

Counter-Fraud, Bribery & Corruption Strategy



Document Control

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2019	1.0		Initial document
2023	1.1	1.0	Incorporated content from the latest Fighting Fraud and Corruption Locally Strategy

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Foreword

Ensuring that we safeguard public funds is a top priority for Roath Park Primary School, which is why we have adopted this Counter-Fraud, Bribery, and Corruption Strategy. This school strategy is set out in conjunction with, and to supplement, Cardiff Council's Counter-Fraud, Bribery, and Corruption Strategy.

With criminals increasingly seeking to exploit any weakness, we need to be vigilant to fraud risks. This strategy will help ensure that we take all appropriate measures to safeguard the school's resources, which is more important than ever at a time of declining budgets.

Fraud affects our reputation and our ability to deliver educational services. All of us, therefore, have a responsibility to do all that we can to prevent fraud and proactively report any suspicions or concerns. This strategy sets out our responsibilities and the expectations of the school, and provides a framework for tackling fraud, bribery, and corruption.

The active support of school staff will be essential in continuing to develop a culture in which fraud, bribery and corruption are understood to be unacceptable, and for which firm action will be taken.

Fraud and any acts of bribery and corruption will not be tolerated.

Lewis Fitzgerald - Headteacher
Richard Harris – Chair of Governing Body

Roath Park Primary School

1. Objectives

This Strategy is designed to develop and maintain a culture in which fraud, bribery and corruption are understood to be unacceptable, for which firm action is and will be taken to prevent and detect fraud loss, bring fraudsters to account quickly and efficiently, and to recover any losses.

Our Principles

The strategy will support us all to better understand fraud risk, and to prevent and detect fraud more effectively. The strategic response to fighting fraud within Cardiff schools includes the following principles through which we:

- **‘Govern’** with robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded.
- **‘Acknowledge’** and understand fraud risks and take steps to tackle fraud through a robust anti-fraud response.
- **‘Prevent’** and strengthen the detection of fraud, by making good use of technology, maintaining and enhancing fraud controls and processes and delivering an anti-fraud culture.
- **‘Pursue’** through punishing fraudsters and the use of civil sanctions and recovery of losses and support to the law enforcement response.



Those tasked with administering the Strategy should have also received adequate Equality/Unconscious Bias training to ensure fairness throughout the process.

Our Targets

The Strategy is designed to support a fraud reporting culture, strong fraud awareness, assurance, and ownership within the school.

1. **Reporting Culture** - Everyone working for / representing the school (governors, employees, agency workers, temporary staff etc.) needs a good awareness of fraud risk and accountability for reporting, through training, communication activities and policy reviews. Members of the public and wider school community must know how and when to raise concerns.
2. **Strong Assurance** - The school's internal control systems need to provide indications of any unusual patterns of activity or events that may point to potential fraudulent activity. Fraud risks must be understood, monitored, and managed, to deliver strong school-wide assurance on fraud risk management.
3. **Ownership** - Everyone working for the school needs to understand their personal responsibility for supporting counter-fraud risk management. This should be considered in performance objective setting.

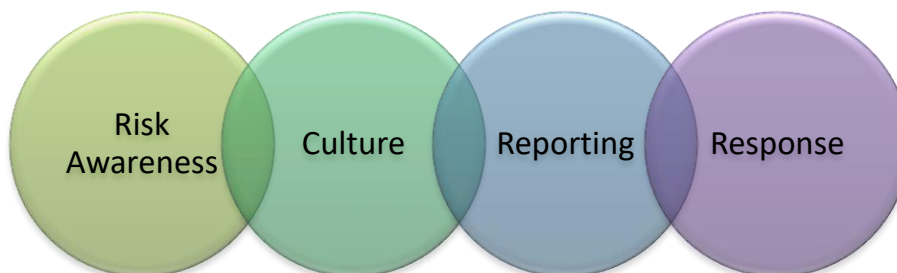
Why is this important?

Fraud is a significant risk to the UK public sector and has far-reaching financial and reputational consequences.

“According to the Annual Fraud Indicator 2023 published by Crowe, Peters & Peters and the University of Portsmouth. Public sector fraud losses are estimated to be £50.2bn annually, with £8.8bn of this total being lost in local government.”

