



Wigan Council

Hindley Nursery School

Anti-Fraud, Bribery and Corruption Policy

Introduction

Hindley Nursery School, in conjunction with Wigan Council, is determined to maintain its reputation as a school and Authority which will not tolerate fraud, bribery, corruption or abuse of position for personal gain, wherever it may be found in any area of the school and council activity.

The purpose of this policy is to set out for staff, parents, visitors, volunteers and stakeholders of Hindley Nursery School the main principles for countering fraud, bribery and corruption. The policy supports the council's and schools values of openness, honesty and performing to the highest standards.

The Policy includes:

- The scope;
- The culture and the stance against fraud and corruption;
- How to raise concerns and report financial malpractice;
- The principle of having an anti-fraud, bribery and corruption strategy;
- The responsible officer.

Senior managers, staff, parents and stakeholders, should play a key role in counter-fraud initiatives. This includes providing a corporate framework within which counter-fraud arrangements will flourish, and the promotion of an anti-fraud culture across the whole of the school, centre and council. This should provide a sound defence against internal and external abuse of public funds.

This policy also reflects the principles of the Nolan Committee.

Parts of the External Auditor's statutory duties are to ensure that the council has in place adequate arrangements for the prevention and detection of fraud and corruption.

Definition of Fraud, Bribery and Corruption

The Chartered Institute of Public Finance and Accountancy (CIPFA) 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."*

The Fraud Act 2006 further defines fraud in three classes

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

CIPFA defines Corruption as the “*offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person.*”

The Theft Act 168 defines theft 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.”

CIPFA defines Bribery as “*an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.*”

Scope

The Policy applies to staff, parents, visitors, volunteers and stakeholders of Hindley Nursery School and all officers who work for the council.

With regard to others who provide services for the nursery and council, the Nolan Committee reiterated a fundamental principle in its report on the ‘Standards of Conduct in Local Government’ 1997, which was :-

“Where a citizen receives a service which is paid for wholly or in part by the taxpayer, then the government or local authority must retain appropriate responsibility for safeguarding the interests of both the user and taxpayer regardless of the status of the service provider.”

Therefore, the school and council expect that individuals and organisations that it deals with will act with integrity and without thought or actions involving fraud, bribery and corruption.

This Anti-Fraud, Bribery and Corruption Policy is based on the Wigan Council Policy Statement and is reviewed and presented to the schools Governing Body annually.

Culture and Stance Against Fraud and Corruption

Responsibility for an anti-fraud culture is the joint duty of all those involved in giving political direction, determining policy and management. The strategy should be directed against fraud and corruption whether it is attempted against the school and council from outside or from within its own workforce.

The school expects that senior managers, governors and staff will lead by example in ensuring adherence to legal requirements, contracts procedure rules, financial procedure rules, codes of conduct and best practice.

Senior Management is expected to deal swiftly and firmly with those who defraud the school and council or who are corrupt. They will be robust in dealing with financial malpractice.

The council also has in place two committees whose monitoring roles are relevant, and include independent members who are neither Councillors nor Officers:

- The Standards Committee, which sets and monitors standards of conduct;
- The Audit, Governance and Improvement Review Committee, which ensures that adequate arrangements are established and operating to deal with situations of suspected or actual wrongdoing, fraud and corruption.

As a school, we are monitored by the council Internal Audit department and abide by the Schools Financial Value Standards, and Scheme for Financing Schools.

Raising Concerns

Although this document specifically refers to fraud and corruption, it equally applies to any forms of malpractice that can reduce public confidence in the school and council and its services, and may also include acts committed outside its official duties but which impact upon the school and centres trust in the individual concerned.

Examples may include the criminal acts of theft of 'property', which includes all assets and cash; false accounting; obtaining by deception; pecuniary advantage by deception; computer abuse and computer crime. Also, it includes bribery and corruption. Staff and stakeholders can be exposed to a number of 'pressures' from contractors, landlords, the public etc, to act in a particular way in a particular case; this may involve 'favouritism' regarding the access to all kinds of services and benefits (eg grants, awards, benefits, council housing, or gaining contracts, planning permission etc).

Staff and stakeholders are an important element in the school and centres stance on fraud, bribery and corruption, and they are positively encouraged and expected to raise any concerns that they may have on these issues where they are associated with the school and council activity.

