



## Anti-Fraud, Gifting and Expenses Policy

**Approved by:** FGB

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## **Introduction**

The School is committed to establishing and maintaining effective arrangements to prevent fraud and corruption. The School does not tolerate any level of fraud or corruption and consequently any cases will be investigated and dealt with appropriately. The School also recognises, however, that fraud and corruption cannot always be prevented and so effective arrangements have been established to detect and investigate incidents or situations where fraud and corruption is suspected.

Everyone involved with the School has a responsibility in respect of preventing and detecting fraud and the School expects all employees to act with honesty and integrity. The School also recognises the role of others in alerting them to areas where there is suspicion of fraud.

This policy defines the expected conduct of all relevant parties engaged at the School in relation to deterring and/or detecting fraud and corruption, and who to report it to.

It also includes clear guidelines on what is acceptable in terms of gifts and hospitality and how these matters are declared.

## **Aims & Scope of Policy**

This policy aims to:

- Provide a comprehensive definition of what actions constitute fraud so that all relevant parties have a clear understanding of what behavior is and is not acceptable;
- Define the responsibilities of all relevant parties involved with the School for the prevention and detection of fraud;
- Provide clear guidelines on what action should be taken if fraud is suspected;
- Provide guidance on the acceptance of gifts and hospitality.

This policy applies to all persons connected with the School ('Relevant Parties') as follows:

- Staff (including agency staff)
- Contractors and Consultants
- Governors and Associate Governors
- Suppliers
- Partners
- Volunteers

## Definitions

### Fraud

Fraud is defined as wrongful or criminal deception intended to result in financial or personal gain.

This includes but is not limited to theft, embezzlement, forgery, corruption, extortion, misappropriation, false representation, concealment of material facts and collusion, supply of false information, false accounting.

The Fraud Act 2006 states there are three broad headings under which Fraud can be committed:

1. Fraud by false representation
2. Fraud by failing to disclose information
3. Fraud by abuse of position

### Other useful definitions:

- **Bribery and Corruption** - The offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by the authority, its members or officers. The Bribery Act 2010 states that there are four broad bribery offences:
  - Offering, promising or giving of a bribe (active bribery)
  - Requesting, agreeing to receive or accepting of a bribe (passive bribery)
  - Failure to prevent bribery on behalf of a commercial organisation
  - bribery of a foreign public official in order to obtain or retain business or an advantage in the conduct of business
- **Theft** - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession;
- **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.

Below is a list of fraudulent activities that could occur within a School, although the list is not exhaustive it aims to provide guidance on what staff should look out for:

- non-receipt of income;
- theft of cash or other School assets;
- travelling and subsistence claims for non-existent journeys/events;
- travelling and subsistence claims inflated;

- manipulating documentation to increase salaries/wages received, e.g. false overtime claims;
- payment of invoices for goods received by an individual rather than the School;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the School;
- unauthorised borrowing of equipment;
- breaches of confidentiality regarding information;
- failure to declare a direct pecuniary or otherwise conflicting interest;
- concealing a generous gift or reward;
- unfairly influencing the award of a contract;
- creation of false documents;
- deception;
- using position for personal reward.

If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the Business Manager.

## **Roles and Responsibilities**

### **The Governors**

The Governors are responsible for ensuring that an adequate system of internal control exists and that controls operate effectively.

### **Internal Audit**

Every School must have in place a process for independent checking of financial controls, systems, transactions and risks.

The School engages an Internal Audit service in order to manage the programme of risk review and checking of financial controls.

### **The Headteacher**

The Headteacher as Accounting Officer is responsible for maintaining a sound system of internal control that supports the achievement of school policies, aims and objectives.

### **Business Manager**

The Business Manager has responsibility for ensuring that effective systems of internal controls are maintained and safeguarding the resources of the School.

In respect of fraud it is therefore the responsibility of the Business Manager to ensure internal controls prevent and detect any frauds promptly. This includes:

- Proper procedures and financial systems;
- Effective management of financial records;
- Management of the School's financial position;
- Ensuring vigorous and prompt investigations are carried out if fraud occurs or is suspected.

### **All employees**

All employees have a responsibility to:

- act within the Financial Regulations of the School;
- adhere to School policies and procedures;
- Promptly report through the appropriate channel any actual or suspected fraud, or other suspicious events.

