



# **ANTI-FRAUD, CORRUPTION, BRIBERY & MALPRACTICE POLICY**

**March 2021**

## OBJECTIVES & SCOPE

- 1.1 Saint Francis Xavier Sixth Form College ('SFX' or 'the College') is a publicly funded organisation and as such needs to demonstrate and maintain the highest standards of public probity and the proper safeguarding of the public assets it holds and maintains. It is expected that all College Governors, managers and employees (whether temporary, fixed-term, or permanent), consultants, contractors, trainees, seconded staff, casual workers, agency staff, apprentices, volunteers, or any other people associated with us (including third parties) will abide by and act responsibly and ethically (guided by this policy) and will assist in maintaining the reputation of, and public confidence in, the College.
- 1.2 As with any large, complex organisation, SFX is at risk from dishonest practices. This policy aims to mitigate those risks and to:
- Provide a high level directory of the control systems in place to promote the prevention, deterrence, detection and investigation of fraud, corruption, bribery and malpractice.
  - Set out the procedures for an effective and confidential reporting system for individuals to raise concerns they may have and which they feel may adversely affect SFX as a responsible provider of public services.
  - Detail how the College will respond to internal and externally perpetrated fraud, corruption, bribery or malpractice.
  - Comply with the Bribery Act 2010 , The Proceeds of Crime Act 2002. the Terrorism Act 2002 and the Money Laundering Regulations 2007

## 2. DEFINITIONS

- 2.1 For the purposes of this policy the following definitions will apply:
- 2.2 **Fraud:** the use of deception with the intention of obtaining an advantage, avoiding a loss, or causing loss to another party.
- 2.3 **Corruption:** the offering, giving, soliciting or acceptance of reward which may influence the action of any person.
- 2.4 **Bribery:** Bribery takes place where an inducement or reward is offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.  
Normal and appropriate hospitality (given and received) to and from third parties is not necessarily prohibited nor is receipt of appropriately reasonable gratuities and gifts. Reference should be made to the College Financial Regulations and the Bribery Act, 2010.

- 2.5 **Malpractice:** serious maladministration arising from deliberate improper conduct, unethical activities which may be of a criminal nature, or dangerous acts or omissions which create risk to health, safety or the environment. It does not, for instance, include mismanagement that may arise from weak management rather than malpractice nor is it an alternative to the Grievance Procedure.
- 2.6 **Data Security Breach:** The causes of data breaches can vary from the high profile activities of cyber criminals, hackers and “hacktivists” to online fraud and events that result from preventable technology accidents and human error.
- 2.7 **Money Laundering-**The illegal process of concealing the origins of money obtained illegally by passing it through a complex sequence of banking transfers or commercial transactions. The overall scheme of this process returns the "clean" money to the launderer in an obscure and indirect way. It also includes money, however come by, which is used to fund terrorism.
- 2.8 The following are examples of fraud, corruption, money laundering, bribery or malpractice. This list is illustrative and not exhaustive:
- cash income - under or non-receipting leading to theft,
  - unauthorised borrowing,
  - Online fraud incorrect payee details
  - A secretive person or business who refuses to or delays in giving requested information - examples may include invoices that exclude VAT, fail to quote a VAT number or invoices issued by a limited company that lack the company’s registered office and number.
  - Request for cancellation or reversal of funds or requests for refunds (particularly to a different account or individual to the payer) i.e. “circular transactions”, where a payment to the College is followed by an attempt to obtain a refund from the College;
  - cancellation of payments/receipts,
  - creditor payment: ordering from a specific supplier in return for some form of benefit,
  - ordering of goods for own use,
  - theft, manipulation or alteration of cheques, misuse of College credit card, misuse of electronic payments
  - unauthorised write-off of debt,
  - travel and subsistence: false journeys claimed,

- expense claims: claiming for expenses not incurred or inflated claims.
- improper/inaccurate claims for overtime or time off in lieu
- Working whilst on furlough/sick leave
- giving or receipt of gratuities or gifts outside the limits defined in the College Financial Regulations
- giving or taking a gratuity or gift as an inducement to / from a third party to gain an advantage

### 3. **STRATEGIC AIMS**

3.1 The creation of a culture amongst all those involved in the direction, management and day to day operation of the College and its resources which:

- Understands the high standards expected and the boundaries of acceptable behaviour,
- Promotes and accepts individual and collective responsibility for compliance with this policy and for reporting and investigating any policy breaches which are reasonably thought to have occurred,
- Understands the seriousness with which the College and external bodies, including the police, view these matters and the sanctions that the College will apply where cases of fraud, corruption, bribery or malpractice are found proven.

### 4. **REPORTING CONCERNS**

4.1 College employees should report any and all reasonable concerns regarding fraud, corruption, bribery or malpractice, whether it relates to College employees or others. Concerns should be reported to the appropriate person or body in accordance with the College Whistleblowing (Confidential Reporting) Policy.

