 A key stage in upholding the School's ethical culture is through recruitment of appropriate staff. Senior leaders are responsible for ensuring that all appropriate checks are undertaken to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts, or agency staff. All recruitment must therefore be conducted in accordance with the School's Recruitment & Selection policy and associated procedures.

GIFTS, HOSPITALITY AND DONATIONS

8.1 Under the Bribery Act 2010, the provision of genuine hospitality is not an offence, so businesses are, for example, able to provide tickets to sporting events, offer gifts to clients, take clients to dinner, and offer other hospitality if that is reasonable and proportionate expenditure for their business.

8.2 School staff may only receive gifts and hospitality in accordance with the School's Gifts and Hospitality Policy.

DATA MATCHING FOR THE PURPOSE OF FRAUD PREVENTION

9.1 The Local Authority participates fully in the National Fraud Initiative (NFI) which is a data matching exercise co-ordinated by the Audit Commission for the purpose of identifying potential frauds against local authorities. It is the School's policy that items flagged through the NFI will be investigated and action taken as appropriate in line with this policy.

9.2 The School may also use internal data matching between its own systems for the purposes of preventing and detecting fraud. Any such arrangements will be in full compliance with relevant legislation covering information governance.

REPORTING CONCERNS

10.1 Any person who suspects that fraud, bribery or corruption may be taking place must report their suspicions.

10.2 The report should be made to your line manager in the first instance, unless there are reasons why you are unable to report to your line manager. In this case, the report should be to the Headteacher. The School has a Whistleblowing Policy which enables individuals to make disclosures in the public interest where they feel unable to report under other policies.

10.3 Suspected frauds or irregularities may also be reported through the Cumbria County Council's fraud hotline number which is 0800 028 277.

10.4 Where any concerns should arise regarding the conduct of a member of staff within the context of this policy, this should be reported to the Cumbria County Council Monitoring Officer who will determine the appropriate approach to investigating in discussion with the S151 Officer and Group Audit Manager.

10.5 If you suspect that a fraud has taken / is taking place you should not attempt to investigate

the matter yourself nor confront any person suspected of being involved. You should note as much detail as possible to allow the matter to be investigated, but you should not go looking for evidence or take any action that may alert the individuals to your suspicions. You should not attempt to find information by switching on the person's computer as this can seriously prejudice further investigation.

INVESTIGATION, SANCTIONS AND RECOVERY OF LOSSES

11.1 Managers receiving referrals of suspected fraud must contact the Group Audit Manager who will discuss the most appropriate arrangements for investigating. Internal audit may advise that a management investigation should be undertaken or may consider that internal audit involvement is necessary depending on the circumstances.

11.2 It is the School's policy that all suspected irregularities will be investigated and where fraud, bribery or corruption is found to have been committed, action will be taken. Consideration will be given in all cases to referral to the police where criminal activity is suspected. Where fraud, bribery or corruption has been committed by a member of School staff, the disciplinary procedures will be invoked together with a referral to the police as appropriate.

11.3 The School will pursue recovery action to recover misappropriated assets. This may involve using the proceeds of crime act (POCA), as well as civil sanctions including recovery from the individual's pension contributions.

11.4 We will publicise actions taken against anyone found to have committed fraud against the School as part of our strategy to reduce fraud risk

REVIEW OF THIS POLICY

12.1 This Policy will be subject to review in line with the provisions for review of ethical policies within the Constitution. It will be reviewed in addition should a change of law require changes to be made.

APPENDIX 1 – FLOWCHART FOR REPORTING

<http://www.cumbria.gov.uk/eLibrary/Content/Internet/536/6962/4224815145.pdf>

APPENDIX 2 – MONEY LAUNDERING POLICY

1. Introduction

1.1 Netherhall School is committed to ensuring we have effective arrangements to prevent, detect and report suspected money laundering activities in line with the legislation governing this area. The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2007 set out a range of activities and offences covered under the definition of Money Laundering. They also set out the requirements for reporting of suspected money laundering attempts and the penalties for failing to do so.

