



Anti Fraud and Corruption Procedures:

Introduction

Ravensbury Community School is committed to the highest standards of probity and accountability to safeguard public funds. It will not tolerate dishonesty on the part of employees or others involved with the school. It expects that employees at all levels will act in a manner that ensures adherence to statutory requirements and to the rules and procedures of the school and Local Authority.

The Anti-Fraud and Corruption Policy applies to all employees of the school. It also applies as far as it can to any persons companies or organisations in relation to their dealings with the school including partnership arrangements and developments involving 'arms length' companies or organisations, contractors, consultants, suppliers and claimants.

The school's primary objective, through the Anti-Fraud and Corruption Policy, is to ensure that fraud and corruption does not occur within the school and if it does occur that it is detected and dealt with effectively.

These guidance notes are intended to advise all employees of their obligations and rights within this policy.

Definitions

Fraud

1.1 The legal definition of fraud contained within the Fraud Act 2006 includes; fraud by false representation; fraud by failing to disclose information and fraud by abuse of position. Fraud is typically associated with financial loss however this policy relates to acts of dishonesty whether or not financial loss is incurred. For the purposes of this guidance note fraud may include:

- the intentional distorting of statements or other records by persons internal or external to the school which is carried out to conceal the misappropriation of assets, evasion of liabilities or otherwise for gain;
- unauthorised use of school property; or
- theft of monies or other school property by persons internal to the school.

1.2 The theft of school property carried out by persons external to the school through for example break-ins, burglary and opportunist theft falls outside the scope of the Anti Fraud and Corruption Policy. Thefts of this nature should continue to be reported by Senior Leadership Team directly to Internal Audit and the police in the normal way.

Agreed by governors on 24.05.2021

1.3 Fraud is a deliberate act of commission or omission by an individual or group of individuals. Fraud can occur in a number of ways including:

- fraud perpetrated against the school by members of the public or other third parties
- fraud perpetrated against the school employees of the school
- fraud perpetrated jointly by members of the public or other third parties in collusion with employees of the school.

1.4 Areas which may be most at risk in respect of fraud include but are not exclusively related to the following:

- Cash collection (any situation where cash or cheques are received or collected) - misappropriation, failure to account, borrowing by delaying paying monies in, falsifying of receipts.
- Credit income - suppression of invoices, issuing invoices for wrong amounts, unauthorised writing off of debts;
- Payroll - falsification of records (time sheets, overtime claims); creation of fictitious employees;
- Creditor payments - payments for work not completed or not in accordance with the specification, or for goods not supplied or not in accordance with the original order;
- Expenses claims-over claiming of expenses;
- Benefits – over claiming by claimants or landlords, false, fictitious or contrived claims. Evasion of liability, either in full or part, for Council Tax or National Non Domestic Rates. The unauthorised setting up or amendment of claims by employees (including payments to self, family, friends etc.). Employees aiding or abetting third parties in the completion or submission of false claims.
- Bank accounts and petty cash accounts - use of accounts for unauthorised purposes;
- Equipment and vehicles - unauthorised personal use.

Corruption

1.5 Corruption is defined as the offering, giving, soliciting or acceptance of an inducement or reward that may influence the action of any person.

1.6 The main law relating to corruption in public bodies is contained in the Public Bodies Corrupt Practices Act 1889 and the Prevention of Corruption Act 1906 as supplemented by the Prevention of Corruption Act 1916, Local Government Act 1972 and the Anti-Terrorism Crime and Security Act 2001. The law specifies that it is sufficient to prove that money or other consideration has been given or received and will presume that the money or consideration has been given or received corruptly unless the contrary is proved. This represents a reversal of the usual legal presumption of guilt and innocence.

1.7 Corruption occurs if a person offers gifts or consideration as an inducement or acts in collusion with others, that is with two or more person acting together. This could involve employees of the school, members of the public or other third parties.

1.8 Areas which may be most at risk in respect of corruption include but are not exclusively related to the following: _

Tendering and award of contracts;

- Settlement of contractors claims for loss and expense, compensation, additional payments, or work not done or substandard;
- Award of permissions, consents, licences;
- Lettings; and
- Disposal of assets.

2. Anti-Fraud Culture and Key Principles

2.1 The school aims to ensure that employees exercise proper stewardship of public money and that effective controls and procedures are embedded into all working practices which will prevent and detect fraud and corruption. Employees should be aware of their roles in preventing and detecting fraud and managers should ensure they lead by example in compliance with rules and regulations.

2.2 Legislation regulates local authorities and, amongst other things, sets out the framework that ensures that local authorities adopt effective control and governance arrangements. Within this framework, the school has adopted a Constitution containing instructions, regulations and procedures which are designed to ensure high standards of probity in the conduct of the affairs of Manchester City Council. The Constitution can be found at www.manchester.gov.uk.

