

**Bryniau Clwyd Federation**  
**(Ysgol yr Esgob & Ysgol Licswm)**

# **Anti-Fraud and Corruption Policy**



Signed.....Jan Pierce Jenkins..... Chair of Governors

Signed .....Sue Clisham .....Headteacher

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## Contents

### Page

<b>ANTI FRAUD AND CORRUPTION POLICY STATEMENT</b>	2
Introduction	2
Fraud and corruption definitions	3
Adopting the Right Approach	4
Accurately identifying the risks	4
Creating and Maintaining a Strong Structure	4
Responsibilities by Role	5
Taking action to tackle the problem	6

## **ANTI FRAUD AND CORRUPTION POLICY STATEMENT**

- **The governing body is committed to this policy and to maintaining high ethical standards**
- **The governing body does not tolerate any form of fraud or corruption from within the school or from external individuals or organisations.**
- **The governing body is committed to the prevention, deterrence, detection and investigation of all forms of fraud or corruption within or against all its activities.**
- **The governing body will support prosecutions or apply other relevant sanctions to those who commit acts of fraud or corruption.**
- **The governing body encourages anyone who suspects fraud and corruption to report it, and will support anyone who does this.**

## **ANTI-FRAUD AND CORRUPTION POLICY**

### **Introduction**

1.1 The governing body remains committed to:

- The prevention, detection, deterring, investigation and correcting all forms of fraud and corruption, whether these are attempted from within or external to the organisation.
- Minimising losses caused by fraud, corruption and breaches of regulations.
- Embedding management of fraud risk throughout the organisation.
- Increasing awareness of counter-fraud responsibilities at all levels within and outside the school

- 1.2 The governing body's commitment to the protection of public funds against fraud and corruption
- 1.3 The policy is structured to reflect the **CIPFA code of practice** on managing the risk of fraud and corruption. The five key elements of the code are to:

Acknowledge the responsibility of the governing body for countering fraud and corruption;  
Identify the fraud and corruption risks;  
Develop an appropriate counter fraud and corruption strategy;  
Provide resources to implement the strategy  
Take action in response to fraud and corruption

- 1.4 The policy covers

- All employees and governors
- Partner Organisations
- Council Suppliers, Contractors and Consultants
- General Public

The governing body requires all individuals and organisations with whom it deals in any capacity to behave toward the school with integrity and without intent or actions involving fraud or corruption. Members of the public are encouraged to report any concerns which they may have.

## Fraud and corruption definitions

2. The Fraud Act 2006 came into force on 15<sup>th</sup> January 2007. It created a single offence of fraud which can be committed in three separate ways:
- False representation
  - Failure to disclose information where there is a legal duty to do so
  - Abuse of position.

Four new offences were also created:

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

Theft – “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” (Theft Act 1968).

Corruption – The Council has defined corruption as “The offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person”. The introduction of the Bribery Act 2010 created criminal offences for any individual who either offers or receives a financial or other advantage intending the advantage to be rewarded by the improper performance of a function or activity. The Act also created an offence of directly or indirectly offering, promising or giving a bribe to a foreign public official so as to influence the actions of the foreign public official. Any individual found guilty of any of these offences is liable to imprisonment for up to a maximum period of 10 years.

Computer fraud occurs where information technology equipment has been used to manipulate programmes or data dishonestly (for example, by altering, substituting or destroying records or creating spurious records), or where the use of an IT system was a material factor in the perpetration of fraud.

### Adopting the Right Approach

- 3.1 To reduce losses to fraud and corruption to an absolute minimum, the approach implemented encompasses a clear remit covering all areas of fraud and corruption affecting the school
- 3.2 The approach adopted involves a three stage process:
  - 1) **Deter** – by having a culture which deters the committing of fraud
  - 2) **Prevent** – by having measures in place to help prevent fraud occurring
  - 3) **Detect** – by having measures in place to detect fraud should it occur

The approach is covered in more detail later in this document.

### Accurately identifying the risks

- 4.1 Fraud and corruption risks are considered as part of the school's strategic risk management arrangements.
- 4.2 The nature and scale of losses to fraud and corruption are identified where they can be practically established. By measuring the scale of losses, and learning from where they are detected, knowledge is gained of where controls within systems should be strengthened or introduced.

### Creating and Maintaining a Strong Structure

- 5.1 The Governing Body is committed to the Nolan principles of standards in public life namely objectivity, openness, leadership, accountability, honesty, selflessness and integrity. High ethical standards should be adhered to and be demonstrated in all actions and decisions.

The governing body expects employees and governors to lead by example in demonstrating opposition to fraud and corruption, by adhering to rules and regulations, and that all practices and operating procedures are beyond reproach.

