



HAYDON SCHOOL

Financial Probity Policy

Mission Statement

Haydon School is committed to the achievement of individual excellence, encouraging students to be creative and considerate, confident of their role in society and capable of rising to the challenges of a diverse and rapidly developing global economy.

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1. INTRODUCTION

It is important that the governors and members of staff act, and are also seen to act, impartially.

The governors of Haydon School seek to run all aspects of the School's financial management and business activities with high standards of conduct and integrity.

Haydon is committed to tackling fraud and other forms of malpractice and treats these issues seriously. It is recognised that some concerns may be extremely sensitive.

In the event that the governors, members of staff, parents or the community at large become aware of activities which give cause for concern, this Financial Probity Policy is provided as a reference document to establish a framework within which issues can be raised confidentially. The process allows for concerns to be raised within the School environment, allows recourse to external parties outside the management structure of the School where this becomes appropriate and provide for a thorough and appropriate investigation of the matter to bring it to a satisfactory conclusion.

In May 1996 the Nolan Committee published a report on standards in public life as applicable to local public spending bodies. The report identified the following seven principles that should be applied to public life:

- o Selflessness
- o Integrity
- o Objectivity
- o Accountability
- o Openness
- o Honesty
- o Leadership

One important means by which Haydon can demonstrate that it is applying these principles is by maintaining a register of business and pecuniary interests.

The report also made a number of recommendations in relation to whistleblowing. The Nolan Committee used the term whistleblowing to mean the confidential raising of problems or concerns within an organisation by a member of staff. This is not "leaking" information but refers to matters of impropriety for example a breach of the law, School procedures or ethics. Nor is whistleblowing the raising of a grievance (which would be dealt with under the staff grievance procedures). The

term whistle blower denotes the person raising the concern or making the complaint.

Existing good practice within Haydon in terms of its systems of internal controls, both financial and non-financial, and the external regulatory environment in which we operate, ensures that cases of suspected fraud or impropriety rarely occur.

This document is a public commitment that concerns are taken seriously and will be actioned.

2. GUIDING PRINCIPLES

The current version of the Academy Trust Handbook and our Finance Policy represent the context within which Haydon operates financially.

2.1 Business and Pecuniary (monetary) Interests

The governors and members of staff have a responsibility to avoid any conflict between their business and personal interests and affairs and the interests of Haydon.

The School maintains a register of business and pecuniary interests that lists for the governors and members of staff, any business interests that they, or any member of their immediate family have. The register has to be available for inspection by staff, parents, auditors and the Education and Skills Funding Agency (ESFA).

The maintenance of the register helps the governors and members of staff to meet requirements for withdrawal from meetings due to a conflict of personal interest as stated in the DfE Governance Handbook and with reference to the Academy Trust Handbook.

The register should include all:

Business Interest declarations including directorships, shareholdings and other appointments of influence within a business or other organisation that may have dealings with the School. The disclosures should also include business interests of related persons such as parent, partner, child, cohabitee and business partner where influence could be exerted by that person over a Governor or a member of staff.

Pecuniary Interests (monetary) such as providing supplies or services to the School for staff other than their contracted job or within their role as governors.

Where a governor or member of staff or related person has any interest, either pecuniary or non-pecuniary, in a matter to be discussed at a governors meeting the governor or member of staff must declare their interest and withdraw from that part of the meeting.

It is the responsibility of governors and members of staff to ensure their declarations of business interests are kept up to date at all times, and to amend or update them as necessary.

All governors meetings' agendas will contain a standing item for attendees to declare any changes to their declarations of interests.

At the beginning of each financial year every governor and member of staff with significant financial or spending powers will be required to complete the appropriate form (see Appendix 1) and should ensure that it is updated throughout the year as and when any Business or Pecuniary interest may arise. Nil returns will also be required where a governor or member of staff has no such interest.

Staff should also be aware, for their own and the School's protection (whoever is appropriate in the case in question) to ensure that they let others know of any circumstances that they believe others could think might affect their judgement.

