Phoenix Community Primary School

Anti Fraud, Bribery & Corruption Policy

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Phoenix Community Primary School Anti-Fraud, Bribery and Corruption Policy

Policy Statement

All schools must have a robust system of controls to safeguard themselves against fraud, bribery or improper use of public money and assets.

Phoenix Community Primary School is committed to the prevention of fraud, bribery and corruption and the promotion of an anti-fraud, bribery and corruption culture.

Phoenix Community Primary School takes a risk-based approach to fraud, bribery and corruption and requires all staff, governors and volunteers to act honestly and with integrity at all times, and to report all suspicions of fraud or financial wrongdoing.

Phoenix Community Primary School will investigate all instances of actual, attempted or suspected fraud, bribery and corruption and will seek to recover any losses and pursue appropriate sanctions against the perpetrators. This may include criminal prosecution, disciplinary action, legal proceedings and professional sanctions.

This policy applies to all staff (full time, part time, temporary and casual), consultants, volunteers and the school's Governing Board.

Definition of Fraud

Fraud is deception carried out in order to gain an unfair advantage or to disadvantage another. It may involve the misuse of funds or other resources, or the supply of false information.

Examples might include:

- Creating fake invoices for goods and services and paying the money into a personal account
- Use of the school's purchase card to make personal purchases.
- Submitting false claims for sickness or expenses.
- Using school equipment and resources in order to run a personal business

Individuals caught committing fraud can be prosecuted under the Fraud Act 2006 if they make a false representation, fail to disclose information or abuse their position.

Definition of Bribery and Corruption

Phoenix Community Primary School defines corruption as the abuse of entrusted power for private gain; involving the offering, giving or soliciting of an inducement or reward which may influence a person to perform a function or activity improperly. This may involve:

- The offence of bribing another person;
- The offence of being bribed;
- Bribery of a foreign public official;
- A corporate offence of failure to prevent bribery.

Other forms of corruption include:

- Cronyism or nepotism, where someone in public office exploits their authority to provide a job or favour to a friend, associate or family member;
- Collusion, where a secret agreement between parties, in the public and/ or private sector conspire to commit actions aimed to deceive or commit fraud;
- Conflict of interests, where someone in a public office faces a conflict between the duties and demands of one or more positions that they hold and their private lives;
- Gifts and Hospitality, the provisions of gifts, entertainment or other hospitality that could affect or perceived to affect the outcome of business transactions and are not reasonable and bona fide;
- Lobbying, any activity carried out by companies, associations, organisations and individuals to influence a government or institution's policies and decisions in favour, cause or outcome.

Key Responsibilities

The Governing Board are responsible for:

- Overseeing the financial performance of the school, including its assets, making sure the school's money is well spent and measures are in place to prevent losses or misuse, including arrangements for preventing and detecting fraud.
- Obtaining assurances (including independent assurance) the schools' policies and procedures are being adhered to, in particular around financial policies / procedures and cyber security
- Reviewing the schools fraud, bribery and corruption risk assessment.

The Head Teacher is responsible for:

- Developing, implementing and maintaining adequate systems of internal control that prevent and detect fraud.
- Testing the system of internal control and seeking independent assurance when appropriate.
- Regularly reviewing the school's anti-fraud, bribery and corruption policy and compliance with it to ensure it remains effective and relevant to the needs of the school.
- Reporting compliance with the policy on at least an annual basis to the Governing Board.
- Reporting allegations of actual, attempted or suspected fraud to the Full Governing Board and Kent County Council's Section 151 Officer via internal.audit@kent.gov.uk .
- Ensuring all allegations of fraud are investigated appropriately, in compliance with relevant policies, procedures and legislation and commencing disciplinary and/or legal action where appropriate.
- Maintaining and reporting the fraud, bribery and corruption risks to the Governing Board and staff.
- Ensuring relevant staff are provided financial control and fraud awareness training (including whistle blowing and cyber security).

Staff are responsible for:

- Familiarising themselves with the types of fraud, bribery and corruption risks that might affect the school.
- Ensuing they adhere to the agreed policies and procedures, thereby protecting the school's reputation and assets from fraud.
- Reporting allegations of actual, attempted or suspected fraud to the Head Teacher, and/or the Governing Board and/or Kent County Council's Section 151 Officer.
- Assisting in the investigation of suspected fraud when requested to do so, for example by providing witness statements.