Staff and stakeholders should normally raise their concerns to a member of the senior leadership team, however it is recognised that they may feel inhibited in certain circumstances. In this case, staff and stakeholders should contact the Headteacher, Member of the Governing Body or a Local Authority Officer. The school and centre Whistleblowing Policy gives further guidance on how to raise concerns and it gives details about the support and safeguards that are available to those that do raise concerns.

Action the School and Council will take

All concerns will be treated in confidence and will be investigated promptly and fully in a professional manner. It should be noted that an allegation does not mean the individual person or company is guilty of any wrongdoing, and so they will not be treated as such until the case is proven.

If fraud, bribery or corruption has taken place, the Council will, in appropriate cases:

- Prosecute the individual(s) or refer the case to the police
- Take appropriate disciplinary action where it involves an employee and this may lead to dismissal

- Refer the case for local investigation by the Standards Committee where it involves a Councillor
- Pursue recovery for financial loss
- Where appropriate the results of any action taken, including prosecution's will be reported to the media

There is, of course, a need to ensure that the investigation process is not misused, therefore, any internal abuse, such as raising malicious or vexatious allegations, may be dealt with as a disciplinary matter.

Anti-Fraud and Corruption Strategy

This Policy also forms an important part of the Anti-Fraud, Bribery and Corruption Strategy by setting out the tone, culture and expectations of the school and council, as part of the corporate framework.

The Strategy is concerned with both operational activity to detect and investigate fraud, bribery and corruption and also pro-active actions to deter and prevent fraud and corruption through the development of an anti-fraud culture.

The Responsible Officer

The school Governing Body has designated responsibility to the Headteacher. However, under Section 151 of the Local Government Act 1972 and The Accounts and Audit Regulations, the 'Responsible Financial Officer' (i.e. the Director – Corporate Services) is responsible for ensuring that the council has control systems and measures in place "to enable the prevention and detection of inaccuracies and fraud, and the ability to reconstitute any lost records". An Anti-Fraud, Bribery and Corruption Policy and Strategy helps towards discharging part of this responsibility.

Also, under The Accounts and Audit Regulation, Wigan Council has delegated to the Director – Corporate Services, the responsibility for maintaining "an adequate and effective system of internal audit of the whole Council's accounting records and its systems of internal control in accordance with proper practices in relation to internal control", together with the statutory right of access to documents, records, information and explanations considered necessary for that purpose.

Accordingly, the Director – Corporate Services will:

- Take overall responsibility for the maintenance and operation of the Policy;
- Promote awareness of the principles and practices it contains;
- Maintain records of financial malpractice, including concerns and allegations received, matters arising from audits, investigations and evidence and the outcomes;
- Report as necessary to the Council.

Hindley Nursery School

Anti-Fraud, Bribery and Corruption Strategy

Introduction

This document outlines how the school and council currently manage the risk of fraud.

The guidance from CIPFA defines the following five key elements as foundations for an effective anti-fraud framework.

- Adopting the Right Strategy
- Accurately Identifying the Risks
- Creating and Maintaining a Strong Culture
- Taking Action to Tackle the Problem
- Defining Success

Examples of What could constitute fraud and corruption are :

- theft of cash;
- non-receipt of income;
- substitution of personal cheques for cash;
- 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 Academy;
- 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

How the School and Council manages the Risk of Fraud and Corruption

The Council's Corporate Framework provides a whole range of high level component parts, which contribute to the Council having an effective counter-fraud strategy, and some of the key ones include:

- An Anti-Fraud, Bribery and Corruption Policy, which emphasises the importance of probity to all concerned;
- Staff and stakeholder support;
- Codes of Conduct for Staff and Officers;
- Whistleblowing Policy, and Complaints Procedure;

- Contracts Procedure Rules and Financial Procedure Rules;
- Sound internal control systems, procedures and reliable records;
- Effective Internal Audit;
- Effective recruitment procedures;
- The School, Centre and Council's Disciplinary Procedure;
- Clear responsibilities, accountabilities and standards;
- Induction and Training.

These policies provide a framework within which the organisation operates. Having clear policies ensures clarity about individual accountabilities and the appropriate course of action in any given event. These policies not only ensure that a consistent and fair approach is taken during any investigations regarding suspected fraud, bribery or corruption but also contribute to the promotion of anti-fraud culture.