2.3 The primary defence against fraud and corruption is the establishment of sound practices, procedures and systems, incorporating effective controls, which are subject to effective monitoring, supervisory and managerial arrangements. It is the duty of every manager and supervisor to operate the systems and controls in their area of responsibility, necessary to prevent and detect fraud and corruption. Failure to do so, especially where such failure results in fraud, corruption or theft, may result in disciplinary action.

2.4 These control arrangements need to apply within an overall culture, within the school, which positively promotes the highest standards of probity and which makes it absolutely clear that the school will not tolerate dishonesty on the part of any persons or organisations involved in any way with the school.

2.5 Compliance with all the rules and statutes referred to above involves the implementation and maintenance of effective management arrangements, systems, controls, procedures, working practices, standards of good practice and monitoring arrangements. This combination of measures, allied to a culture that promotes the highest standards of probity, represents the school's primary defence against fraud and corruption.

2.6 Where school employees are involved, or where any person acts on behalf of or as an agent of the school, or where initiatives or schemes involve funding through the Council, the principles outlined in the Anti-Fraud and Corruption Policy must be applied.

3. Roles and Responsibilities

Employees

3.1 All employees have an obligation to be vigilant to the risk of fraud and corruption. They are expected and positively encouraged to raised concerns relating to potential fraud and corruption when they become aware of it. Employees should report matters of

concern as soon as possible. Reports raised in good faith will be treated in a confidential manner and investigated.

3.2 The Employees Code of Conduct addresses the Manchester City Council's standards and expectations of personal conduct. Breaches of conduct will be addressed through disciplinary procedures.

4. Reporting Irregularities

Employees

4.1 As indications of suspected irregularities could arise in many different ways it is possible that any of the school's employees could be the first to become alerted to a potential situation involving fraud or corruption. For this reason it is vital that all employees know what to do if they become aware of a potential irregularity.

4.2 Any employee, becoming aware of a potential financial irregularity must, under normal circumstances, report the situation to his line manager as soon as possible. The manager in turn should also report through the management structure and to Internal Audit as soon as possible.

4.3 At the appropriate management level, which is normally Headteacher or Chair of Governors, the situation must be reported to the Head of Internal Audit and Risk or any member of the Internal Audit. The Head of Internal Audit and Risk will then inform the City Treasurer and agree a course of action.

4.4 Internal Audit will advise on and instigate such action as considered necessary for investigating the alleged irregularity. This will take into account whether the alleged financial irregularity warrants investigation by Internal Audit, whether the Police should be referred to immediately or whether the Department should conduct its own investigation.

4.5 Where an allegation or suspicion of fraud concerns an employee and is considered sufficiently serious to be investigated, then an Investigating Officer will be appointed. As appropriate and agreed Internal Audit will investigate fraud involving accounting and other records, evaluate systems and internal control and collate evidence providing an opinion on allegations made. This will be reported to the Investigating Officer who will have overall responsibility in taking the investigation forward for disciplinary purposes and reported to the City Treasurer where system weaknesses and control issues are involved.

Reporting Directly to Internal Audit or the Chief Executive

4.6 If an employee feels it would not be appropriate to report alleged or suspected irregularities through the normal line management structure, then the employee should report to a different senior manager within the school. If the employee feels uncomfortable with this approach they can report directly to Internal Audit.

4.7 In certain circumstances it would be appropriate for an employee to report directly to Internal Audit anyway. For example if there were reasons to believe that any subsequent investigation might be compromised if the situation were to be reported through departmental managers. The most likely reasons for reporting direct to Internal Audit would include because line managers were implicated in the alleged irregularity and the employee was not sure who it was safe to report to within the Department or there were reasons to believe that the situation might be suppressed or covered up by senior departmental managers.

5. Reporting Criteria and Notification

5.1 Reports from employees about suspected irregularities should adhere to the following key criteria:

- Suspected fraud, financial irregularity, improper use or misappropriation of the school's property or resources must be notified to the Headteacher / Chair of Governors as quickly as possible.
- Allegations must be handled confidentially and discreetly by those managers who are directly involved in the reporting process as any leak of information may jeopardise subsequent investigations. Pending investigation and reporting, the Headteacher / Chair of Governors should agree with Internal Audit to take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- Headteachers/Chair of governors should treat all concerns seriously and sensitively to ensure that risks are effectively addressed and action taken.
- The reporting manager should record and collect as much information as possible in respect of the allegation without delaying the process or compromising the investigation. If the information comes from a third party, as much information as possible should be gleaned from the informant and every effort made to ensure that it is possible to make further contact with the informant.
- Any records or information relating to the allegation must be secured so that there is no possibility of evidence being lost, destroyed, amended or otherwise tampered with. This includes IT systems as well as paper based records. Managers may need to do this quickly when the allegation is made.

6. Conduct of the Investigation

6.1 The nature of the reported irregularity must be established to assess the appropriate method of investigation. The Head of Internal Audit and Risk will work with management to ensure that necessary steps are taken to assess the risk and to determine the appropriate investigation requirements. These will be agreed and confirmed with the City Treasurer.