Our Approach

The school's approach for meeting the objectives of the strategy involves four core elements:



Risk Awareness – Risk assessments and sharing knowledge of vulnerabilities and lessons learned through strong communication channels.

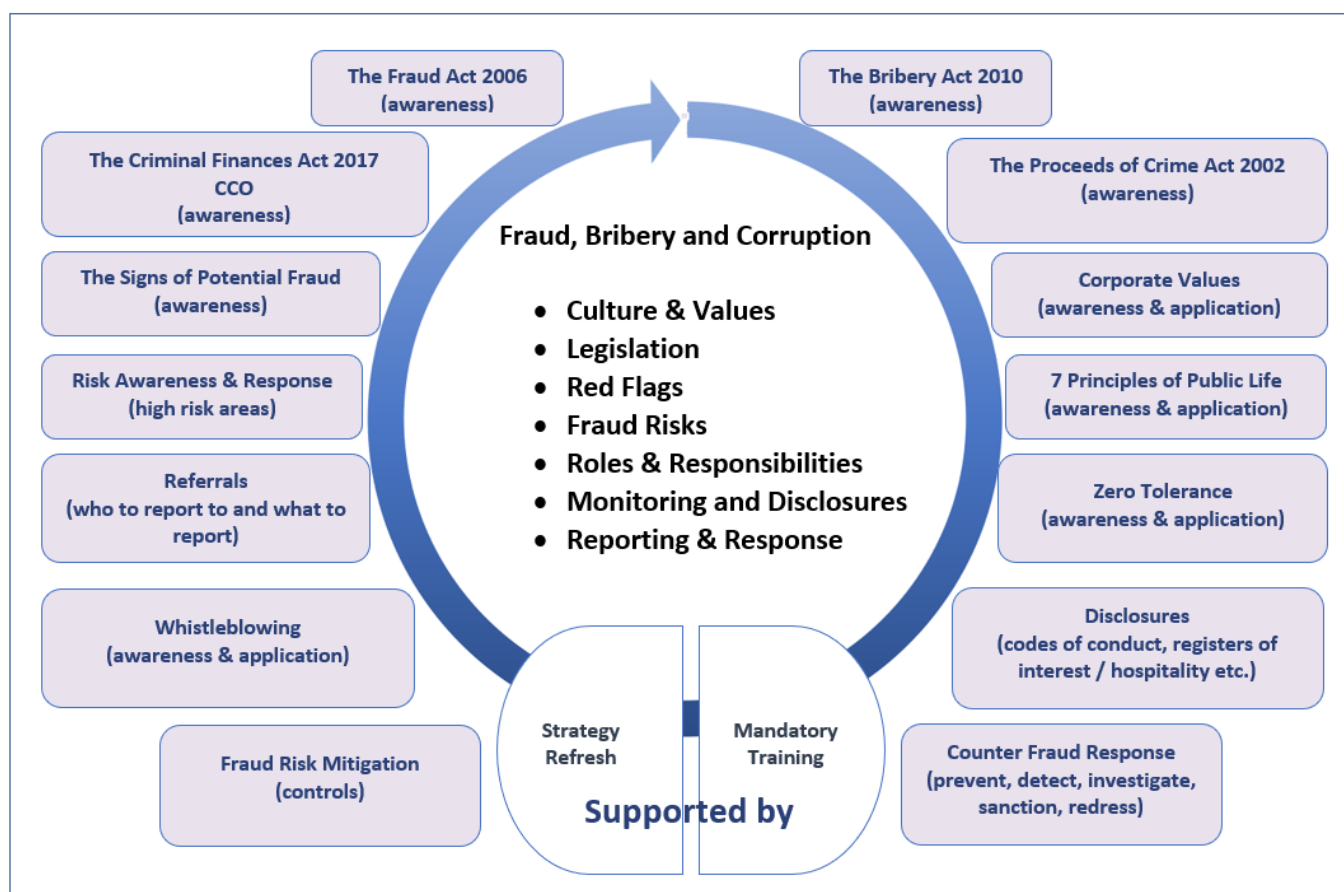
Culture - Supporting individuals in their responsibilities to prevent and detect fraud, through training and guidance to reinforce expectations. Communicating the school’s attitude to fraud by raising awareness of the counter-fraud policy framework, which supports the application of clear ethical standards.