The School is required to record and publish business and pecuniary interests.

2.2 Gifts and Hospitality

Governors and members of staff should avoid accepting excessive hospitality, entertainment or other services from existing or prospective suppliers. They are required to inform the Director of Finance and Operations of offers, as detailed below, of gifts and hospitality offered in connection with their links with the School as they arise and whether the offer was accepted or declined (see declaration Appendix 2).

The acceptance of gifts and hospitality can potentially compromise governors and members of staff. Great care should be taken in dealing with commercial organisations and the following guidance should be followed:-

Recommended limits Gifts, Hospitality, Entertainment or other services	Information on acceptance/referral/declaration
Below £50 (occasional/one offs)	Deemed acceptable (see guidance below) Declaration not required
Below £50 (regular)	Advisory Band - please refer to the Director of Finance and Operations as to whether declaration of offer to be registered
Between £50 and £250	Advisory Band - please refer to the Director of Finance and Operations as to whether declaration of offer to be registered
Over £250	Declaration of offer to be registered whether accepted or declined
NB: Any gifts/favours that are sustained or governors, staff have concerns about that may compromise their integrity should be documented.	

The following examples of gifts and favours are considered acceptable if given on an occasional basis:

- o A modest business dinner to discuss business
- o Attendance at trade fairs or similar events where there is a general invitation to customers
- o Attendance at cultural or sporting events sponsored by the company concerned
- o Attendance at a company anniversary celebration

The School is required to publish information about Gifts and Hospitality declared and received.

3. ANTI-FRAUD POLICY AND PROCEDURES

The Anti-Fraud Policy is required to ensure that the School is protected, to the best of its ability, against fraudulent activity which could result in financial losses and reputational risks.

Aims

- o To avoid any fraudulent activity from both internal and external parties
- o Protect the School resources
- o To provide a clear reporting process to all stakeholders when fraud is suspected
- o To meet ESFA audit regulations

How

- o Staff training to identify how to avoid being subject to fraudulent activity
- o Robust financial control measures are in place to reduce fraudulent risk
- o Clear protocols and processes followed when any fraud is suspected
- o Communication to the wider staff on the use and purpose of the policy

Haydon is 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 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 applies to all staff (full time, part time, temporary and casual), consultants, contractors, volunteers and governors.

3.1 Definition of Fraud

The term 'fraud' is often used to describe complex financial offences such as false accounting. However, in its simplest form, fraud is lying. Some people will lie, or withhold information, or generally abuse their position to try to trick someone else into believing something that isn't true. Examples might include:

- o Sending fake invoices for goods and services that were not ordered or received
- o Use of School's bank card to make personal purchases
- o Submitting false claims for sickness or expenses

Individuals caught committing fraud can be prosecuted under the Fraud Act 2006 if they make a false representation, fail to disclose information or abuse their position.

3.2 Key Responsibilities

The Director of Finance and Operations is responsible for:

- o Developing, implementing and maintaining adequate systems of internal control that prevent and detect fraud
- o Testing the system of internal control and seeking independent assurance when appropriate
- o Regularly reviewing the anti-fraud policy and compliance with it to ensure it remains effective and relevant to the needs of the School
- o Reporting compliance with the policy on an annual basis to governors
- o Reporting allegations of actual, attempted or suspected fraud to governors
- o Ensuring all allegations of fraud are investigated appropriately, in compliance with relevant policies, procedures and legislation and commencing disciplinary and/or legal action where appropriate

The Governors are responsible for:

- o Overseeing the financial performance of the School, including its assets, making sure the School's money is well spent and measures are in place to prevent losses or misuse, including arrangements for preventing and detecting fraud

Staff are responsible for:

- o Familiarising themselves with the types of fraud that might affect the School
- o Ensuring they adhere to the agreed policies and procedures, thereby protecting the School's reputation and assets from fraud
- o Reporting allegations of actual, attempted or suspected fraud to the Headteacher, Director of Finance and Operations and/or the Governors
- o Assisting in the investigation of suspected fraud when requested to do so, for example by providing witness statements

3.3 Reporting Suspicions

The governors and staff are an important element of the School's stance on fraud and are required to raise any concerns that they may have. The governors and Headteacher will deal with any financial irregularities robustly.