### **Reporting a Suspected Fraud**

All allegations of suspected fraud and irregularities are to be brought to the attention of the Business Manager, unless this individual is involved in the irregularity in which case the Headteacher should be informed. If the Headteacher is involved, then the Chair of Governors should be informed.

The Business Manager / Headteacher / Chair of Governors will then be responsible for taking appropriate action. This will depend upon the nature of the suspected fraud, but will include:

- Initial assessment of the allegation to assess whether a full investigation is necessary;
- If necessary, a full, thorough investigation should be undertaken including interviews with parties involved and documentation of all findings. The person conducting the investigation must be independent of the allegation;
- Involvement of third parties should the fraudulent activity be found to have occurred.  
This includes:
  - Reporting to Governing Board;
  - Reporting to the DfE where necessary. All instances of fraud exceeding £5,000 individually or cumulatively in any financial year must be reported to the DfE
  - Liaison with School HR advisory service to ensure correct procedure is followed in order to take appropriate action if perpetrator is an employee;

- Reporting to the police where necessary. This will depend on the value and seriousness of the fraudulent activity. Even if a decision not to report to the police is taken by the School Governing Board, the DfE has the right to report the fraud to the police.

Further relevant information is provided in the School Whistleblowing Policy, including the protections afforded to the person reporting the fraudulent activity in line with the Public Interest Disclosures Act 1998.

Related policies and legislation:

- The Bribery Act 2010
- The Fraud Act 2006
- Public Interest Disclosure Act 1998
- Whistleblowing policy

## **Gifts and Hospitality**

Any gifts, rewards and benefits that are disproportionately generous or that could be seen as an inducement to affect a business decision should be declared.

The acceptance of gifts and hospitality is a sensitive area where actions can easily be misconstrued.

Much of what is acceptable practice in the private sector is not acceptable in public sector employment. Unlike private industry, actions of employees are open to public scrutiny. Therefore, employees' actions should be such that they would not be embarrassed to explain them to anyone.

These guidelines will help you to judge what sort of gift, and what level of hospitality is acceptable.

The following general rules apply and must guide decisions on receipt of gifts and hospitality as an employee of the School:

- To accept gifts should be the exception. You may accept small, 'thank you' gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £30 in value. You should notify the Business Manager of any gift or hospitality over this value for entry in the Gifts and Hospitality Register.

- Always say no if you think the giver has an ulterior motive. Be sensitive to the possibility that the giver may think that even small gifts or simple hospitality will elicit a more prompt service or preferential treatment.
- Never accept a gift or hospitality from anyone who is, or may be in the foreseeable future, tendering for any contract with the School, seeking employment with the School or is in dispute with the School, even if you are not directly involved in that service area.
- Where items purchased for the School include a 'free gift', such a gift should either be used for School business or handed to the Business Manager to be used for charity raffles or within the school if appropriate.
- If you are in doubt about the acceptability of any gift or offer of hospitality it is your responsibility to consult the Headteacher or Business Manager.

A gauge of what is acceptable in terms of hospitality is whether this School would offer a similar level of hospitality in similar circumstances.

Occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business provided they are not to an unreasonable level or cost.

Invitations to corporate hospitality events must each be judged on their merit. Provided the general rules have been taken into account, it may be acceptable to join other company/organisation guests at:

- sponsored cultural and sporting events, or other public performances, as a representative of the School;
- special events or celebrations.

However, always take into consideration what public perception is likely to be if they knew you were attending.

Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited employee. In all such cases, your Curriculum Leader must be consulted.

Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.

If you are visiting a company to view equipment that the School is considering buying, you should ensure that expenses of the trip are paid by the School. Acceptance of refreshments and/or



a working lunch may be acceptable, but care must be taken to ensure that the School's purchasing and/or tender procedures are not compromised.

Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to your work are acceptable.

Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent the School must be agreed in advance with the Headteacher. Where your spouse or partner is included in the invitation, and approval has been given for you to attend, it will be acceptable for your spouse or partner to attend as well, but if expenses are incurred, these will be met personally.

Any invitation you accept should be made to you in your professional/working capacity as a representative of the School.

### **Expenses**

Staff may claim reimbursement for mileage incurred whilst carrying out school business e.g. attending external meetings or training etc. There must be supporting documents required as evidence e.g. receipts. Payment for mileage will be paid at the rate in line with HM Revenue and Customs and through Manchester City Council payroll.

The submission of false claims will be treated as a fraud and will lead to disciplinary action.