ALSTON MOOR FEDERATION

Anti-Fraud & Corruption Policy

Introduction

Alston Moor Federation is committed to ensuring that it acts with integrity and has high standards. Everyone involved with School has a responsibility in respect of preventing and detecting fraud. All staff and governors have a role to play. Alston Moor Federation also recognizes the role of others in alerting them to areas where there is suspicion of fraud.

Alston Moor Federation has many measures to ensure proper administration and prevent and detect fraud and corruption. Recognizing a potential fraud and being able to report it is just as important as the measures to prevent and detect.

Definitions

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 in fact intentional deceit and for this reason it cannot include negligence. Fraud incorporates – theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts.

Corruption: The term 'corrupt practices' is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by Alston Moor Federation, its Staff or Governors. It is the duty of Alston Moor Federation and its employees and Governors to take reasonable steps to limit the possibility or corrupt practices, and; it is the responsibility of Internal Audit to review the adequacy of the measure taken by Alston Moor Federation, to test compliance and to draw attention to any weaknesses or omissions.

The Principal Roles

Staff and Governors: To the public, Alston Moor Federation can be judged by the conduct of its Staff and Governors. Alston Moor Federation has adopted the following measures to demonstrate its commitment:

- All Staff and Governors are made aware of the Local Authority Code of Conduct for Employees
- A Finance Committee
- A requirement for all staff and governors to declare prejudicial interests and not contribute to business related to that interest
- 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
- A code of conduct for employees
- A staff handbook

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

Headteacher: The Headteacher has a responsibility for ensuring that internal controls will ensure proper administration and safeguard the resources of Alston Moor Federation. In respect of fraud it is therefore the responsibility of the Head Teacher to ensure internal controls prevent and detect any frauds promptly. This includes:

- Proper procedures and financial systems
- Effective management and financial information

Internal Audit: The Local Authority has an important role in taking responsibility for;

- Investigating fraud;
- Establishing the extent of any fraud;
- Correcting accounting records if necessary;
- Recommending improvements in internal control;
- Advising on action to take to resolve the matter arising.

The Principal Anti-Fraud Measures

Alston Moor Federation has taken a number of measures that should prevent or detect any attempted or actual fraud. No system of control can prevent all cases, and Alston Moor Federation must minimise the risks to which it is exposed. At the highest level Alston Moor Federation will:

- Regularly review and improve key internal control systems
- Regularly review measures to minimise the risk of fraud
- Involve staff in such reviews
- Adopt formal procedures to investigate fraud when it is suspected and where detected, strengthen controls to prevent reoccurrence
- Provide mechanisms for employees to voice their genuine concerns’
- Have no hesitation in referring cases of suspected financial irregularity to the attention of the Police and the Local Authority
- Work closely with the Police and the other appropriate agencies to combat fraud.

Alston Moor Federation has already introduced corporate standards that should ensure proper administration. These include Staff Contracts and Annual Review of:

- Contract standing orders;
- Codes for Conduct for Governors and Staff;
- Measures to implement new legislation correctly;
- A clearly defined role for the Finance and Premises Committee;
- Clear roles for the Alston Moor Federation;
- Training administration issues;
- Disciplinary Procedures; and Complaints Procedures.

These measures, and others, provide a framework supported by detailed procedure manuals for all key functions of Alston Moor Federation. Other key principle internal controls that are adopted include wherever possible:

- Adequate separation of duties;
- Proper authorisation procedures;
- A proper audit trail;
- Independent monitoring and checking;
- Training of employees in their duties;
- Appropriate supervision;
- Effective managements structures and organization;
- Physical controls over highly portable assets;
- Effective IT and other security measures;
- A proper accounting and budgetary control system;
- Effective Internal Audit review systems.

Responsibility for effective implementation of these principles on internal control rests with the Head Teacher and involves every member of staff and the governing body.

<u>Reporting a Suspected Fraud</u>

Response to Alleged Frauds: Alston Moor Federation requires suspected fraud and irregularities to be referred to the Head Teacher, unless this individual is involved in the irregularity in which case the Chair of Governors should be informed. All reported irregularities will be thoroughly investigated, with due regard to the provisions of the Human Rights Act 1998, Data Protection Act 1998, the Regulation of Investigatory Powers Act 200 and Alston Moor Federation's Equal Opportunities Policy.

