

St Joseph's College

FRAUD POLICY

Date of Latest Review:	November 2021
Next Review Date:	November 2022
Policy Available for Staff at:	Website
Policy Available for Parents at:	Main office
Headteacher:	Ms M Roberts

Fraud Policy

FRAUD POLICY

1. Introduction

St Joseph's College requires all Staff and Trustees to act honestly and with integrity at all times and to safeguard the public resources for which they are responsible. The Academy will not accept any level of fraud or corruption; consequently, any case will be thoroughly investigated and dealt with appropriately. The Academy is committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk.

2. What is Fraud?

2.1 No precise legal definition of fraud exists but many of the offences referred to as fraud are covered by the Theft Acts of 1968 and 1978. The term is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. It applies to all areas of the Academy's business and activities.

2.2 Fraud usually describes depriving someone of something by deceit. It might be straight theft, misuse of funds or other resources. It can also describe more complicated crimes like false accounting and the supply of false information. In legal terms all of these activities are theft.

2.3 Some useful definitions:

Theft - Dishonestly appropriating the property of another with the intention of permanently depriving them of it (Theft Act 1968). This may include the removal or misuse of funds, assets or cash.

False Accounting - Dishonestly destroying, defacing, concealing, or falsifying any account, record, or document required for any accounting purpose, with a view to personal gain for another, or with intent to cause loss to another or furnishing information which is or may be misleading, false or deceptive (Theft Act 1968).

Bribery and Corruption - The offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the authority, its members or officers (Prevention of Corrupt Practices Act 1889 and 1916).

Deception - Obtaining property or pecuniary advantage by deception (Sections 15 and 16 of the Theft Act 1968) and obtaining services or evading liability by deception (Sections 1 and 2 of the Theft Act 1978).

Collusion - The term "collusion" in the context of reporting fraud to the Treasury is used to cover any case, in which someone incites, instigates aids and abets, or attempts to commit any of the crimes listed above.

3. Procedure for Reporting Fraud

Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud discovered or reported in accordance with the Academy's Whistleblowing Procedure. All matters will be dealt with in confidence and in strict accordance with the terms of the Public Interest Disclosure Act 1998 (Appendix 1) which protects the legitimate personal interests of staff.

4. Responsibilities

4.1 The Academies Handbook is the Department for Education's financial guide for the governing bodies and managers of academies. Drawing on the overall financial requirements specified in Academy Funding Agreements, it provides detailed guidance on a wide range of financial management, funding and accounting issues.

4.2 The Academies Handbook sets out the overall governance framework for academies and describes the key systems and controls that should be in place. It describes the grants that the Department makes available and specifies the financial reporting/budget management arrangements that must be followed by academies to ensure accountability over the substantial amount of public funds that they control. It also discusses in detail the requirements for preparing an annual trustees report and accounts in order to comply with Company Law, Accounting Standards and Charity Commission expectations.

4.3 The Headteacher as the Accounting Officer is accountable for establishing and maintaining a sound system of internal control that supports the achievement of the Academy's policies, aims and objectives. The system of internal control is designed to respond to and manage the whole range of risks that the Academy faces. The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk will be seen in the context of the management of this wider range of risks.

4.4 The Academy Senior Leadership Team is responsible for;

- Developing a risk register as part of the risk management process and undertaking a regular review of the fraud risks associated with each of the categories in order to keep the risk register current;
- Establishing and maintaining an effective Fraud Policy and Fraud Response and Investigation Plan,
- Designing an effective control environment to prevent fraud
- Making sure that all staff are aware of the Academy's Fraud Policy and know what their responsibilities are in relation to combating fraud;
- Ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected;
- Reporting all fraud risk issues to the Accounting Officer and ESFA;

- External reporting in compliance with Company Law, Accounting Standards and Charity Commission expectations;
- Co-ordinating assurances about the effectiveness of Fraud policies to support the Statement of Internal Control;
- Liaising with the Resource Committee on issues of fraud prevention, detection, and management;
- Taking appropriate action to recover assets;
- Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