Staff should immediately report any concerns about actual, attempted or suspected fraud to the Headteacher. However, if the concerns relate to the Headteacher, staff should report their concerns to the Chair of the Governors.

Under no circumstances should staff investigate the matter themselves.

The Public Interest Disclosure Act 1998 protects employees who raise concerns about certain matters of public interest in good faith. Staff can obtain free independent advice from the charity [http: www.pcaw.org.uk](http://www.pcaw.org.uk).

A referral form has been provided at Appendix 3 to use as a guide to the type of information that should be captured when an allegation of fraud arises.

3.4 Fraud Response Plan

The School has established guidelines for the Senior Leadership Team and the Governors to use on the immediate actions to be taken in the event of a fraud being discovered or suspected. It covers how and when to seek professional advice, securing evidence and preventing further losses. (Reference Appendix 4 - Fraud Response Plan).

4. WHISTLEBLOWING POLICY AND PROCEDURES (School financial and business activities)

The provisions of this policy apply to matters of suspected fraud and impropriety and not matters of more general grievance which should be dealt with under the academy grievance procedures.

The School aims to be an honest and ethical organisation and is opposed to any means of Fraud. All staff have a responsibility to protect the assets of the School. The School is committed to creating a climate of trust and openness so that a person who has a genuine concern or suspicion can raise the matter with full confidence that the matter will be appropriately considered and resolved and will reassure employees they will be protected from victimisation or reprisals if they raise any concerns.

4.1 When might the Whistleblowing policy apply?

The type of activity or behaviour which the School considers should be dealt with under this policy includes:-

- o Manipulation of accounting records and finances
- o Inappropriate use of School assets or funds
- o Decision-making for personal gain

- o Any criminal activity
- o Abuse of position
- o Fraud and deceit or corrupt practices
- o Serious breaches of School procedures which may advantage a particular party (for example tampering with tender documentation, failure to register a personal interest)
- o Other unethical conduct

Anonymous allegations will only be considered if the issues raised are:-

- o Very serious
- o The credibility of the allegation is considered to be high
- o The likelihood of confirming the allegation is high

This procedure is to ensure that staff have a mechanism with which to report suspected fraud. Where governors or members of staff wish to report or complain about financial management or impropriety within the School, the leadership will then have the means to investigate by the use of the following procedures.

4.2 Procedure

Any employee that suspects fraud or impropriety has a duty to report their suspicions. The School encourages the whistleblower to raise the matter internally in the first instance to allow those governors and members of staff in positions of responsibility and authority the opportunity to, if appropriate, give an explanation for the behaviour or activity.

All matters will be treated in strict confidence and anonymity will be respected wherever possible. All reports are to be documented thoroughly, written, dated and signed supporting evidence and statements should always be taken to any meetings if possible.

The School will designate a member of the Senior Leadership Team (SLT) to deal with such matters (the Investigating Officer).

In the case where the concern is being raised about the Headteacher, the designated investigating officer is the Chair of the Governors.

The whistleblower may raise the matter in person, email or in written form. All matters will be treated in strict confidence and anonymity will be respected wherever possible.

Alternatively if the whistleblower considers the matter too serious or sensitive to raise within the internal environment of the School the matter should be directed in the first instance to the School's auditors or the ESFA, who will need to involve the appropriate governors.

The Education and Skills Funding Agency (ESFA) has its own procedures for dealing with such matters and will ensure every effort to respect the confidentiality of the whistleblower. The ESFA will ensure relevant members of SLT or Finance Team are informed as appropriate and should advise the School Governing Body of appropriate steps to take.

