
Queen Elizabeth's School ANTI-FRAUD POLICY

Introduction and principles

The School aspires to the highest standards of professional integrity and probity, recognising that it serves its community in a position of trust. The School works to ensure that its financial resources are used efficiently and effectively for the benefit of pupils and to meet its defined objectives. Governors and staff are committed to the success of the School and must not misuse their positions for personal gain.

The School's leadership personnel are committed to the Nolan principles of public life:

- **Selflessness:** Holders of public office should act solely in terms of the public interest.
- **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
- **Honesty:** Holders of public office should be truthful.
- **Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Queen Elizabeth's School is, therefore, committed to the prevention of fraud and the promotion of an anti-fraud culture.

The School operates a zero-tolerance attitude to fraud and requires all staff, governors and volunteers to act honestly and with integrity at all times, and to report all reasonable suspicions of fraud.

The School will be alert to the risks of potential fraud, including from external scams and cyber-crime and take mitigating measures.

The School will investigate all instances of actual, attempted or suspected fraud and will seek to recover any losses and pursue appropriate sanctions against the perpetrators. This may include criminal prosecution, disciplinary action, legal proceedings and professional sanctions.

This policy relates to all staff, governance personnel, contractors and volunteers.

Definition of fraud

Fraud is deception carried out in order to gain an unfair advantage or to disadvantage another.

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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** - made dishonestly, and with the intention of making a gain or causing a loss or risk of loss to another. A representation is defined as false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading. Representation can be communicated by written, spoken or electronic means.
- **Failure to disclose information where there is a legal duty to do so** – where the person acts dishonestly and intends to make a gain for themselves, cause a loss to another or expose another to a risk of loss.
- **Abuse of position** – where a person who is in a privileged position acts dishonestly by abusing the position held; and by doing so, fails to disclose to another person, information which they are legally required to disclose. The dishonest act must be with the intention of making a gain for themselves or another. Alternatively, it may be with the intention of causing a loss or risk of loss to another. The offence may be committed by omitting to make a declaration as well as by an act.

Whilst the term 'fraud' is used throughout this document, for the purposes of this policy the term also includes theft, bribery and corruption.

- **Theft** - dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.
- **Bribery** - 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.
- **Corruption** - the offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the organisation, its staff or governors.

In addition to these criminal offences, there may be cases of irregularities – being issues which do not meet the criminal threshold, but which may still be detrimental to the School. Examples might include the cover-up of an unintentional error, or the inappropriate use of funds.

Examples of fraud

Examples of internal fraud (encompassing theft, bribery and corruption) in the context of the School could include (but are in no way limited to):

- Submitting false expenses claims;
- Using School credit cards for personal purchases;
- Failing to disclose a personal business interest and awarding that company a large contract;
- Misrepresenting professional qualifications during the recruitment process;
- Appointing a close friend or family member to a post, without declaring the interest;
- Receiving a payment or reward for appointing a contractor, or accepting a bribe to treat a candidate favourably in the admissions process;
- Providing a gift or payment to secure a favourable outcome in a process.

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It should be noted that fraud can also be attempted by those outside of the organisation. Illustrative examples could include:

- False invoices, sent for work not commissioned or undertaken;
- Impersonation of School staff or governors by scammers, seeking to prompt a member of staff to make a payment;
- Impersonation of banks, or other external bodies, seeking to trick staff into making payments or sharing data such as passwords or PIN numbers that could then be used to execute fraud;
- Phishing attacks designed to get someone to click a dangerous link resulting in ransomware;
- Data theft through hacking;
- Pitching for contracts with false information, or failing to deliver services after payment.

Fraud can be very varied and highly sophisticated and inventive. It is therefore crucial that staff, governors and volunteers remain alert and risk-aware, being sceptical of any requests for payment or information unless the veracity of that request can be satisfactorily confirmed.