4.2 Failure to report reasonable concerns about fraud, corruption, money laundering, bribery and malpractice in a timely manner may be considered a disciplinary matter.

### 5. **PREVENTION**

5.1 There are many ways of preventing fraud, corruption, bribery or malpractice happening in the first place. The College has adopted the following preventative measures:

- The College's recruitment and selection procedures require that references should always be taken up when recruiting posts within the College.
- The College's code of conduct for employees<sup>1</sup> makes it clear that the conduct of its employees should be of the highest possible standard and that dishonest behaviour by employees will not be tolerated.

5.2 High standards of financial administration are a key element in the prevention and detection of fraudulent activities. This can only be achieved if there is a strict control environment that is adhered to, as defined in the financial regulations.

5.3 The control environment relies on other mechanisms such as:

- Audit programmes undertaken by both the financial statements' auditor and the internal auditors
- Financial regulations (reviewed annually by managers and governors)
- A counter-fraud culture of awareness amongst staff and governors, underpinned by policies and current risk exposure (eg Covid), promoted by a Fraud Champion who takes on the role for a maximum term of two years.
- Codes of practice for both staff & governors and training and communication
- Consideration of Finance (and potentially fraud issues) within the Risk Register and the Board Assurance Framework (BAF)
- Cyber Security (incorporating Cyber Essentials and Cyber Essentials Plus)
- The College's overall arrangements for the prevention of fraud, corruption, bribery or malpractice will be reviewed annually by the financial statements' auditor, who reports to the Governors by way of a management letter.

## 6. DETECTION

6.1 In an attempt to eliminate fraud, corruption, bribery or malpractice, the College will continue to seek cost effective means of identification and will act on all information and allegations received. This could include, but is not limited to, any of the following:

- concerns expressed by the public,

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<sup>1</sup> Within Staff Handbook

- information received from companies and other agencies;
- referrals from managers;
- information resulting from internal or external audit work;
- data matching between, for example, external and internal audit tests.
- **Cyber Security** (incorporating Cyber Essentials and Cyber Essential Plus) accreditation

## 7. INVESTIGATIONS

7.1 Investigations can range from those that are relatively simple to those which are extremely complex. Where fraud or corruption including bribery is detected the procedures to be followed in these cases are as follows:

- all cases of potential fraud, corruption, bribery or malpractice will be immediately reported to the Chair of the Audit Committee who will record the referral;
- the College auditors or other external bodies will discuss and agree the way in which the case will be progressed with appropriate senior staff and governors;
- all investigations will be carried out in complete confidence, with professional standards being strictly observed in the gathering and recording of evidence and the putting together of a case file, in order to comply with the provisions of all current relevant legislation

7.2 In cases of potential significant / major fraud, corruption, bribery or malpractice the Principal, the Chair of Governors or the College-auditors will, where appropriate, report the matter to the funding authority as soon as is practically possible.

7.3 In some instances notification to *Action Fraud* may be appropriate<sup>2</sup>

7.4 In all instances the officer or body responsible for leading the investigation will, at his / her sole discretion, decide whether to refer the matter to the police. In addition, the Principal and/or the Chair of Governors may also, at their sole discretion, decide to instigate internal disciplinary action.

## 8. RECOVERY

8.1 The College will take all reasonable steps to recover any losses incurred as a result of fraud, corruption, bribery or malpractice. In the first instance, and subject to any necessary legal advice, this recovery will be sought against the

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<sup>2</sup> <https://www.actionfraud.police.uk/>

person(s) proven to have carried out the fraud, corruption, bribery or malpractice.

- 8.2 A formal sundry debtor account shall be raised to formally record the debt and any subsequent recoveries. Any balance of loss outstanding will be dealt with through existing procedures (ie insurance claim or write off as appropriate).
- 8.3 Recovery of losses from employees will be pursued in any legal and practicable manner open to the College including but not limited to:
- deduction from payments due to the employee;
  - deduction from salaries still due to be paid;
  - by way of a written and legal binding agreement with the employee.
- 8.4 Any agreements for recovery entered into by the College will generally be without prejudice to any other reasonable action the College may wish to take and on the basis that the College reserves the right to seek recovery of any further losses that may come to light in the future.
- 8.5 The mechanisms detailed here for investigation and recovery are not exclusive. Other strategies may be adopted as appropriate in securing the College's best interests.

9. **RELATED POLICIES: Available to download from College website and Intranet**

9.1 Whistleblowing (Confidential Reporting) Policy

9.2 College Financial Regulations

10. **PUBLICATION AND REVIEW**

- 10.1 This policy will be approved by the Governing Body on the recommendation of the Audit Committee and published on the college website and intranet.
- 10.2 This policy will be revised in the light of undertaking a “lessons learned” exercise when any suspected or actual fraud has taken place.
- 10.3 This policy will be routinely reviewed (next scheduled for March 2023) and / or in response to direct or implicit changes in legislation, regulation or guidance.