4.3 How will the matter be progressed?

The individual(s) in receipt of the information or allegation [the Investigating Officer(s)] will carry out a preliminary investigation. This will seek to establish the facts of the matter and assess whether the concern has foundation and can or should be resolved internally. The initial assessment may identify the need to involve third parties to provide further information, advice or assistance, for example involvement of other members of School staff, the School's external advisors (legal, personnel, auditors), the police and the ESFA.

Records will be kept of work undertaken and actions taken throughout the investigation. The Investigating Officer(s), possibly in conjunction with the Chair of the Governors or nominee, will consider how best to report the findings and what corrective action needs to be considered. This may include some form of disciplinary action and/or third party referral such as the police.

Depending on the nature of the concern or allegation and whether or not the Investigating Officer considers there to be a case to answer, the disciplinary procedure may be applied. In such cases any disciplinary action will be considered by the relevant committees of the Governing Body. Where a case is proven on the balance of probability the matter will be reported to the full governing body, and where appropriate the ESFA.

If a fraud is strongly suspected, steps must be taken to mitigate the potential loss to the School arising from the fraud. For example, a finance officer should be assigned to different duties whilst the investigation is ongoing.

The Board of Governors should be advised when an investigation shows that fraud is likely, regardless of the size or monetary value involved in the fraud. They should also be advised as to the action recommended. It is the decision of the Board of Governors if the fraud is to be reported to the police for prosecution.

All occurrences of fraud should be studied to determine whether sufficient procedures and controls exist to prevent fraud. Remedial actions should be put in place to prevent a reoccurrence.

If the whistleblower is dissatisfied with the conduct of the investigation or resolution of the matter or has genuine concerns that the matter has not been handled appropriately, then the School's Grievance Procedure can be followed.

Professional onus is placed on the whistleblower to follow proper procedures. Any employee raising issues on a wider basis, e.g. with the press, without following the procedure in this policy may be liable to disciplinary action.

This policy will not apply for any concerns taken directly to the ESFA.

4.4 Respecting confidentiality

Wherever possible the School seeks to respect the confidentiality and anonymity of the whistleblower and will as far as possible protect them from reprisals. The School will not tolerate any attempt to harass or victimise the whistleblower, or attempts to prevent concerns being raised, and will consider any necessary disciplinary or corrective action appropriate to the circumstances.

4.5 Raising unfounded malicious concerns

Individuals are encouraged to come forward in good faith with genuine concerns with the knowledge they will be taken seriously. If individuals raise malicious unfounded concerns or attempt to make mischief, this will also be taken seriously and may constitute a disciplinary offence or require some other form of penalty appropriate to the circumstances.

4.6 ESFA Requirements

The School must notify ESFA of any instances of fraud and theft where the value exceeds £5,000, individually or cumulatively, or of any value where the fraud is unusual or systematic.

APPENDIX 1

DECLARATION OF PECUNIARY AND PERSONAL INTERESTS

Name:

Role:

I declare as a Governor or Staff Member I hold the following personal and/or pecuniary interest(s) (if none please state 'none'):

Pecuniary interests	Please provide details of the interest
	<i>Name and nature of the business, nature of the interest, date the interest began</i>
Current employment	
Businesses (of which I am a partner or sole proprietor)	
Company directorships – details of all companies of which I am a director	

Charity Governorships – details of all companies of which I am a Governor	
Membership of professional bodies, membership organisations, public bodies or special interest groups of which I am a member and have a position of general control or management	
Gifts or hospitality offered to you by external bodies while acting in your position as a governor or staff member and whether this was declined or accepted in the last 12 months	
Contracts offered by you for the supply of goods and/or services to the School	
Any other conflict	

Personal interests	Name	Relationship to me	Organisation	Nature of the interest
Immediate family/close connections to a Governor or staff member				
Company directorships or Governorships of family/close connections to a Governor or staff member				

DECLARATION OF BUSINESS AND PECUNIARY INTERESTS

I certify that I have declared all beneficial interests which I or any person closely connected with me have with businesses or other organisations which may have dealings with the School.

GIFTS AND HOSPITALITY

I confirm that I have read and understood the financial regulations regarding my responsibility for recording all offers of gifts and hospitality offered in connection with my links with the School.