The Seven Principles of Public Life

Selflessness – Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family or their friends.

Integrity – Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity – In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability – Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness – Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty – Holders of public office should promote and support these principles by leadership and example.

Reporting Suspicions

The Governing Board and staff are an important element in the school's stance on fraud and are required to raise any concerns that they may have. The Head Teacher and Governors will deal with any financial irregularities robustly.

Staff should immediately report any concerns about actual, attempted or suspected fraud to the Head Teacher. However, if the concerns relate to the Head Teacher, staff should report their concerns to the Chair of Governors.

Under no circumstances should staff investigate the matter themselves.

Members of staff, including the Head Teacher and/or Governors should seek advice about how to deal with an allegation of fraud, and report the matter to Kent County Council Whistleblowing helpline which is operated by Internal Audit. Alternatively, staff can email Kent County Council's Internal Audit team.

The Public Interest Disclosure Act 1998 protects employees who raise concerns about certain matters of public interest in good faith. Staff can obtain free independent advice from the charity Protect by following https://protect-advice.org.uk/.

A copy of the school's Whistleblowing Policy can be found in the staff room, on the school's Google Drive document storage and on the school website or can be obtained from the Office Manager, Diane Davis or the Headteacher.

Contact Details:

Telephone: Kent County Council Whistleblowing Helpline **03000 414 500**

Email**:** internal.audit@kent.gov.uk

Fraud, Bribery and Corruption Response Plan

How to Respond Introduction

Phoenix Community Primary School has established guidelines for senior staff and the Governing Body on the immediate actions to be taken in the event of a fraud being discovered or suspected. It covers how and when to seek professional advice, securing evidence and preventing further losses. (see Appendix 1).

It is important that allegations of actual, attempted and suspected fraud aren't ignored. Even seemingly insignificant concerns may later reveal a larger, previously unknown problem.

Step 1. Report

The first step to make if you suspected fraud or financial wrongdoing is to contact the Counter Fraud Team, in Internal Audit at Kent County Council. They are responsible for the investigation of fraud and financial irregularities that occur against Kent County Council and Schools.

They will listen to your concerns and advise on the best course of action to take in order to minimise the risk of the suspect being tipped off and destroying the evidence.

You can report the concerns by;

- Email; internal.audit@kent.gov.uk
- Phone: 03000 414 500
- Online:Fraud Reporting

  (https://www.kent.gov.uk/about-the-council/finance-and-budget/spending/fraud-prevention)

Step 2. Securing Evidence

You may be asked to provide a witness statement so ensure that any concerns are recorded fully. Whenever possible keep written notes that cover:

- Names, addresses and dates of birth.

- Descriptions (height, build, hair colour, ethnicity, clothing, distinctive features)
- Dates and times of key events.
- Vehicle registration numbers and descriptions.
- Details of any conversations had or overheard.
- Details of any actions or incidents that were observed.
- Telephone numbers
- Company and/or business details

Never remove any physical evidence such as original invoices, receipts, letters, cheques and application forms unless you have sought advice from the Counter Fraud Team as this could alert the suspect and tip them off.

Under no circumstances discuss the matter with colleagues as this could be discussed with the suspect.

If an investigation is undertaken without following the appropriate policies, procedures and legislation, or if individuals are accused without sufficient evidence, it may lead to the perpetrators avoiding a disciplinary, criminal or civil sanction.

Step 3. Preventing Further Losses

It is important to minimise any additional losses. For example, if the allegations concern the theft or loss or banking passwords, PIN's or similar credentials notify the bank immediately.

Equally, if the losses relate to a weak process, for example cash is routinely kept unsecured in a drawer, ensure that the process is changed, at least temporarily, until more permanent and improved processes can be implemented.

Support for Witnesses

Members of staff, Governors and the public may be feeling vulnerable before, during and after they have brought an allegation of fraud to the attention of the school.

Reassure witnesses that they have acted appropriately by raising their concerns. Members of staff should be provided with a copy of the **Whistleblowing Policy** and reminded that the school does not tolerate reprisals, victimisation or harassment and will take all reasonable action to protect them.

In addition, the school will take steps to minimise any difficulties members of staff may experience as a result of raising a concern. For instance, if they are required to give evidence in criminal or disciplinary proceedings, the school will advise or arrange for them to receive advice and support about the process being followed.

