

Overley Hall School

ANTI-FRAUD, BRIBERY AND CORRUPTION

POLICY AND STRATEGY



Overley Hall
School

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Overley Hall School

ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY

SECTION A: INTRODUCTION

Introduction

Fraud, bribery, corruption or other dishonesty adversely affect the school's reputation and put at risk its ability to achieve its policies and objectives by diverting the school's limited resources from the provision of education to its pupils

Overley Hall School will not, therefore, tolerate fraud, bribery or corruption in any area of school activity.

Definitions

Fraud

The Fraud Act 2006 came into force on 15th January 2007. The Act created a single offence of fraud and defined this in three classes:

- False representation.
- Failure to disclose information where there is a legal duty to do so.
- Abuse of position.

The Act also created four new offences of:

- Possession of articles for use in fraud.
- Making or supplying articles for use in fraud.
- Obtaining services dishonestly.
- Participating in fraudulent business.

The Chartered Institute of Public Finance and Accountancy (CIPFA)*¹ defines fraud as:

"the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain."

Fraud is different to theft, which is defined in the 1968 Theft Act as:

'A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it'.

Bribery

A bribe is:

"A financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity" [CIPFA].

There are various Bribery offences, including offering or accepting a bribe (Sections 1

¹ CIPFA is the professional accountancy organisation representing the public sector

and 2 of the Bribery Act 2010), bribing or attempting to bribe a foreign official (Section 6) and being a commercial organisation failing to prevent bribery (Section 7). While the Council is not a 'commercial organisation' for its normal activities, it is still considered appropriate for it to have regard to Guidance relating to the Bribery Act.

Corruption

Corruption is:

"The offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the body, its members or officers."

The term "fraud" is used throughout this document. For the purposes of the document the term also includes theft, bribery and corruption.

Purpose of this Document

The purpose of this document is to confirm the school's commitment to preventing and detecting fraud, bribery and corruption.

The Policy Statement identifies the school's overall stance relating to fraud and its expectations.

The Strategy describes the school's approach to minimising the risk of fraud. The key objectives of the Strategy are to enable the school to minimise risk and any losses it experiences through fraud, bribery and/or corruption and to embed the management of fraud risk within the culture of the organisation.

Scope of this Document

The Anti-Fraud, Bribery and Corruption Policy and Strategy document applies to Proprietors and Directors and all employees (full time, part time, temporary and casual) of the school.

Anti-Fraud, Bribery and Corruption Framework

The school's Anti-Fraud, Bribery and Corruption Policy and Strategy form part of the school's Anti-Fraud, Bribery and Corruption Framework. The framework, at **Appendix 1**, is a series of inter-related actions and procedures designed to prevent and detect fraud, bribery or corruption and to take robust action where it is suspected.

The school is committed to the continuous development of the Framework to ensure that it remains up to date and valid in the light of the dynamic risk environment in which the school operates.

The Policy, Strategy and Framework all form part of the school's wider governance arrangements that are designed to ensure the school conducts its business effectively and properly, including safeguarding its resources and effectively meeting its responsibility for the safe stewardship of Public money.

Responsibility for this Document

The Proprietor and Directors have overall responsibility for the maintenance and operation of this Policy and Strategy.

Review

The school maintains a continuous overview of its arrangements for managing the risk of fraud. A regular review of the Policy and Strategy is carried out and the documents are revised as appropriate to reflect any key changes and to incorporate current best practice.

In assessing the effectiveness of its arrangements, the school will consider the extent to which:

- key personnel are trained in detecting and investigating fraud,
- identified incidents are investigated,
- perpetrators are robustly dealt with,
- the school responds to identified weaknesses in its systems and controls,
- there is any trend in incidents experienced,
- perpetrators are prosecuted,
- Recovery of losses are sought.

Where to find more information

This document includes a diagram of the school's Anti-Fraud, Bribery and Corruption Framework (Appendix 1). The document specifically contains the school's Anti-Fraud, Bribery and Corruption Policy and Strategy, which is part of the Framework.

A full list of contacts can be found in **Appendix 2**.

SECTION B: ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY STATEMENT

Overley Hall School expects its Proprietor, Directors, employees and those acting as its agents to conduct themselves in accordance with the seven principles of public life defined by the Nolan Committee 1995. The seven principles are:

- **Honesty** - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest
- **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
- **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
- **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
- **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
- **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
- **Leadership** - Holders of public office should promote and support these principles by leadership and example.

The school requires Proprietors, Directors and employees at all levels to lead by example in adhering to legal requirements, financial rules, contract procedure rules, codes of conduct, and prescribed procedures and practices.