Reporting - Providing, effectively communicating, and promoting, robust process for reporting suspicions of fraud.

Fraud response - Responding to fraud effectively through a comprehensive counter-fraud response plan, developing capability and capacity to investigate fraudsters and delivering a collaborative and supportive response.

How we will deliver the strategy

Awareness, support, and training for ALL officers to understand and apply a strong counter-fraud culture. The Counter-Fraud Action Plan, which sets out the calendar of key activities planned for each financial year, is included in Appendix A.



2. Legal Background

There are a number of pieces of legislation in place that we need to be aware of and ensure we adhere to, which are summarised below:

Fraud

The Fraud Act 2006 focusses on dishonest behaviour, and the intent to make a gain either for yourself or another; to cause a loss to another; or, expose another to a risk of a loss. A person does not have to benefit from the fraud to be guilty of the offence. As soon as they have made a dishonest / false representation, they have committed fraud.

The offence of fraud can be committed in three ways, which are summarised below:

- Ø **Fraud by false representation** – lying or misleading someone in order to make a gain or cause a loss. *E.g. falsifying information in a job application form.*
- Ø **Fraud by failing to disclose information** – not stating something you have a legal duty to. *E.g. failing to declare a conviction, disqualification or commercial interest when such information may have an impact on your role, duties or obligation to declare.*
- Ø **Fraud by abuse of a position** – abusing a position where there is an expectation to safeguard the financial interests of another person or organisation. *E.g. abusing access to monies, or using commercially confidential information to make a personal gain, or cause a loss.*

Fraud - Offences under the Fraud Act 2006 occur where the act or omission is committed dishonestly and with intent to cause gain or loss. The gain or loss does not have to succeed.

Successful prosecutions under the Fraud Act 2006 may result in an unlimited fine and/or a potential custodial sentence of up to 10 years.

Bribery and Corruption

Bribery and Corruption is covered by specific pieces of legislation:

The Bribery Act 2010 has made it a criminal offence to:

- Ø **Offer, promise or give a financial or other advantage to another person, and/or**
- Ø **Request, agree to receive, or accept a financial or other advantage, as an inducement or reward for the improper performance of duties.**

The Act contains further offences for commercial bribery. An offence relating to bribery of a foreign public official in order to obtain or retain business or an advantage in the conduct of business, and a form of corporate liability for failing to prevent bribery on behalf of a commercial organisation.

Bribery is generally defined as: an inducement or reward offered, promised or provided to someone to perform their functions or activities improperly in order to gain a personal, commercial, regulatory and/or contractual advantage. Under the Bribery Act 2010, bribery is a series of specific offences.

A conviction under the Bribery Act 2010 may ultimately result in an unlimited fine and/or a custodial sentence of up to 10 years imprisonment.

Corruption is generally considered as an “umbrella” term covering various activities such as bribery, corrupt preferential treatment, kickbacks, cronyism, theft or embezzlement.

A bribe does not have to be in cash; it may be the awarding of a contract, the provision of gifts, hospitality, sponsorship, the promise of work or some other benefit. The persons making and receiving the bribe may be acting on behalf of others – under the Bribery Act 2010, all parties involved may be prosecuted for a bribery offence.

Proceeds of Crime Act 2002 – The Act can be used for recovering criminal assets. Criminal confiscation is the most commonly used power, and this occurs after a conviction has taken place. The Act was introduced to deny criminals the use of their assets, to recover the proceeds of crime and to ‘disrupt and deter’ criminality.

Misconduct in Public Office: A common law offence for which the elements are:

- a) A public officer acting as such;
- b) Wilfully neglects to perform his duty and/or wilfully misconducts himself;
- c) To such a degree as to amount to an abuse of the public's trust in the office holder; and
- d) Without reasonable excuse or justification.

This offence carries a maximum sentence of life imprisonment, and should be reserved for cases of serious misconduct or deliberate failure to perform a duty, likely to injure the public interest. Dishonesty or corrupt behaviour are not essential elements of the offence.