Steps that would normally be taken are:

- If an employee suspects a fraud has occurred (or is likely to) they should report this to their Line Manager who must inform the Head Teacher, unless the suspicion relates to the Line Manager. In this instance to employee should report to the Head Teacher or Chair of Governors
- The Head Teacher will inform Chair of Governors unless the suspicion relates to the Chair of Governors when the Head Teacher will contact the Head of the Local Authority without consultation with the Chair of Governors
- If an employee suspects a fraud has occurred (or is likely to) and believe that their Line Manager, Head Teacher and Chair of Governors may be involved, then they can report any concerns direct to the Head of Internal Audit at the Local Authority.
- If suspicions stem from an Internal Audit assignment, the Head of Internal Audit, will inform the Head teacher or the Chair of Governors

- Members of the public can report any concerns, either to the Head Teacher, Chair of Governors, their Councillor, the Director of Finance and Resources, Head of Internal Audit, the Council's External Auditor, or via the Complaints Procedure;
- The Director of Finance and Resources will decide on the level of any investigation. If necessary, the Director of Finances and Resources will involve the Chief Executive Officer and the Solicitor to the Council. The Internal Audit Service will carry out any investigation, reporting to the Director of Finance and Resources
- If investigations indicate a criminal offence may have occurred, the Director of Finance and Resources will decide, in consultation with the Chief Executive Officer and Solicitor to the Council, to handle the matter according to Alston Moor Federation's Disciplinary Procedures and involve the Police
- Recommendations to improve controls and prevent any reoccurrence will be made by Internal Audit. The Head Teacher and Chair of Governors, in consultation with the Director of Finance and Resources, will decide on the implementation of the recommendations

Reporting Suspicions

General: Employees are vital to the successful implementation of measures against fraud. Alston Moor Federation therefore considers that employees have a duty to report any legitimate concerns they may have and must do so as outlined above. If it is subsequently established that an employee knowingly withholds information of a concern or allegation it may be dealt with as a disciplinary matter in itself. The Public Interest Disclosure Act 1998 (a copy of which can be found at www.opsi.gov.uk) provides employees with statutory protection when disclosing such information. If possible, concerns are better raised in writing; you need to set out the background, provide names, dates and places and reasons for bringing the matter to the attention of Alston Moor Federation. However, if an individual feels unable to put their concern into writing, arrangements can be made to meet with an appropriate officer to discuss the concerns.

Confidentiality and Safeguards: Alston Moor Federation recognizes that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. Alston Moor Federation will not tolerate harassment of victimization 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.

Confidentiality: All concerns will be treated in the strictest confidence. Alston Moor Federation will do its best to protect the identity of individuals who raise concerns and do not want their name to be revealed. However, it must be appreciated that during an investigation, a statement may be required as part of the evidence gathering process, particularly if the Police or External Auditors become involved. In order to take effective action, Alston Moor Federation will need proper evidence that maybe required to stand up to examination in Courts or Tribunals. This Policy Statement encourages individuals to put a name to allegations whenever possible, as concerns expressed anonymously are much less powerful, but will be considered at the discretion of Alston Moor Federation in terms of;

- Seriousness of the issues raised
- The credibility of the concern
- The likelihood of confirming the allegation from attributed sources

Whilst Alston Moor Federation will always do its best to protect individuals, it is more difficult to protect an individual from harassment, intimidation or other detrimental conduct where an allegation or disclosure is made anonymously.

Safeguards: There is a need to ensure that the process is not misused. Therefore, any abuse, such as raising malicious allegations may also be dealt with as a disciplinary matter. All such reports must be genuine and honest as, to be otherwise, would go against the principle of integrity. This should not deter employees from raising legitimate and genuine concerns, (even if subsequently unfounded but made with good intent) as, in doing so they will be supported in every possible way. All genuine concerns reported will be treated in confidence and fully investigated. If a suspicion is reported and results in a prosecution or disciplinary hearing, employees' involvement, as a witness, in this process may be necessary, unless other substantial reliable evidence is available. Employees taking such a route will be notified quickly and any action taken.

Alston Moor Federation accepts that the person reporting the suspicion needs to be assured that the matter is being properly addressed. Therefore, where possible, and subject to legal constraints (including Freedom of Information Act and Data Protection Act) feedback regarding the outcome of the investigation will be provided. Employees must also report other abuses which may be of concern including unethical behaviour, falsification of records, sexual discrimination or harassment, abuse of drugs or alcohol, bullying and non-compliance with Health and Safety.

Key Risk Areas

The following are key risk areas Alston Moor Federation will review as part of its Anti- Fraud Policy:

- Computer Fraud
- Grants
- Contracting and Contract Payments
- Traveling and Subsistence or specific expense claims
- Cash Handling & Cash Collection Procedures
- Assets
- Gifts and Hospitality
- Loans and Investments
- Creditor Payments
- Payroll

Monitoring Arrangements

This policy will be reviewed every 2 years by the Governing Board.

Version Control	
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