The school requires Proprietors, Directors, Head teacher and other senior staff to design and operate systems and procedures that will minimise losses due to fraud, bribery, corruption and other dishonest action.

The school expects Proprietors, Directors, Head teacher and employees to be alert to the possibility of fraud, bribery and corruption in all their dealings.

The school will provide clear routes by which concerns can be raised internally by both Proprietors, Directors, Head teacher and employees, and externally by other stakeholders and the public.

The school will not tolerate fraud. Employees found to be defrauding the school face dismissal under the disciplinary process. Employees and any other parties defrauding the school e.g. claimants or contractors will have their cases referred to the Police.

SECTION C: ANTI-FRAUD, BRIBERY AND CORRUPTION STRATEGY

1 Objectives of the Anti-Fraud, Bribery and Corruption Strategy

The Strategy describes the school's approach to minimising the risk of fraud. The key objectives of the Strategy are to enable the school to reduce the opportunity for fraud and to create a culture where fraud is unacceptable.

These objectives will be achieved by ongoing revision and implementation of an action plan based upon guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Audit Commission.

2 How the school manages the risk of fraud, bribery and corruption

The way in which the school manages the risk of fraud, bribery and corruption is shown diagrammatically in the Anti-Fraud, Bribery and Corruption Framework, which can be seen in Appendix 1.

Key components of the Framework are:

Roles and Responsibilities (Leadership and Management)

The responsibility for anti-fraud arrangements is widely dispersed. The Proprietors has to give clear support to the school's arrangements. The schools' Head teacher must provide strong leadership by advocating the school's arrangements and supporting strong action when these are ignored.

The Proprietor is responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the school's interests are safeguarded, including its reputation. Risk is managed through the existence and application of appropriate policies and procedures.

Other parties have a range of responsibilities and actions to carry out. A full list of respective responsibilities can be found in **Appendix 3**.

Policy and Strategy

This document contains and explains the school's Policy and Strategy.

Procedures / deterring fraud

The wide range of procedures in place to minimise the risk of fraud constitute a major part of the school's system of Internal Control, which is designed to ensure the school conducts its business properly and effectively and completes its transactions fully, accurately and properly.

The school aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with the Head teacher. Support is given by the Bursar, Payroll and Purchase Ledger Administrator, monthly checks by Nth Degree Consulting, annually accounts are prepared by Phillips Accountancy, which provides an independent appraisal of the integrity of all internal control systems.

Key Procedures and Controls

The following key procedures and controls operate within the school:-

- a. The school has an effective Anti-Fraud, Bribery and Corruption Policy and Strategy, and maintains a culture that will not tolerate fraud, bribery or corruption
- b. Proprietors, Directors and employees comply with respective Codes of Conduct
- c. A Register of Interests is maintained to enable the Proprietor and employees to record any financial or non-financial interests that may bring about conflict with the school's interests
- d. A Register of Gifts and Hospitality is maintained to enable Governors and employees to record gifts either received, or offered and declined, from the school's contractors and suppliers
- e. Confidential Reporting (Whistle blowing) procedures are in place and operate effectively
- f. Suitable and enforced financial and contract procedure rules are in place
- g. There are robust recruitment and selection procedures
- h. There are clear and active disciplinary arrangements
- i. Sanctions are pursued against those who commit fraud, bribery and corruption through an agreed prosecutions and civil recovery policy.

The school is fully committed to ensuring that the examples of best practice indicated above are an integral part of its operations.

Deterring fraud

The school uses a number of ways to deter potential fraudsters from committing or attempting fraudulent or corrupt acts (including bribery) whether they are inside and / or outside of the school, including:-

- Publicising at every opportunity the school's determination to prevent and detect fraud, bribery and corruption e.g. clause in contracts,
- Acting robustly and decisively when fraud, bribery and corruption are suspected and proven – e.g., the termination of contracts, dismissal, prosecution etc.
- Taking action to recover any losses through fraud – e.g. through agreement, Court action, penalties, insurance etc.
- Having sound internal control systems, which allow for innovation while limiting opportunities for fraud, bribery and corruption.

Detection and Investigation

It is the responsibility of Proprietors, Head teacher and employees to prevent and help detect fraud, bribery and corruption. In high risk areas, the Proprietor and Head teacher will specifically apply controls aimed at preventing and detecting frauds.

It is often the alertness of employees and the Public that enables frauds to be detected:

DO:

- ✓ Make an immediate note of all relevant details. Include date and time of the event, record of conversations (including telephone), names of persons present (or description if the name is not known), vehicle details where appropriate e.g. type, colour, registration etc.
- ✓ Report your suspicions as rapidly as possible together with the relevant details to

an appropriate level of authority and experience. This can either be your line manager, the Internal Audit Service. All reported suspicions will be dealt with sensitively and confidentially.