Criminal Finances Act 2017: The Act introduces a responsibility to have policies and procedures to prevent a UK tax evasion facilitation offence. The offence under the Act is called the **Corporate Criminal Offence ("CCO")** and is not the committing of a fraud itself, but a "failure to prevent". Organisations have a responsibility to put in place procedures to prevent tax evasion being facilitated by its employees, suppliers, and agents. This strategy has been written to include, so far as is reasonable, preventative procedures in relation to Corporate Criminal Offence, pursuant to section 45(2) of the Criminal Finances Act 2017.

Economic Crime and Corporate Transparency Bill: The Bill is currently progressing through the House of Lords and follows on from recommendations made by the Law Commission's 2022 review of corporate criminal liability and includes an amendment to introduce the failure to prevent fraud offence. If fraud is committed by an employee of an organisation, the organisation must be able to demonstrate it had reasonable measures in place to deter the offending or risk receiving an unlimited fine.

Other relevant legislation

Serious Crime Act 2015: The Serious Crime Act gives effect to a number of legislative proposals in relation to serious and organised crime. In doing so, it builds on current law to ensure that the relevant bodies have the powers they need effectively and relentlessly to pursue, disrupt and bring to justice serious and organised criminals.

The Public Contracts Regulations 2015: Where a contracting authority has knowledge that a company or its representatives have been convicted of a corruption offence, they should be treated as ineligible (debarred) to participate in the tendering process.

Companies cannot be permanently debarred, but instead will face a term of debarment, dependent on the case, that can be no longer than five years from the date of the conviction.

3. Values

General Integrity and Ethical Values

Roath Park Primary School has a strong commitment to integrity, ethical values and the law, through the school's values, supporting policies and procedures:

- **School Values** - guide the school community and communicate expectations to our stakeholders on conduct and behaviour.
- **Induction and Training Processes** - are in place for all staff and governors to ensure awareness and understanding on a range of policies, procedures and regulations.
- **A Whistleblowing Policy** – encourages staff and contractors to speak out on misconduct or illegal behaviour within the school, which affects the public or other people (making a disclosure in the public interest).
- **Zero Tolerance attitude to fraud, bribery and corruption** – requires staff and governors to act honestly and with integrity at all times, and to promptly report concerns.

Zero Tolerance to Fraud

The school requires staff, governors, and those we engage with, to act honestly and with integrity at all times. Zero tolerance is given to those committing or attempting fraudulent or corrupt acts (including bribery) inside and/or outside of the school, through:

- Acting robustly and decisively when fraud, bribery and corruption are suspected and proven e.g. the termination of contracts, dismissal, prosecution etc;
- Taking action to recover any losses through fraud, bribery and corruption e.g. through agreement, Court action, penalties, insurance etc;
- Having sound internal control systems, which allow for innovation, whilst limiting opportunities for fraud, bribery and corruption; and
- Optimising the publicity opportunities associated with anti-fraud and corruption activity.

4. Assessing Fraud Risk

Roath Park Primary School relies upon proactive and reactive work in order to effectively prevent and detect fraud.

The first line of defence is the internal control environment, in which there needs to be a culture of accountability, a zero tolerance to fraud, supported by a robust application of controls, to prevent fraud and a reporting culture for any concerns.