1.2 Local authorities do not have a statutory obligation to comply with the Money Laundering Regulations as they generally do not deliver 'relevant services' under the terms of the Act. However, Netherhall School believes that it is right to take a firm stance against money laundering in line with its responsibilities for the proper administration of public funds and its duty to uphold high standards of ethics.

1.3 The School's policy is to ensure that all appropriate action is taken to prevent the School and its staff being exposed to money laundering including that actual or suspected incidences of money laundering are reported in line with the requirements of the Money Laundering regulations.

2. Scope of the Policy

2.1 This policy applies to all staff of the School including temporary and agency staff. The policy is part of the School's suite of ethical policies designed to ensure that the highest standards of governance and conduct are upheld.

3. What is Money Laundering?

3.1 In general terms, money laundering is the process by which criminally obtained money or other criminal property are exchanged for "clean" money or other assets with no obvious link to their criminal origins.

3.2 The formal definitions within the Money Laundering Amendment Regulations 2012 are set out below:

3.3 Money Laundering is defined as:

a. The process by which the proceeds of crime are; concealed, disguised, converted, transferred or removed from England, Wales, Scotland or Northern Ireland.

b. Being involved in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property.

c. Acquiring, using or possessing criminal property.

3.4 There are also secondary offences of:

d. Failure to disclose money laundering offences.

e. Tipping off a suspect, either directly or indirectly.

f. Prejudicing an investigation.

4. Reporting concerns of Money Laundering

4.1 The council's Money Laundering Reporting Officer (MLRO) is Julie Crellin, Assistant director, Finance (S151 Officer). You should report any suspicions of money laundering to the MLRO. In the absence of the MLRO, the deputy MLRO is the Group Audit Manager, Niki Riley.

4.2 If you suspect that money laundering has taken place, you should make a referral to the MLRO. This should contain as much detail about the transaction(s) as possible, including:

- The nature of the transaction and the reasons for your suspicion
- The value and date(s) of the transaction(s)
- Names, addresses, dates of birth, company names of all those involved
- Any supporting documentation you may have

4.3 If you have suspicions about money laundering before a transaction has taken place, you should contact the MLRO for advice before the transaction is completed.

5. Examples of situations most likely to give risk to suspicions of Money Laundering

- Transactions involving unusually high volumes of cash. This would be of particular concern if the value of the payment exceeded the amount due, including paying double. Money Laundering often involves making an overpayment on a legitimate debt and then requesting the overpayment refunded by cheque (a local authority cheque being a legitimate source of funds for placing back into the financial system).
- A transaction or trade that makes no commercial or economic sense on the part of the other party. Money Launderers' main objective is to get the money back into the financial system, not necessarily to make a profit. They may therefore be prepared to take a loss in order to clean up the money.
- Payments received from third parties. Money Launderers will often make payments on behalf of a legitimate third party business in order to clean criminal funds.
- Transactions where the identity of the party is undisclosed or is difficult to establish.
- Transactions where the party is evasive about the source or the destiny of funds.
- Transactions with companies in offshore jurisdictions. Some jurisdictions can provide money launderers with the opportunity to hide their true identity.
- Changes to payment instructions to the use of offshore funds. Payments are usually made to or from a UK bank to establish a business relationship and then changed to a bank in an offshore jurisdiction.
- The cancellation or reversal of an earlier transaction.

6. Client Identification Procedure

6.1 This is required where the School is carrying out relevant business under the Regulations and the bullets below also apply.

- An ongoing business relationship with a client;
- A one-off transaction with a client involving a payment by or to a client of an agreed amount or more;
- A series of linked transactions with a client involving payments to or from the client to an agreed amount or more;
- There is a suspicion that a transaction or series of transactions is linked to money laundering.

6.2 Where School staff are conducting relevant business under the Act, you will have been advised of this by your service management and you should refer to your internal procedures for client identification.

7. Review of this policy

7.1 This policy will be subject to regular review in line with the wider policies within the constitution. It will also be reviewed should a change in legislation require changes to be made.