DO NOT:

- × Confront or accuse anyone directly.
- × Try to investigate the matter yourself.
- × Discuss your suspicions with anyone else than the appropriate level of authority.
- × Be afraid to report a matter on the basis that your suspicions may be groundless; all reports will be treated on the basis that they are made in good faith.

Reporting and Monitoring

The Head Teacher and the Bursar have a duty to inform the Proprietor and Directors of any potential fraud, bribes, corruption or other suspected irregularities.

The Headteacher will ensure that a log is maintained of all reported incidents at the school.

A decision will then be made as to who is best placed to investigate any concerns raised. The investigating officer also has the responsibility to report all findings to the Proprietor and Directors.

Details of all reported frauds, bribery, corruption and other irregularities throughout the Company are to be recorded by the Investigating Officer.

3 Training

The school recognises that the success of its Anti-Fraud, Bribery and Corruption Strategy and its general credibility depends significantly on the effectiveness of training, communication, and the responsiveness of employees throughout the school. The school provides suitable induction and training programmes that ensure Proprietor and staff are kept up to date on the school's arrangements for managing the risk of fraud. These training programmes also ensure casual, temporary and agency staff are aware of the high standards of probity required by the school.

The investigation of small scale fraud, bribery and corruption rests on a day to day basis with the Head teacher, and may include support from Internal Audit.

4 Audit

Internal Audit is a key element of the school's internal control system.

Internal Audit carries out a risk based series of audits designed to assess the school's identification and management of fraud risks. The service is also heavily involved in investigations into any irregularities.

5 Working with others to prevent and fight fraud

The Company exchanges information with other local and national agencies in order to identify and prevent fraud. Any employee found to be perpetrating fraud on another local or national agency is liable to face disciplinary action where this has implications for the School's trust and confidence in the employee. With the rapid increase in frauds

committed against multiple organisations, the necessity for liaison with other organisations is important. Consequently, the School works with other bodies to prevent and detect fraud, bribery and corruption. Other bodies include:

- The Police
- The National Fraud Authority
- National Anti - Fraud Network
- The Council's External Auditor; KPMG
- The Student Loans Company
- The Department for Works and Pensions
- HM Revenues and Customs
- Other Public and Investigatory Bodies.

The school expects that the individuals and organisations with which it deals (e.g. partners, suppliers, contractors, and service providers) will act with integrity and without thought or actions involving fraud, bribery and corruption. Where relevant, the school will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and will normally lead to prosecution.

6 Culture

The importance of a positive culture towards anti-fraud, bribery and corruption cannot be overstated. The effectiveness of the school's arrangements can be undermined by a culture that does not apply the public standards and supporting policies and procedures routinely on a day to day basis. Maintaining appropriate arrangements, continually advocating them and taking robust action where they are not applied all help to build the right underpinning culture.

The school will continue to assess the culture and ensure its actions to promote its arrangements provide a positive influence on the culture.

7 Raising Concerns

In accordance with the school's Whistleblowing Policy, anyone with any concerns about the school's activities should normally raise concerns through their immediate manager or senior management. However, it is recognised that this may not be possible or in the school's best interests in certain circumstances. In these cases, contact should be made to the Proprietor, Directors, Head Teacher and Senior Leadership team.

All concerns, reported by whatever method, will be treated in confidence and will be reviewed and investigated by the person deemed to be appropriate and best placed to do so. This may mean that, depending on the level, type and details of the concerns you raise, that your concerns are investigated by the school, Internal Audit Staff or in the case of very serious concerns, the External Auditor or the Police.

8 Referrals to the Police

Any referrals to the Police should be made only by or after consultation with the Proprietor, Directors, Head Teacher and Bursar. In accordance with this Strategy, any matters should be first raised with (one of) these officers prior to any referral to the Police.

8 Sanctions and Redress

After any investigation, sanctions should be applied where fraud has been found to have been committed. The school will pursue criminal and civil action in a robust, consistent and proportionate manner. The school will pursue a range of options, as appropriate to each case, including:

- Recovery of pension contributions from employees who are members of the Pension Fund.
- Recovery from assets owned by an employee or third party found guilty of committing fraud.
- Filing for Bankruptcy where an individual has a poor history of paying.
- Recovery from any current salaries or by way of 'attachment of earnings'.