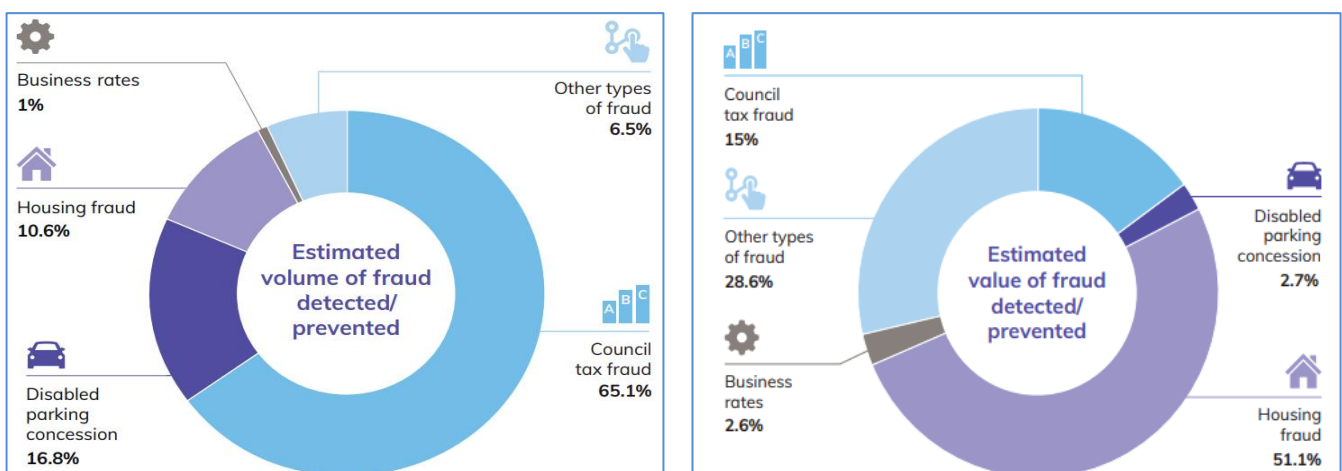
Awareness and training are essential to ensure a whole-school response to counter-fraud. The school's approach to awareness and training is set out in the Counter-Fraud Action Plan (see Appendix A).

The most recent data on the relative proportions of detected local authority fraud by volume is shown below. The associated fraud risk descriptions are included in the glossary in Appendix B.

The following pages explain the process that is followed to develop the fraud risk assessment, starting with national data and intelligence, and then integrating school intelligence. This strategy and the associated activities included in the Counter-Fraud Action Plan, are focussing greater attention to an organisation-wide fraud risk awareness, and the reporting of suspicions and concerns from all levels of the organisation.

National Trends & Intelligence CIPFA Fraud and Corruption Tracker National Report 2020

I. Estimated fraud in UK Local Authorities – volume and value



• £122.4m Housing fraud	• £35.9m Council tax fraud	• £6.2m Business rates
• £68.5m Other types of fraud	• £6.4m Disabled parking	

The 'other' types of fraud (6.5% of estimated volume) comprised the following, shown in order of frequency across UK local authorities, ordered from most frequent to least.

II. Notable 'other' types of fraud in UK Local Authorities in 2019/20

Notable 'other' types of fraud	Estimated value 'overall'	Estimated value 'per fraud'
Adult Social Care	£8.2m	£17.8k
Children's Social Care	£0.4m	£9.9k
Debt	£0.3m	£27.5k
Economic and voluntary sector support & debt fraud	£0.1m	£25k
Grant	£36.6	£227k
Insurance fraud	£3.9m	£11.3k
Mandate fraud	£9.4m	£27.2k
No recourse to public funds / welfare assistance fraud	£2.4m	£11.1k / £0.7k
Payroll, recruitment, expenses and pension fraud	£0.8m	Payroll - £2.6k Recruitment - £4.8k Expenses - £1.7k Pensions - £13.3k
Procurement fraud	£1.5m	£16.7k
School fraud (excl. transport)	£0.2m	£1.1k
School transport	£0.2m	£32.7k

CIPFA, Fraud and corruption tracker 2020

School Intelligence

Roath Park Primary School uses a number of sources of intelligence to identify its fraud risk, which build upon the national intelligence data that we receive. The school uses the following primary means to identify its fraud risk assessment.



Building on national intelligence sources, four principal areas are used to further refine the understanding of, and response to fraud risk, as follows:

1. Internal Control Environment (*Senior Leadership and Governing Body Assurance*)

The Headteacher and Governing Body are responsible for ensuring that systems and processes in place minimise fraud risk and are operating as they should. Installing and monitoring strong physical and system controls to prevent fraud risks, and for effective mechanisms to detect and respond to potential fraud. The Headteacher and Governing Body will monitor the controls in place to manage fraud risk, allegations of fraud, and other intelligence or red flags for fraud.

The Council's Internal Audit team provides independent assurance on the operation of internal controls. The Internal Audit plan is responsive to fraud risk, with national data and intelligence used to inform an inherent risk assessment, which is further refined by additional sources of assurance. Audit test programmes assess the risk of fraud and the effectiveness of key controls to mitigate fraud. The work of audit provides a secondary assessment of the fraud risk.

