



**Avenue Centre for Education**

# **ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY**

## **2022 - 2023**

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<b>Updated Guidance:</b>	This policy has now been updated to reflect the changes made to the DfE's 'First aid in Pupil Referral Units, early years and further education' guidance (February 2022).
<b>Approval Level:</b>	Management Committee
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<b>Governance Approval Date:</b>	28 <sup>th</sup> March 2022
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<b>Next Review Date:</b>	March 2023

## **1. Introduction**

The Scheme for Financing Schools includes the following provision -

*“All schools/pupil referral units must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.*

The Resources and Finance Board on behalf of the Management Committee and the Headteacher must inform all staff of pupil referral unit policies and procedures related to fraud and theft, the controls in place to prevent them; and the consequences of breaching these controls. This information must also be included in induction for new pupil referral unit staff and members.

This policy document assists the Resources and Finance Board on behalf of the Management Committee in meeting its responsibilities.

The Scheme for Financing Schools states the following:

*The Council’s Chief Finance Officer must be told immediately about:*

1. anything that involves (or is thought to involve) irregularities concerning cash, stores or other property;
2. any other suspected irregularity in the running of the school/pupil referral unit, and may investigate and report as he/she thinks necessary.

## **2. Fraud, Corruption and Bribery**

Fraud is a criminal offence. The Fraud Act 2006 defines ‘fraud’ as:

1. Deceit, the intention to deceive or secrecy: and
2. (a) an actual loss or gain;  
(b) the intent to cause loss to another or expose them to the risk of it;
3. Dishonesty.

Offences of fraud can include abuse of position, making of a false statement, failure to disclose information, obtaining services dishonestly, deception, theft, misappropriation, embezzlement, forgery, corruption, extortion, false accounting, false representation, concealment of material facts, acts of conspiracy, collusion and aiding and abetting any act of dishonesty.

Bribery is a criminal offence and the Bribery Act 2010 introduces a clearer regime for tackling bribery. A definition is – inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages.

The council has a Bribery Policy Statement and Procedure and Fraud Policy Statement and Procedure – which can be referred to for further detail / reference.

### **3. Council Policy**

Luton Borough Council is committed to fighting fraud with high ethical and moral standards, and recognises that any fraud perpetrated against the Council including its schools/pupil referral units is costly, both in financial terms and reputation.

The Council is therefore committed to a programme of zero tolerance.

The Council is committed to nurturing a strong anti-fraud culture, which is key to the prevention and detection of fraud.

Its Internal Audit Team is dedicated to investigating all instances of fraud committed against the Luton Borough Council and its schools/pupil referral units.

### **4. Pupil Referral Unit Policy**

The Resources and Finance Board on behalf of the Management Committee endorses the policy of the Council and is committed to take action to prevent, detect and deter fraud, corruption and bribery in all its activities.

This policy must be read in conjunction with the following policies – Whistle-blowing, financial policies & procedures, including delegation and Safer Recruitment procedures.

The pupil referral unit will ensure probity in administration and governance by taking positive action against all forms of fraud, corruption or bribery affecting pupil referral unit's business whether it is from internal or external sources.

#### **Members**

There is a specific duty expected of the Members to set an example to the employees of the pupil referral unit and the community by acting with integrity, honesty and in a trustworthy manner befitting the pupil referral unit.

Members will set the standard for the pupil referral unit and therefore give their full support to all systems and controls in place to assure probity. In particular, members have a personal responsibility to abide by the pupil referral unit's constitution, the Scheme for Financing Schools and Contract Standing Orders for Schools.

The Management Committee has a legal responsibility for the pupil referral unit budget and will ensure a sound system of internal control is in place in the use of delegated and other funds given to the pupil referral unit.

### Headteacher and senior staff

The Headteacher and senior members of staff are expected to set high examples of conduct in their day to day work, which are beyond reproach.

The Headteacher, with assistance from the finance officer, bears overall responsibility for systems of financial control and may be liable to be called to account for specific failures.

However, all senior staff and other managers are responsible for ensuring an effective system of risk management and internal control exists within their areas of responsibility and that those controls operate effectively. Managers must take a lead in terms of fraud prevention and will be held accountable for not undertaking this as part of their position of trust and area of responsibility.

The Headteacher is responsible for ensuring the pupil referral unit's policy in relation to fraud is communicated to all staff.

### All staff

This policy applies to all employees of the pupil referral unit. It also applies to consultants, temporary staff, contractors and vendors and any other parties with a business relationship with the pupil referral unit.

All members of staff are expected to share this commitment to help the pupil referral unit protect the public funds to which it has been entrusted. All staff have a duty to assist the pupil referral unit in the prevention of fraud and are expected to alert their line manager where they believe the opportunity for fraud exists because of poor procedures or lack of appropriate supervision. All employees are expected to report any cases of suspected fraud, no matter how trivial they may seem.

All staff are expected to be fully accountable during their employment with the pupil referral unit, to follow the pupil referral unit's policies, financial procedures and any relevant professional code and to comply with all laws and regulations applicable to the pupil referral unit's business.