Internal Control Systems

The school, in conjunction with the Council has adopted a constitution incorporating contracts procedure rules, financial procedure rules and various rules and codes of conduct that provide a requirement on officers when dealing with the school, centre and council's affairs, to act in accordance with best practice.

The Director – Corporate Services has a statutory responsibility under Section 151 of the Local Government Act 1972 to ensure that proper arrangements are made for the Council's financial affairs. In addition, under the Accounts and Audit Regulations (England) 2011 as the 'responsible financial officer', he is required to determine the accounting control systems which include:

- *Measures to enable the prevention and detection of inaccuracies and fraud*
- *Identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions*

The school and council's aim is to have sound financial systems and procedures which incorporate efficient and effective internal controls. As part of the Strategy, the 'separation of duties' should be considered as a fundamental control in systems, especially when involving significant transactions.

Under the Council's Financial Procedure Rules, senior officers are responsible for ensuring that adequate controls are in place. The existence, appropriateness, and effectiveness of these internal controls is independently monitored and reported upon by the Council's Internal Audit Section.

As part of the Council's published Accounts each year, a formal statement is produced which describes the Internal Control Systems and provides an assessment of their effectiveness. This Annual Governance Statement is designed to provide assurance to external parties of the quality of the Council's governance arrangements and demonstrates effective stewardship of the public funds entrusted to the Council.

The network of systems and procedures to assist in the fight against fraud, bribery and corruption is well established and has been in place for many years. However, the council is determined to keep pace with future developments and therefore this strategy will build on the existing arrangements to ensure they remain current and comply with best practice.

Adopting the Right Strategy

Adopting the right strategy is a key element in effectively countering fraud, bribery and corruption. Hindley Nursery School, in conjunction with Wigan Council, is committed to promoting a strong ethical and counter fraud culture. This anti-fraud, bribery and corruption strategy is the mechanism for achieving this commitment and in particular, aims to reduce losses to fraud and corruption in all areas of the Council to an absolute minimum. It is intended to achieve this by complying with the best practice standards recommended by CIPFA's Better Governance Forum.

This strategy and the various policies which support it will be reviewed annually to ensure they remain current and satisfy best practice requirements.

Accurately Identifying the Risks

The risk of fraudulent or corrupt activity is included in the school and centre Risk Management arrangements. It is acknowledged that if the potential incidence of fraud can be identified and measured, this will allow resources to combat fraud to be allocated more effectively.

Creating and Maintaining a Strong Culture

High ethical standards are an integral part of good governance and can lead to increased public confidence in local democracy. In promoting good governance standards the school and council aims to create an anti-fraud culture and environment to deter those who may commit fraudulent and corrupt acts and encourage those who suspect such activity to report it promptly.

Officers and staff of Hindley Nursery School and the Council

A successful anti-fraud culture is one where acts of fraud, bribery and corruption are widely recognised as unacceptable behaviour and Whistleblowing is perceived as public-spirited action. The school council has put in place a number of policies, procedures and other actions to promote an anti-fraud culture.

All staff must abide by the school and council Code of Conduct for Employees, which sets out the requirement on personal conduct. The Code forms part of the Employee Handbook and is referred to in all Contracts of Employment.

The Council has in place disciplinary procedures for all categories of employee. Any breach of conduct will be dealt with under these procedures and may result in dismissal.

The Head of Service Legal and Risk is the appointed Monitoring Officer in line with the Local Government Act 2000. As part of this role, the Head of Service Legal and Risk has overall responsibility for the maintenance and operation of the Authority's Whistleblowing Policy.

Safe Recruitment

A key preventative measure in the fight against fraud, bribery and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff, in terms of their propriety and integrity. In this regards, temporary staff should be treated in the same manner as permanent staff.

Staff recruitment should be in accordance with procedures laid down by the Head of HR and OD. Whenever possible, written references should be obtained with specific assurances regarding the known honesty and integrity of potential staff before formal employment offers are made.

Training

The Council recognises that the continuing success of its Anti-Fraud, Bribery and Corruption Strategy and its general credibility will depend largely on the effectiveness of programmed training, communication and responsiveness of staff throughout the organisation.

To facilitate this, the council supports the concept of full induction, training and follow-up training; this applies particularly to staff involved in internal control systems and financial and finance-related systems, to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced.

This is then fed through to schools through Governing Body meetings, Internal Audit and Central Department literature and guidance.