If a person is unsure about a request, invoice or electronic communication, or has a concern that it may be fraudulent, they should not proceed and inform their manager, or a senior member of staff, immediately.

Reporting and investigating fraud

Prompt and detailed investigations will be carried out into all cases of actual or suspected fraud, discovered or reported.

A person who discovers or suspects that a fraud may have occurred, or is in the process of occurring, must report this immediately. The individual should report their concerns to a senior member of staff (such as the Headmaster or Deputy Head Operations), providing as much evidential detail as they are aware of at that time.

If the concern relates to the Headmaster, the matter should be raised with the Chairman of Governors.

The person must not:

- Attempt to personally conduct an investigation;
- Contact the suspected individual in order to challenge them or demand answers;
- Discuss the case, facts, suspicions or allegations with any third parties, other than those formally investigating the situation.

Staff may use the provisions of the School's Whistleblowing Policy and should understand that there will be no negative consequences to them for raising a concern. All matters will be dealt with in confidence and the School will take reasonable all steps to protect those raising concerns, or witnesses, from reprisals, victimisation and harassment.

A claim proven to be malicious may, however, be dealt with under separate disciplinary policies.

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Staff or governors accused of engaging in fraudulent activity will be treated fairly and with due process. Staff will be treated in line with the Staff Disciplinary Procedure. A proven case of fraud (including theft, bribery or corruption) may not only be a criminal matter, but would breach terms of employment and/or the Code of Conduct for Staff and Governors and the person would be liable to disciplinary action, including dismissal (staff) or removal from post (governor).

At the outset of an investigation, actions will be taken as required to prevent further losses and to prevent the destruction of evidence. This may include such steps as contacting the School's banks, cancelling credit cards, seizing documents or IT equipment, and restricting further access for the person against whom an allegation has been raised. Where the suspected fraud may result in a data breach, the provisions of the Data Protection Policy will also inform the response.

Suspected cases of fraud will be reported to the Finance, Audit & Risk Committee of the Governing Body at the point of investigation. As well as being kept informed of the investigation and subsequent action, the committee will in due course give consideration to whether further measures to manage the risk of fraud are required.

The School will also disclose cases of fraud with its auditors as part of the audit process. The auditors may be engaged to support with the investigation.

In line with the Academies Financial Handbook, the School will notify the ESFA of any instances of fraud, theft or irregularity exceeding £5,000 individually, or £5,000 cumulatively in a financial year. Any systematic fraud (e.g. regular occurrences of low value theft), regardless of value, must also be reported.

Roles and responsibilities in mitigating the risk of fraud

In order to promote an anti-fraud culture, raise awareness and mitigate against the risks of fraud, the following should always conduct themselves in line with the following roles and responsibilities.

The Governing Body

- Establishes the culture of honesty and probity at the School, leading by example through the highest standards of conduct;
- Institutes, reviews and updates School policies which guide conduct and mitigate against the risk of fraud;
- Subscribes to the Nolan principles of conduct in public life;
- Scrutinises the School's financial accounts and hold executive leaders to account;
- Establishes external audit arrangements and co-operate fully with audit processes;
- Conducts induction programmes which introduce governors to their roles, responsibilities and the limits of their powers;
- Governors are subject to checks upon their suitability to hold office, such as Section 128 checks (to see if a person is banned from being involved in the management of a school);
- Individual governors act in accordance with the Code of Conduct for Staff and Governors;

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- Governors submit a signed declaration of their business interests at least annually (including directorships, trusteeships, governorships, relevant shareholdings), giving notification of updates promptly in the intervening period, for inclusion in the register of interests;
- Governors declare their interest in items of business for minuting where this arises and may decide to withdraw from related decisions;
- Governors follow the provisions of the Code of Conduct with respect to conflicts of interest which may arise in the course of recruitment or contract tendering processes;
- Governors report any gifts or hospitality offered to them by third parties in their role and declare whether this was accepted or not, as per the provisions of the Code of Conduct;
- May be represented in large-scale tender processes to provide assurance and oversight;
- Maintains oversight of risk management procedures;
- Receives reports of fraudulent activity and monitors the progress and outcomes of investigations.