- 5.2 It is management's responsibility to establish sound systems of internal control to prevent and detect fraud, designed to reduce the risk posed by fraud.
- 5.3 One of the roles of the Authority's Internal Audit is to promote anti-fraud and anti-bribery best practice and to ensure management has effective systems in place to detect and prevent corrupt practices. Internal Audit staff are properly trained to gain the appropriate knowledge and skills in respect of fraud awareness, prevention, detection and investigation. In Flintshire a clear mandate has been provided to Internal Audit to investigate potential fraud and irregularities and this is specified in the Audit Charter and the Financial Procedure Rules (11.17e).
- 5.4 Where appropriate, the governing body will co-operate with other local authorities and public sector bodies in the prevention, detection and investigation of fraud and corruption e.g. participation in the National Fraud Initiative and liaison with the Police.

## Responsibilities by Role

Individual / Group	Role / Responsibility
Governing Body	Ultimately accountable for the effectiveness of this policy
School management Team	<p><b>Notify Internal Audit of all suspected fraud or corruption incidents in their area</b></p> <p>Ensuring that adequate systems of internal control exist and that such controls, checks and supervision operate in such a way as to prevent or detect fraudulent activity.</p> <p>Regularly need to assess the types of risks and scope for potential fraud.</p> <p>Ensure that employees receive fraud awareness training according to the type of work that individual employees carry out.</p> <p>Remind employees who are an integral part of the control framework of fraud and risk issues.</p> <p>Ensure this policy is available to all employees.</p>

Individual / Group	Role / Responsibility
Employees	<p><b>A duty to act if they believe there is a possibility of fraud or corruption taking place or the rules are being breached</b></p> <p>Their own conduct and for contributing towards the safeguarding of school standards (including declaration of interest, private working, whistleblowing, etc.)</p> <p>Acting with propriety in the use of official resources and in the handling and use of corporate funds. Be alert to any financial transactions that may suggest money laundering.</p>
Internal Audit	<p>Providing a pro-active corporate anti-fraud function to facilitate the identification and subsequent investigation of alleged acts of fraud or corruption. Completion of any and all investigations of fraud and corruption that do not fall within the remit of other investigative bodies, such as Housing Benefit. Receiving and reviewing notifications of all frauds reported within the Council and analysing fraud risk. Making appropriate arrangements to co-ordinate the Council's work on the National Fraud Initiative. Undertake internal data matching across Council systems.</p> <p>Reporting to and liaising with the local police on individual cases.</p> <p>Provide reports to the Audit Committee on incidents of fraud and corruption.</p> <p>Issuing guidance to members and management in relation to fraud and corruption related legislation and procedures.</p> <p>Provide advice and guidance on internal controls to prevent or detect fraud or corruption.</p> <p>Promoting fraud awareness and training.</p> <p>Acting as the Council's consultant on issues of fraud and corruption,</p>

Trade Unions	Notifying the Governing Body if they believe there is a possibility of fraud or corruption taking place  Support their members throughout the process.
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Individual / Group	Role / Responsibility
Partners, Suppliers, Contractors, Consultants and the Public	To be aware of the possibility of fraud and corruption within their organisation or against the Council and report any genuine concerns / suspicions.

## Taking action to tackle the problem

### Deterrence

The governing body will publicise its policy to make employees aware that fraud and corruption are serious offences and that they may face disciplinary action if there is evidence that they have been involved in these activities.

Where fraud and corruption is proved, and the school has suffered a financial loss, the school will seek to recover the full value of any loss. In some cases, this may involve civil proceedings being instigated through the courts.

### Prevention

Employees and governors have a responsibility for the prevention of fraud and corruption and for implementing appropriate strategies to minimise the risk effectively. Such strategies include promoting fraud awareness, assessing compliance with the governing body's policies and financial regulations, and ensuring sufficient levels of internal control are maintained within systems and procedures.

### Detection

Employees, governors and external stakeholders are expected to report suspected fraud or corruption in accordance with financial regulations and the governing body's Whistleblowing procedures.

### Investigation

The governing body will ensure all allegations and evidence are properly investigated and reported upon. When referrals are passed to the Police, the Crown Prosecution Service will determine whether a prosecution will be pursued.

Internal Audit may be called upon to investigate and such investigation reports may identify the specific control weaknesses which were present at the time of the fraud and allowed it to be committed. Recommendations to address these weaknesses and strengthen the control environment are included within investigation reports. Recommendations are graded depending upon their severity and the manager responsible must complete an action plan detailing dates for implementation and officer responsible.

Where necessary, the governing body 's disciplinary policy will be used to facilitate an investigation of any allegations of improper behaviour by employees. The decision to invoke the disciplinary policy will be a consideration in accordance with the school's disciplinary policy To prevent misuse of the investigation process, someone who maliciously raises a matter they know is untrue may be subject to disciplinary action.

### **Sanctions and Redress**

Where fraud or corruption has been identified the School will recover any losses (where applicable) and prosecute or apply other sanctions in accordance with the school's disciplinary policy.