School Fraud Risks

Appendix 1

Type of Risk: Staffing	Example Risks
Recruitment	A senior member of staff recruits family member or friend, or friends or family members are recruited through an agency rather than as a direct appointment. This may result in the best individual not being recruited for the post, reputational damage to the school, and a lack of objectivity in future decision making by senior staff.
Application	An applicant applies for a post and either fails to declare something they are legally required to declare - for example, a relationship or criminal record or declares something that is untrue, e.g. they are allowed to work in the UK when they are not or have a qualification which they do not have. This may result in the best individual for the job not being recruited, children's safety being put at risk, and/or the school potentially being liable for a fine. Whilst checks on teacher qualifications are more common and therefore easier to do, it is the checks on nonteaching staff and teaching assistant qualifications that can cause problems.
Inappropriate Pay Awards including: • Increments • Honorariums • Bonuses • Allowances	A member of staff falsifies information in order to obtain an excessive pay award which may include those elements listed opposite. This type of fraud may also include conspiracy or collusion between the head teacher, governing body and financial managers and may result in financial and reputational damage to the school. This also happens as a result of poor judgement by the school's management team or governors, and it is not necessarily fraud.
Off Payroll Payments	Payments to staff are made through petty cash or by other means in order to avoid the individuals and the school's duty to pay tax or national insurance. This may result in reputational damage and/or a fine from HM Revenue and Customs. In addition, if unpaid tax / national insurance cannot be recovered from the individual, the employer will be liable, in addition to any fines imposed by HMRC.
Long Term Sickness	A member of staff represents themself as sick and finds employment elsewhere whilst continuing to receive payment from the school. This may result in financial loss as the school may need to appoint extra resources to cover the absence.

Type of Fraud Risk: Procurement	Example Risks
Collusion / corruption in supplier selection can be described as „an illicit agreement between two or more parties, typically to limit open competition in the procurement process"	A member of staff with responsibility for the award of a contract colludes with the contractor in order to benefit the contractor, sometimes in return for a bribe or favours. Alternatively, the organisation or contractor breaches procurement regulations in order to win or rollover a contract. This may result in a breach of procurement regulations which may not represent value for money, reputational damage and potential legal action by other contractors.
Leasing (particularly ICT hardware such as whiteboards and photocopiers)	A company approaches the school with what appears to be a reasonable scheme for the leasing of IT equipment. However, the agreement is over-priced, and the school is duped into purchasing more equipment than they need at a price higher than they can afford and, in some cases, using hire purchase arrangements which schools are forbidden from entering into. The companies that create the lease agreement then sell the debt on to other agencies for collection. As a result, the school may be left with debts it is unable to service and ICT equipment that is not fit for purpose.
Inappropriate Personal Use of Goods or Services	A staff member uses school money to procure goods or services for their own use, rather than for the benefit of the school. As a result, the school may suffer financial loss and reputational damage.

Type of Fraud Risk: Theft	Example Risks
Cash and Assets: • Assets e.g.: ICT equipment and inventory, lead flashing, stationery items e.g. from catalogues - printer cartridges, projector bulbs • Cash e.g.: Voluntary funds, petty cash, income (e.g. trips, uniform)	There are many areas of school business where there is a risk of theft - The areas listed to the left are typically high risk areas. Some are at risk of internal theft, while other assets are at a greater risk of external theft or collusion. As a result of IT theft, the school may also lose confidential information and may suffer financial loss through penalties and reputational damage.

Premises Rental	A member of school staff rents out part of the school building for an event without following the schools lettings policy and procedures, for a lesser fee or no fee at all. As a result of the inappropriate use of school premises, the school could lose revenue and the users of the premises may possibly be uninsured.

Type of Fraud Risk: False Accounting	**Example Risks**
False Records	Records are falsified or fabricated to disguise theft of school assets and cash.
Moving Monies between years Delaying Payments	Goods or services that should be bought and paid for in one financial year are attributed to another financial year, resulting in a misrepresentation of accounts. This is often used to disguise fraud or theft in other areas.
Staff Loans	The school gives a loan to a member of staff which is outside of regulations and does not arrange a repayment plan. As a result, the school may suffer financial loss and reputational damage.
Inappropriate increase in finance through falsely stating SEN numbers, student numbers, or free school meals	The school exaggerates the number of pupils receiving free school meals, or incorrectly accounts for pupils that leave during the year, and as a result receives funding to which the school is not entitled. This may cause reputational and financial damage to the school.
Misuse of Public Money	The school pays for gratuities - for example, flowers or entertainment e.g. staff parties using school funds. This may result in financial loss and reputational damage to the school and is never a proper use of school funds.