ANTI-FRAUD and WHISTLEBLOWING (School financial and business activities)

I have read and understood the procedures for reacting to specific situations with regards to whistle blowing.

I agree that the above information is correct. I undertake to provide additional information throughout the financial year should my circumstances change.

Signed: _____

Date:

Please return this form to the Clerk of the Board of Governors

APPENDIX 2

DECLARATION OF GIFTS AND HOSPITALITY RECEIVED

Name:

Role:

DESCRIPTION OF GIFT/HOSPITALITY RECEIVED:

ESTIMATED/ACTUAL VALUE: £

Signed: Date:

If in Advisory Band – authorisation needed from the Director of Finance and Operations.

Signed: Date:

APPENDIX 3

FRAUD REPORTING FORM

If you have any concerns about fraud please print and complete this form and address it to the Headteacher. If the concern raised relates to the Headteacher, please address the form to the Chair of the Board of Governors.

You do not need to give your name. All the information provided will be treated in confidence.

Name of the person(s) or organisation you suspect:

Address: (if known)

Place of work / department / job title: (If known)

Please provide details of your suspicions. You should include as much information as possible. For example, what was said in telephone or other conversations, dates, times and places, vehicles used, as well as the names of any other parties involved: (Continue on a separate page if necessary and attach any additional evidence you may have)

Your details: (please leave blank if you wish to remain anonymous)

Name:

Telephone number or email:

Address:

APPENDIX 4

FRAUD RESPONSE PLAN

It is important that allegations of actual, attempted and suspected fraud are not ignored. Even seemingly insignificant concerns may later reveal a larger, previously unknown problem.

Securing Evidence

Ensure that any concerns are recorded fully. Whenever possible keep written notes that cover:

- o Names, addresses and dates of birth
- o Descriptions (height, build, hair colour, ethnicity, clothing, distinctive features)
- o Dates and times of key events
- o Vehicle registration numbers and descriptions
- o Details of any conversations had or overheard
- o Details of any actions or incidents that were observed
- o Telephone numbers
- o Company and/or business details

Secure any physical evidence such as original invoices, receipts, letters, emails and application forms. Try to minimise how many people and how often evidence is handled. Fingerprint evidence can very quickly be destroyed.

If any of the evidence is on a computer, immediately unplug the computer from its power source. Do not attempt to shut the computer down through its operating system as this can alter or destroy key files and documents.

Whilst initially securing the evidence it is important not to be tempted to begin a more substantial investigation, or accuse individuals directly, without seeking professional advice (see 'Seeking Advice' below).

If an investigation is undertaken without following the appropriate policies, procedures and legislation, or if individuals are accused without sufficient evidence, it may lead to the perpetrators avoiding a disciplinary, criminal or civil sanction.

Preventing Further Losses

It is important to minimise any additional losses. For example, if the allegations concern the theft or loss of banking passwords, PINs or similar credentials notify the bank immediately.

Equally, if the losses relate to a weak process, for example cash is routinely kept unsecured in a drawer, ensure that the process is changed, at least temporarily, until more permanent and improved processes can be implemented.

Seeking Advice

When an allegation of fraud is discovered it is important to seek professional advice as soon as possible. Advice can be sought from the Director of Finance and Operations, and the Police. General advice about fraud is available from Action Fraud: www.actionfraud.police.uk.

Support for Witnesses

Governors, members of staff and the public may be feeling vulnerable before, during and after they have brought an allegation of fraud to the attention of the School.

Witnesses should be assured that they have acted appropriately by raising their concerns. They should be referred to the Whistleblowing Policy and Procedures Section of the Financial Probity Policy and reminded that the School does not tolerate reprisals, victimisation or harassment and will take all reasonable action to protect them.

In addition, the School will take steps to minimise any difficulties anyone may experience as a result of raising a concern. For instance, if they are required to give evidence in criminal or disciplinary proceedings, the School will advise or arrange for them to receive advice and support about the process being followed.

Document History

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