2. Data Matching and Analysis

There are a number of activities in place to identify fraud risk through data analysis and data matching. The Council works with Audit Wales and the Cabinet Office undertaking data matching exercises in order to identify potential frauds and irregularities. The Corporate Fraud Investigation Team lead this work and will liaise with schools to discuss relevant matches.

The data matching and analysis intelligence further informs the fraud risk assessment, whilst also leading to proactive fraud detection activities.

3. Whistleblowing

The School's Whistleblowing Policy is a means through which those working for, or with us, can make a disclosure in the public interest, and this may relate to an allegation of fraud or financial impropriety. Staff are often the first to realise that there may be something significantly wrong within the school. Roath Park Primary School is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, we expect staff, and others that we deal with, who have serious concerns about any aspect of the school's work to come forward and voice those concerns, with the assurance that they may do so without any fear of reprisal.

4. Strategy, Policies, Training and Awareness

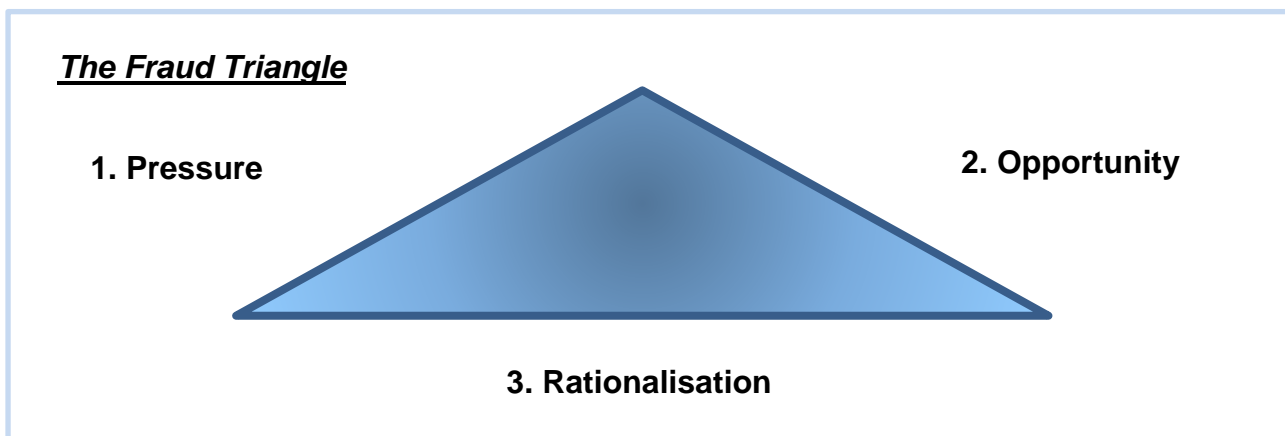
This strategy associated policies and fraud awareness training are designed to support the school meet its counter-fraud and corruption compliance responsibilities. Awareness and engagement campaigns across the organisation target general and focussed areas of counter-fraud compliance and control to support a risk aware and responsive culture.

In recent years the Local Authority has developed and delivered training on risk awareness and updated and shared policies and procedures. These include Corporate Criminal Offence and Anti-Money Laundering responsibilities, for which key points of emphasis are included below:

- Anti-Money Laundering - before establishing a client relationship or accepting an engagement, the school will put controls in place to address relevant risks. It is important that the school is aware of whom it is transacting with, including the structure of relevant entities, so all beneficiaries are appropriately disclosed/identified. A 'Due Diligence and Know Your Customer Procedure' sets out the process that must be followed, and the circumstances in which 'Customer Due Diligence Forms' must be completed, and disclosures are to be made. An eLearning Module has been developed to support compliance and control.
- Corporate Criminal Offence - CCO is an offence for the failure to prevent the facilitation of tax evasion in HMRC-administered taxes. Often there is no dividing line between the measures in tax-compliance policies and in policies to counter tax fraud. However, the Council's tax-compliance policies have the effect of countering potential tax fraud and implementing CCO compliance.