6.2 The general approach adopted includes:

- Any investigation requires the full support and co-operation of the relevant department. The terms of reference for Internal Audit state that Internal Auditors should have access to all records and documents of the school and authority to require explanations from employees of the school in relation to any matters to aid the investigation.
- All investigations will be carried out confidentially and as quickly as possible by Internal Audit or by the nominated investigating officer. The Headteacher / Chair of Governors should be kept informed of developments and the final outcome of the investigation.
- Interim reports (from either the Investigating Officer or Internal Audit) may be either verbal or in writing dependent upon the circumstances of the case and the degree of urgency. The City Treasurer will be kept informed as required.

- Final reports will be formal and in writing and will be sent to the Chief Executive, City Treasurer, Head of Internal Audit and risk and Headteacher of the school (unless the particular subject matter of the case dictates that this distribution would not be appropriate). External Audit will be informed as necessary in agreement with Internal Audit and the City Treasurer.
- Fraud cases involving disciplinary issues will be progressed by appropriate and duly appointed 'Investigating Officers' in consultation with senior management, Personnel and Internal Audit.
- The Headteacher / Chair of Governors responsible for the particular service area subject to investigation, will need to decide if the investigation is of such significance that it needs to be brought to the attention of the appropriate Executive Member.

7. Referral to the Police

7.1 Internal Audit or the Fraud Investigation Group will, in consultation with the City Treasurer, assess whether reference to the police is appropriate and will make the formal referral to the police. This should not usually be done by the school.

7.2 If there is doubt about the strength of the evidence, or whether or not there is sufficient evidence of a criminal offence, legal advice will be sought to determine if referral to the police would be appropriate.

7.3 Once an issue has been referred to the police, they should take full control of the investigation. If the evidence supports prosecution the police will bring the appropriate charges. Ultimately, the Crown Prosecution Service (CPS) will decide whether or not the case should be prosecuted based on the available evidence. During the course of these procedures the full and prompt co-operation of all relevant employees of the school will be required.

7.4 If the Police decide that it would not be appropriate to bring charges against any individuals, or if the CPS subsequently decides not to proceed with the case, the matter will remain as an internal issue to be addressed within the Council's own internal policies and procedures.

8. Disciplinary Cases

8.1 There are consequences for anyone who has committed acts of fraud or corruption against the school and these can act as a powerful deterrent. Where cases involve employees of the school it may be necessary, based on the available evidence, to invoke the Council's Disciplinary Procedures.

8.2 Any disciplinary offence involving financial irregularities, theft, fraud or corruption (including claimant fraud or council tax evasion involving employees) would normally be regarded as gross misconduct, and an employee found to have committed gross misconduct should expect to be dismissed.

9. Other Crimes against the Council

9.1 For any other types of crimes other than theft, fraud and corruption that are likely to have been perpetrated by school employees (for example criminal damage or assault) then advice should be sought by appropriate senior managers of the relevant department in consultation with Personnel. Internal Audit can offer advice and support. Action should be taken by management to ensure allegations are dealt with quickly and effectively.

10. Recovery of Losses and Awards of Compensation

10.1 In cases where it is possible to establish that the school has suffered a loss, either through theft or fraud, the school through the City Council will seek compensation

through either the Courts or in accordance with the local government pension scheme regulations.

10.2 Should an offender at any time during the course of an investigation or disciplinary hearing offer to repay monies then the offer should be accepted. No offers or promises should be given and the person should be informed that repayment is being accepted without prejudice to any further actions. This should then be confirmed in writing.

10.3 An offer by the defendant to resign from employment of the school before completion of investigation action should be considered in light of the impact on the investigation and on the potential recovery of monies. Advice should be sought from Management Support to school and Internal Audit prior to any decision to accept a resignation.

11. Monitoring

11.1 The Local Authority is responsible for monitoring the effectiveness of the procedures for investigation of irregularities outlined in this guidance note and for amending the procedures as necessary. Internal Audit will review the effectiveness of the internal control environment and reports will be made to Audit Committee where appropriate on the number, type and outcome of investigation matters as appropriate.

12. Training and Awareness

12.1 The success of the anti-fraud and corruption policy will be in part dependant on developing awareness and understanding throughout the organisation. Schools are responsible for ensuring that employees are aware of the procedures for the investigation of irregularities and for ensuring that any training needs which may arise from the application of the procedures are resourced and addressed.

12.2 Raising awareness of the school's Anti-Fraud and Corruption Policy should form part of the induction training for all new employees and should be part of on going developmental training for managers and staff. Communication of the policies and processes should also be regularly advertised to all members and employees using internally information systems and externally to the wider population through the school's website. This is to ensure that employees remain aware of the requirements.

12.3 Employees and governors must make sure that they read and understand the rules and regulations that apply to them in regard to anti-fraud and corruption. Managers should ensure that this is done.

13. Conclusion

13.1 The above procedures are designed and communicated to ensure that irregularities are taken seriously, are investigated thoroughly and prosecuted in a diligent and effective manner with due reference to the law. This guidance note should be considered along side the school's policy and procedures for Whistleblowing.