Combining with Others to Prevent and Fight Fraud

The council is committed to exchanging information with other local and national agencies in order to identify and prevent fraud using data matching techniques. Such activity is carried out in full compliance with the Data Protection Act 1998 and with the Audit Commission's Code of Practice for National Fraud Initiative Data Matching Exercises, and includes providing information to other agencies for data matching purposes.

With the increase in recent years of frauds perpetrated against a variety of public bodies, which usually involve fraudsters having multiple identities and addresses, the

necessity for liaison with other organisations has become paramount. Some of these include:

- Police Forces and Fraud Squads;
- Greater Manchester Association of Treasurers;
- Greater Manchester Fraud Investigation Group;
- Audit Commission and External Auditor;
- Universities and Colleges;
- Student Loans Company;
- HM Immigration Office;
- Department for Works and Pensions;
- National Anti Fraud Network.

Taking Action to Tackle the Problem

There are a number of ways to deter potential fraudsters from committing or attempting fraudulent or corrupt acts, whether they are inside or outside of the council, and these include:

- Publicising the fact that the school centre and council is firmly set against fraud, bribery and corruption and states this at every appropriate opportunity;
- Acting robustly and decisively when fraud, bribery and corruption are suspected and proven
- Taking action to effect the maximum recoveries for the school centre and council;
- The Council's Media and Communications Manager will optimise the publicity opportunities associated with anti-fraud and corruption activity within the Authority;
- Having sound internal control systems.

Prevention

Managers across the school and council have an important role to play in the prevention of fraud, bribery and corruption. Managers need to understand the importance of soundly designated systems which meet key control objectives and minimise the opportunities for fraud and corruption. To this end, Internal Audit and the Councils Risk Management Strategy endeavour to provide appropriate advice to managers to ensure they are fully aware of the need to give sufficient emphasis to the preventative aspects of fraud and corruption work.

Detection

It is the responsibility of managers to prevent and detect fraud, bribery and corruption.

In addition, Internal and External Audit will liaise closely and implement a cyclical programme of audits which will test for fraud and corruption

However, despite the best efforts of managers and auditors, many frauds are discovered by chance. It is often the alertness of employees and the public that enables detection to occur,

Investigation

Senior management are responsible for following up any allegation of fraud, bribery or corruption that they receive and are required to inform the Internal Audit Section, of all suspected irregularities. The investigating officer, in consultation with Internal Audit, will :

- Deal promptly and confidentially with the matter;
- Record all evidence that has been received;
- Ensure that evidence is sound and adequately supported;
- Make secure all of the evidence that has been collected, including electronic evidence;
- Where appropriate, contact other agencies
- When appropriate, arrange for the notification of the council's insurers;
- Report to senior management, and where appropriate, recommend that management take disciplinary action in accordance with the council's Disciplinary Procedures, and make necessary revisions to systems and procedures to ensure that similar frauds do not recur.

Reporting suspected irregularities is essential to the Anti-Fraud, Bribery and Corruption Strategy.

Sanctions and Redress

Where financial impropriety is discovered, whether perpetrated by officers, staff or organisations the council will deal with, the presumption is that the Police will be called in. The Crown Prosecution Service determine whether or not a prosecution will be pursued. Referral to the Police is a matter for the Director – Corporate Services and the relevant Chief Officer or Headteacher. Various officers will be consulted during investigations and the Director – Corporate Services and the Head of Service Legal and Risk will be kept informed of referrals to the Police.

Referral to the Police will not inhibit action under the Council's Disciplinary Procedures. Serious cases of fraud or corruption would represent gross misconduct and consequently the staff may be liable to dismissal.

Defining Success

Success will be measured by focusing on the real outcomes achieved from the key actions outlined in this strategy. The outcomes to be measured will include the following:

- Awareness levels
- Reports of suspicions
- Successful investigations
- Sanctions applied
- Financial losses recovered and where appropriate financial savings

Performance targets and the achievements against these desired outcomes, and the actions taken to minimise future cases of fraud, will be contained in annual fraud report to the Audit, Governance and Improvement Review Committee.

For any further assistance or guidance, contact the Headteacher/Head of Centre for Hindley Sure Start Nursery and Children's Centre, or the local authority Internal Audit Section.

Approved by : _____

Dated : _____

Signed Chair of Governors: _____

Reviewed April 2014.
 April 2015.
 April 2016
 May 2019