The Right Conditions for Fraud

A concept known as the fraud triangle refers to a 'perfect storm' where the following three elements, leading to fraud, coincide. At the same time as upholding our own values, we need to be alert to the presence of these conditions in others, and to work on reducing the elements which are in our control as colleagues.



Concept developed in 1950s by Criminologist Dr Donald Cressey.

1. **Pressure or motivation** to commit fraud can come from a range of sources e.g. a detrimental change to an individual's personal financial situation.
2. **Opportunity** to commit fraud generally results from poor controls in place i.e. failing to put in place measures to prevent attempted fraudulent acts. It is the responsibility of the Headteacher, in the first instance to install and monitor effective controls, with all staff expected to report any concerns they have directly to the Headteacher or the Governing Body.
3. **Rationalisation** is the justification that a person has to go about committing a crime. If the right culture and values are upheld, then regardless of the above two elements, people will not commit fraud.

Red Flags for Fraud

There are a number of behavioural characteristics, which may alert us to a greater risk of fraud. These are known as 'Red Flags', and we are all responsible for keeping alert to the presence of these behavioural characteristics in those that we work with, and reporting concerns to the Headteacher or Governing Body and, where appropriate, to the Council's Audit Manager.

The Association of Certified Fraud Examiners in its 12th edition of the largest global study on occupational fraud, Occupational Fraud 2022: [A Report to the Nations](#) identified behavioural red flags that many fraud perpetrators exhibit as follows:

- Ø Living beyond one's means
- Ø Financial difficulties
- Ø An unusually close association with a vendor or customer
- Ø Control issues, unwillingness to share duties
- Ø Irritability, suspiciousness, or defensiveness
- Ø Bullying or intimidation
- Ø Divorce/family problems
- Ø Wheeler-dealer attitude
- Ø Excessive pressure from within organization
- Ø Addiction problems
- Ø Complained about inadequate pay
- Ø Refusal to take holidays
- Ø Social isolation
- Ø Past legal problems
- Ø Complained about their lack of authority
- Ø Other employment-related problems
- Ø Excessive family/peer pressure for success
- Ø Excessive tardiness or absenteeism
- Ø Instability in life circumstances
- Ø Excessive internet browsing

A fraudster living beyond their means is the most common red flag by a sizable margin. This has ranked as the number 1 red flag in every study since 2008.

System / Data 'Red Flags'

Inventory shrinkage	Missing documents	Multiple payments
Spikes in invoice volume	Frequent complaints	Excessive number of adjusting entries

5. Roles and Responsibilities

Roath Park Primary School recognises the threat of fraud and corruption, and the harm they can cause to our organisation, our aims and objectives, and our community.

It is important that all staff recognise personal accountability for managing the risk of fraud, bribery, and corruption. To be able to 'acknowledge', 'prevent' and 'pursue' potential instances of fraud all staff need to work together and each understand the active role we must play. Our primary responsibilities for supporting a counter-fraud culture are included below.

Roles	Primary Responsibilities
All staff	<ul style="list-style-type: none">• Complete all mandatory training;• Uphold strong standards of conduct and compliance;• Maintain physical and system controls to prevent and detect fraud;• Keep aware of fraud risks and report suspicions.
Governors	<ul style="list-style-type: none">• Complete all mandatory training;• Uphold strong standards of conduct and compliance;• Support a reporting culture and take appropriate action;• Reinforce a culture of accountability and 'zero tolerance' to fraud.
Headteacher and Designated Officers	<ul style="list-style-type: none">• Complete all mandatory training;• Uphold strong standards of conduct and compliance;• Maintain physical and system controls to prevent and detect fraud;• Regularly assess, monitor and manage fraud risks;• Support a reporting culture and take appropriate action;• Reinforce a culture of accountability and 'zero tolerance' to fraud.

Reporting Culture

The core message to staff is that through your day-to-day work, you are in the best position to recognise specific risks within your areas of responsibility, or those working closely with you. Where you believe the opportunity for fraud, corruption or bribery exists, whether because of poor procedures or oversight, you should report in accordance with the following simple steps.

If you believe you have identified potential fraud:

1. Report the matter to as soon as possible. The Headteacher should attempt to establish as many details as possible (through discussion with the notifying officer only).