The Headmaster

- Serves as Accounting Officer - accountable for establishing and maintaining a sound system of internal control that supports the achievement of the School's policies, aims and objectives;
- Manages the implementation of the suite of School policies and procedures;
- With the support of senior colleagues, establishes internal control measures which mitigate the risks of fraud and monitors their effectiveness;
- Ensures that all staff are aware of the Anti-Fraud Policy and Code of Conduct;
- Ensures suitable induction and training materials so that staff are aware of the School's culture and procedures;
- Oversees safer recruitment, ensuring that the necessary checks have been performed on staff and volunteers (including DBS checks, right to work, and verification of qualifications);
- Leads investigations into suspected cases of fraud, or appoints a suitably competent person to do so;
- Takes appropriate action to minimise or recover losses, and to facilitate an effective investigation;
- Liaises with governors on matters of fraud prevention, detection, and management;
- Should a fraud occur, ensures appropriate action is taken to minimise the risk of similar such fraud from occurring in future;
- Along with senior staff, completes a business declaration for inclusion in the register of interests and is bound fully by the Code of Conduct and other policies.

Budget Holders and managers

- Ensure that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively, gaining support from senior leadership where needed;
- Make an annual declaration and participate in internal procedures designed to verify their authorisation for payments and purchase orders;
- Prevent and detect fraud through the application of these processes;
- Assess the types of risk involved in the operations for which they are responsible;

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- Regularly review and test the control systems for which they are responsible;
- Ensure that controls are being complied with and their systems continue to operate effectively;
- Undertake training courses (such as Fraud Awareness/Prevention and Cyber-Security) as required;
- Implement new controls to reduce the risk of similar fraud occurring where frauds have taken place.

All members of staff

- Act 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 School's decision-making bodies;
- Conduct themselves in accordance with the Nolan principles;
- Familiarise themselves with and adhere to School policies;
- Declare any gifts or hospitality offered (beyond the usual infrequent small gifts that one may receive at Christmas or the end of the year), as per the provisions of the Code of Conduct;
- Declare each year any involvement they have with examination boards, in case this should present a conflict of interest;
- Follow the provisions of the Code of Conduct with respect to conflicts of interest which may arise in the course of recruitment or contract tendering processes;
- Undertake, within an agreed timescale, any training courses required of them;
- Remain alert to the possibility that unusual events or transactions could be indicators of fraud;
- Take a cautious and sceptical approach to unexpected or unsolicited emails;
- Maintain good online security, following the provisions of the School's ICT Policy;
- Report details immediately through the appropriate channel if they suspect that a fraud has been committed;
- Immediately report to IT Helpdesk and senior staff if they have knowingly, or inadvertently, clicked a link that they fear to be malicious and may compromise system security;
- Cooperate fully with the conduct of internal checks, reviews or fraud investigations;
- Support audit processes as required.

The external auditor

- Delivers an opinion to the Accounting Officer on the adequacy of arrangements for managing the risk of fraud;
- Ensures that the School has reviewed its risk exposures and identified the possibility of fraud as a business risk;
- May assist the School in conducting any fraud investigations, as required or requested;
- Reports to the school's Finance, Audit & Risk Committee on the efficiency of controls for the prevention, detection and management of fraud;
- Ensures the School is compliant with its statutory obligations with respect to its accounting and reporting.

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*LINKED
POLICIES*

- Code of Conduct for Staff and Governors
 - Data Protection Policy
 - Financial Procedures
 - Information and Communication Technology Policy
 - Pupil Discipline Policy
 - Risk Management Policy
 - Safeguarding Policy
 - Whistleblowing Policy
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Approved by the Governing Body on 25 February 2021

Signed

B.R. Martin, Chairman of the Governing Body