4.5 The Internal and the External Auditor are responsible for:

- Delivering an opinion to the Accounting Officer and Trust Board on the adequacy of arrangements for managing the risk of fraud and ensuring that the Academy promotes an Anti-Fraud culture;
- Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure/risk in the various segments of the Academy's operations;
- Ensuring that the Senior Leadership Team has reviewed its risk exposures and identified the possibility of fraud as a business risk;
- Assisting the Senior Leadership Team in conducting fraud investigations;
- Reporting to the Audit and Resource Committee on the efficiency of controls for the prevention, detection and management of fraud.

4.6 Every member of staff, PTFA and Trustee is responsible for:

- Acting with propriety in the use of official resources and the handling and use of public funds whether they are involved with cash or payments systems, receipts or dealing with suppliers or the Academy's decision-making bodies;
- Conducting themselves in accordance with the seven principles of public life set out in the first report on Standards in Public Life by the Nolan Committee. They are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

5. Fraud Response and Investigation Plan

The Academy has a Fraud Response and Investigation Plan that sets out how to report suspicions, how investigations will be conducted and concluded. This plan forms part of the Academy's Fraud Policy (Appendix 2).

THE PUBLIC INTEREST DISCLOSURE ACT 1998 - SUMMARY

This legislation aims to protect workers who make “qualifying disclosures” of malpractice in their organisation from victimisation as a result of making such a disclosure. It is automatically unfair to dismiss an employee or select him/her for redundancy because s/he made a disclosure, provided that the disclosure qualifies under the Act.

A “qualifying disclosure” must relate to any one or more of the following:

- a criminal offence;
- a failure to comply with any legal obligation;
- a miscarriage of justice;
- danger to health and safety of any individual;
- damage to the environment;
- an attempt to cover up any of these.

Any disclosure must be made in good faith and not for personal gain. The employee does not have to prove that malpractice has occurred, simply that s/he has a reasonable belief that it took place or was about to take place.

The Act directs workers to raise their concerns internally in the first place, wherever their employer has a procedure for doing so. In certain cases the Act also protects disclosure to “prescribed regulators” such as the Audit Commission.

The Act only protects wider disclosure (e.g. to the media, an MP etc) if:

- the employee reasonably believed they would be victimised if they had raised the matter internally or with a prescribed regulator;
- there was no prescribed regulator and they reasonably believed the evidence would be concealed;
- the concern had already been raised with the employer or prescribed regulator;
- the concern was exceptionally serious.

Fraud Response and Investigation Plan

1 Introduction

The purpose of this plan is to define the responsibilities for action in the event of a suspected fraud. Its focus is to:

- Establish responsibilities for investigating the incident and taking appropriate action
- Establish and secure evidence for disciplinary and/or criminal action
- Prevent further loss
- Recover losses
- Establish lines of communication with the police.

2. Procedure

2.1 Action of Employees and Trustees

2.1.1 If you become aware of a suspected fraud or irregularity, you should write down your concerns immediately. Make a note of all relevant details, such as what was said on the telephone or during other conversations, the date, the time and the names of anyone involved. Report the matter immediately to the Headteacher, or, if the fraud is relating to the Headteacher, then the report must go to the Chair of Trustees. Confidentiality is of paramount importance throughout the process, and procedures set out in the Whistleblowing Policy must be followed.

2.1.2 You must not do any of the following:

- Contact the suspected perpetrator in an effort to determine the facts and demand answers
- Discuss the case facts, suspicions or allegations with other members of staff
- Attempt to personally conduct an investigation of your own

2.3.3 If the Headteacher, after investigations, is confident of a suspected fraud having taken place, the Chair of Trustees will be notified and procedures set out in the Disciplinary Policy must be followed.

3. Recovery of Losses

The Resource Committee will assess the opportunity for recovering any losses, including taking legal action through the Courts, where appropriate. The Headteacher will be responsible for ensuring that any legal action is pursued.