Overley Hall School

ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY

APPENDIX 1: ANTI-FRAUD, BRIBERY AND CORRUPTION FRAMEWORK



**Overley Hall School
ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY**

APPENDIX 2: CONTACT INFORMATION

**Proprietor
Mrs Anita Brown
anitabrown@overleyhall.com
Tel: 01952 740262**

**Company Secretary
Ms. Emma Brown
emmabrown@overleyhall.com
Tel: 01952 740262**

**Director
Ms. Rebecca Brown
rebeccabrown@overleyhall.com
01952 740262 (Ext 212)**

**Managing Director
Mrs Lynn Thompson
lynnthompson@overleyhall.com
Tel: 01952 740262 (Ext 0)**

**Headteacher
Mrs Bev Doran
bevdoran@overleyhall.com
Tel: 01952 740262 (Ext 6)**

**Payroll and Purchase Ledger Administrator
Ms. Helen Edwards
helenedwards@overleyhall.com
Tel: 01952 740262 (Ext 211)**

**Whistleblowing / Monitoring officer
Mrs Bev Doran
bevdoran@overleyhall.com
Tel: 01952 740262 (Ext 6)**

**External Auditor
Mr. David Nolan – Nth Degree Consulting Ltd**

Tel: 07791 916025
david.nolan@nthdegreeconsulting.co.uk

Phillips Ltd
Mr. N. Phillips - Accountant
Tel: 01952 522000
Neil@Phillips.biz

Barclays Bank
Ms. Rachel Davies – Barclays Business Manager
Tel: 07775 548257
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Croner Consulting Ltd
Julie Skeet – Key Account Manager
Phone: 0844 561 8107
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Website:croner.co.uk
Julie.Skeet@Croner.co.uk

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ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY

APPENDIX 3: RESPONSIBILITIES

Roles and Responsibilities

The Proprietor – will:-

- ✓ be responsible for the overall management arrangements of the school
- ✓ promote an organisational culture that accords with the Nolan Committee's 7 principles of public life
- ✓ ensure controls are put in place that minimise the risk of fraud
- ✓ develop and maintain an Anti-Fraud, Bribery and Corruption Policy.
- ✓ Promote and maintain high standards of conduct.

The Headteacher - will:-

- ✓ maintain adequate and effective internal control arrangements
- ✓ ensure that all suspected financial irregularities are reported to the Head of Internal Audit
- ✓ advise the Police where sufficient evidence exists to believe that a criminal offence may have been committed.

Senior Staff - will:-

- ✓ ensure that all suspected financial irregularities or financial impropriety brought to their attention are reported to the Headteacher and/or the Head of Internal Audit
- ✓ instigate the school's disciplinary procedures where the outcome of an investigation indicates improper behaviour.
- ✓ Implement and maintain effective control systems designed to prevent and detect fraud within their responsibility
- ✓ ensure all their staff are adequately trained on procedures and controls to be complied with
- ✓ ensure proper procedures are being followed
- ✓ follow prescribed recruitment procedures aimed at recruiting high quality and honest staff.

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- ✓ advise on legal proceedings where there have been legal breaches
- ✓ advise on the recovery of assets and losses in appropriate cases.

The Bursar - will -

- ✓ develop vetting and barring procedures which are intended to deliver high quality personnel with suitable levels of integrity into the school's employment
- ✓ provide advice to employees wishing to raise concerns
- ✓ advise departmental managers required to make decisions with regards to suspension and disciplinary proceedings.

The Head Teacher and Bursar - will:-

- ✓ support managers in preventing and detecting fraud, bribery and corruption
- ✓ provide assurance on the appropriateness and effectiveness of systems and procedures.
- ✓ investigate serious suspected financial irregularity and will liaise with managers

- ✓ to recommend changes in procedures to prevent further losses to the authority.
- ✓ consult with the Police or refer an investigation to them, as appropriate.

The External Auditors- will:-

- ✓ carry out specific reviews that are designed to test (amongst other things) the adequacy of the company's internal financial and other controls and arrangements for preventing and detecting fraud and irregularity
- ✓ review the Company's accounts to ensure they are free from significant fraud.

Employees - will:-

- ✓ uphold a positive anti-fraud, bribery and corruption culture
- ✓ always be alert to the possibility of theft, fraud and corruption occurring in the workplace and be aware of the mechanisms available for reporting such issues to management within the Company.
- ✓ comply with the Company's Code of Conduct together with any additional code relating to their professional qualifications.
- ✓ declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the school
- ✓ make annual declarations of interest to enable the Headteacher to effectively manage situations where a conflict of interest may occur.

Payroll and Purchase Ledger Administrator - will:-

- ✓ carry out all benefit fraud investigations in accordance with relevant legislation and regulation.