As stewards of public funds, staff must have, and be seen to have, high standards of personal integrity. Staff should not accept personal gifts, hospitality, or benefits of any kind from a third party that may be seen to compromise that integrity.

### Internal Audit

Internal Audit will report on the existence and effectiveness of control systems and as part of the audit process may advise on best practice. The findings and recommendations of reports will be implemented promptly.

## **4. Prevention**

Prevention is the most desirable factor in dealing with any fraud. Unfortunately, not all systems are always fool proof in stopping the committed fraudster.

Members, pupil referral unit management and staff will carry out their responsibilities as outlined above and implement specific action as set out in the Fraud Policy.

## **5. Detection**

Internal Audit carry out audits of all schools/pupil referral units based on an assessment of the risk management. Internal Audit regularly liaises with External Audit and will refer any suspected fraud or irregularity to the Headteacher.

All staff have an obligation to report concerns to pupil referral unit management. All staff will be made aware of the pupil referral unit's Whistle-blowing Policy.

## **6. Investigation**

Where any matter that might constitute fraud, theft, corruption or bribery comes to the attention of any member, the Headteacher or member of the SLT it will be in the first instance investigated by the Headteacher to ascertain the basic facts.

Subject to the findings the matter must be referred to Internal Audit team and/or chief finance officer.

The Council's Internal Audit Team is responsible for investigating all allegations of suspected fraud. The Team has full right of access to examine any documents or contents of pupil referral unit property. This also includes examination of computers, and related equipment and interviews with staff.

The Internal Audit Team has been designated this responsibility to ensure consistency in dealing with all allegations of fraud, to ensure a detailed and proper investigation is carried out by skilled investigators, and to ensure the Council and its maintained pupil referral unit's assets and interests are protected and/or recovered where applicable.

The team will work closely with the Chair of Management Committee and Headteacher in fraud related cases involving disciplinary investigation, action and hearings. Where fraud is proven, this constitutes gross misconduct and cases will be dealt with appropriately, according to pupil referral unit's disciplinary procedures.

It is recognised that being subject to an investigation can be a stressful experience, therefore all investigations will be handled as quickly as possible and confidentially to ensure the person under investigation is dealt with in an appropriate and timely manner.

## **7. Deterrence**

The Management Committee views fraud as a serious offence against the pupil referral unit and employees will face disciplinary action if there is evidence to support any allegation of fraud. Disciplinary action may be taken in addition to, any criminal proceedings, depending on the circumstances of each case.

Luton Borough Council has a policy which clarifies the authority's position with regard to prosecutions and to deter those who may attempt to commit offences against the authority or its schools/pupil referral units.

The Resources and Finance Board on behalf of the Management Committee endorses the Council's Prosecution Policy and is committed to deterring potential cases of fraud through the implementation of robust systems and procedures and will act quickly and efficiently where fraud is alleged, leading to the most appropriate outcome.

It will take all steps possible to ensure appropriate penalties are sought in cases where fraud is proven, strenuously attempt recovery of any monies lost as a result of fraud and thoroughly assess the systems and processes to ensure fraud is minimised in future.

The Resources and Finance Board on behalf of the Management Committee will ensure its policy is communicated to staff, members and the community.

## Implementation of Anti-Fraud, Bribery and Corruption Policy

Action	Lead person	Carried out
Members to abide by the pupil referral unit's constitution, the Scheme for Financing Schools, Contract Standing Orders for Schools, and act within the law in an open, honest and trustworthy manner.	Monitored by Chair of Management Committee and Chair of Resources and Finance Board over the past year.	
Ensure an effective system of internal financial control exists within the pupil referral unit, that it is clearly documented in the pupil referral unit's own Financial Procedures and that those controls operate effectively.	Headteacher (with assistance of Finance Officer)	
Budget Managers to assess risk involved in their area of responsibility; to review the control systems, and to ensure that controls are being complied with properly by undertaking regular checks.	Headteacher in conjunction with Budget Holders (with assistance of Finance Officer)	
Ensure recruitment procedures established to ensure all staff are vetted correctly prior to commencing their employment.	Headteacher (assisted by person carrying out HR procedures)	
Ensure statements of employment or undertaking include reference to the pupil referral unit's Fraud Policy	Headteacher (assisted by person carrying out HR procedures)	
Ensure Disciplinary procedures are in place to deal with any acts of misconduct by pupil referral unit employees.	Chair of Resources and Finance Board, Chair of Management Committee and Headteacher (assisted by person carrying out HR procedures)	
Availability of Whistle-blowing Policy in the Staffroom.	Headteacher (assisted by person carrying out HR procedures)	
Inclusion of Fraud policy and Whistle-blowing policy in staff induction programmes	Headteacher (assisted by person carrying out HR procedures)	
Inclusion of Fraud policy and Whistle-blowing policy in Member's induction programmes	Chair of Management Committee (assisted by Governance Clerk)	
Staff should not accept personal gifts, hospitality, or benefits of any kind from a third party that may be seen to compromise their integrity.	Headteacher (with assistance of Finance Officer) to maintain a Gifts and Hospitality Register	
Publicise the pupil referral unit's commitment to fighting fraud, e.g. providing information on its website and pupil referral unit documents, such as the prospectus	Headteacher	