Type of Fraud Risk: Bribery	**Example Risks**
The Bribery Act 2010 defines bribery broadly as giving or receiving a financial or other advantage in connection with the „improper performance‟ of a position of trust, or a function that is expected to be performed impartially or in good faith. Areas that may be of particular risk within school are: • Exam • Procurement	The risk that building contractor offers the head teacher a significant discount on building an extension at their own home (or other inducements) in return for appointing the contractor to deliver work for the school. This may result in reputational damage to the school and may result in a contract that does not represent value for money for the school.

Fraud Risk Assessment

Appendix 2

Risk Type	Cause or Source of the risk	Risk Event	Consequence	Overall Risk Owner (accountable manager)	Controls in place	Control Owner(s)
Corporate Card	**Staff Misuse**	There is a risk that staff issued with a Corporate Card will use the card for personal purchases	**Financial Reputational**	**Headteacher**	**Statement monitoring**	**Business Manager/ Headteacher**
Cyber Security	**Email**	There is a risk a member of staff will open an email with document malware/ ransomware	**Financial Operational Safeguarding**	**Headteacher**	**Staff Training**	**ICT Technician/ ICT support**
Cyber Security	**Spear-phishing Smishing**	There is a risk a member of staff will respond to targeted communication trying to obtain money or data from the school.	**Financial Operational Safeguarding**	**Headteacher**	**Staff Training**	**ICT Technician/ ICT support**
Procurement	**Intercepted invoices**	There is a risk that invoices received via email for suppliers are intercepted and bank account details changed.	**Financial loss**	**Headteacher**	**Payment procedures Staff training**	**Business Manager**
Procurement	**Bribery/ Corruption**	There is a risk that contracts are awarded to friends/ family members. Which could cost the school more, or the job may not be completed to a good standard.	**Financial loss Overpayment Reputational damage**	**Headteacher**	**Procurement /contract procedures Staff Training**	**Business Manager**
Procurement	**Fraudulent procurement**	Activities, such as kickbacks or overcharging by suppliers	**Financial loss**	**Headteacher**	**Payment procedures**	**Business Manager/ Resource team**

Recruitment	**Nepotism**	There is a risk that senior members of staff recruit family members or friends. The best person for the job might not be recruited with the correct qualifications.	**Reputational**	**Headteacher**	**Recruitment procedures Safer Recruitment procedures and staff training**	**Governing Board/ HR Personnel**
Recruitment	**CV/ Job Application**	There is a risk a person may fail to declare or enter information that is untrue or misleading on the CV/job application	**Safeguarding Reputational**	**Headteacher**	**Safer recruitment procedures and staff training**	**Governing Board/ HR Personnel**
Payroll	**Pay awards**	There is a risk that members of staff may award themselves bonus pay awards without approval of the governing body or falsify information in order to obtain the award.	**Financial**	**Headteacher**	**Staff salary / reward procedures Financial governance procedures**	**SFS/ Business Manager/ Compliance Checks**
Income	**Theft**	There is a risk members of staff could divert income intended for the school into their own bank account or accept cash and not record it using it for their personal items.	**Financial Reputational**	**Headteacher**	**Statement monitoring**	**SFS/ Business Manager/ Officer Compliance Checks**
False accounting	**Theft/ Fraud**	There is a risk that members of staff responsible for finance with the capability are able to enter false accounting records in order to mislead senior staff and the governing body to obtain financially.	**Financial loss**	**Headteacher**	**Statement monitoring Governance challenge**	**SFS/ Finance Officer/ Compliance Checks**

Assets	**Theft**	There is a risk that members of staff use the school's resources or take home assets purchased and belonging to the school without returning them.	**Financial loss**	**Headteacher**	**Asset register review** **ID tracking of Resources**	**Business Manager/ Compliance Checks/ ICT Technician**
Premises rental	**Loss of income**	A member of staff might rent out the school or facility to family/ friend without charging them causing a loss of revenue to the school.	**Financial loss**	**Headteacher**	**Staff Training** **Record keeping**	**Business Manager/ Site Manager/ Headteacher**