OR

2. If the concern relates to the Headteacher and/or Governing Body, report the matter direct to the Council's Audit Manager (Chris Pyke) or the Section 151 Officer (Christopher Lee).
3. Following any notification of fraud, financial impropriety or irregularity, the Headteacher or Chair of Governors should, in the first instance, send an email to the Council's Group Auditor Investigations (David Hexter) fraud@cardiff.gov.uk, summarising allegation(s), including as much detail as possible.

NB. Key Contact information is included in Appendix C, and the investigation process is included in the Council's Counter Fraud, Bribery, and Corruption Policy.

Further Reporting Mechanisms:

[Whistleblowing Policy](#) [Tenancy fraud](#) [Benefit Fraud](#) [Scams online](#) [Fraud online](#)

- Audit Wales Whistle blowers' Hotline 029 20 320 522 whistleblowing@audit.wales
- Public Services Ombudsman for Wales 0300 790 0203 ask@ombudsman.wales
- Protect (previously Public Concern at Work) 020 3117 2520

6. Monitoring and Disclosures

The school requires a number of disclosures to be made, to reinforce its counter-fraud culture. The primary policies in which disclosures are required relate to:

- Codes of Conduct
- Register of Declarations of Interest
- Register of Gifts and Hospitality

In upholding strong standards of conduct and compliance, it is vital that we work in accordance with the full requirements of these policies and codes. All relevant personal interests, and gifts, and hospitality, received need to be fully disclosed in accordance with the respective policies with associated monitoring, and review processes in place.

7. Counter-Fraud Response Plan

The School's approach to counter-fraud includes a number of proactive and responsive elements.

Proactive

- Developing a counter-fraud culture to increase resilience to fraud;
- Preventing fraud through the implementation of appropriate and robust internal controls and security measures;
- Assist the Local Authority to review matches generated via techniques such as data matching.

Responsive

- Implementing effective whistleblowing arrangements;
- Reporting tax non-compliance and fraud to HMRC;
- Investigating fraud referrals;
- Reporting suspected criminal activity to the Police;
- Applying sanctions, including internal disciplinary, regulatory and criminal; and
- Seeking redress, including the recovery of assets and money where possible.

Counter-Fraud Strategy, Policy and Document Framework



Each of the above documents supports the school to achieve one or more of its Counter-Fraud objectives as follows:

- **‘Govern’** with embedded anti-fraud, bribery, and corruption measures;
- **‘Acknowledge’** and understand fraud risks;
- **‘Prevent’** and strengthen the detection of fraud; and
- **‘Pursue’** and punish fraudsters.

These core documents need to be robustly applied, and adhered to, by all of us.

Included in Appendix C is a desktop guide for wide publicity and use in the school.

8. Counter-Fraud Action Plan

The Headteacher will produce a Counter-Fraud Action Plan on an annual basis to summarise the key Counter-Fraud work and initiatives scheduled for the academic year.

The Governing Body will oversee the delivery of Counter-Fraud activities.

Counter-Fraud Action Plan

[This template is included for schools to edit and insert their policies and activities, including timescales for review – reference should be made to the counter-fraud policies and documents listed on the previous pages]

Ref.	Action Required	Target Timescale	Comments (where applicable)
Counter-Fraud and Corruption Policies Updates (<i>Primary Policies</i>)			
1.	Refer to the Counter-Fraud Strategy, Policy and Document Framework above	<i>Review every x year(s)</i>	
2.		<i>Review every x year(s)</i>	
3.		<i>Review every x year(s)</i>	
4.		<i>Review every x year(s)</i>	
5.		<i>Review every x year(s)</i>	
Information Reviews			
6.	Work positively with the Council's Internal Audit Team on reviews of systems of control.	<i>On each occasion</i>	
7.	Support and assist with National Fraud Initiative data match enquiries.	<i>On each occasion</i>	
Training and Awareness Raising			
8.	Training/communication sessions <ul style="list-style-type: none"> • eLearning Fraud Awareness Training completed 	<i>Review completion rates annually</i>	Fraud Awareness Training Promote and maintain mandatory eLearning training module across the school and cascade to non-PC users.

Glossary – Fraud Types

Based on the CIPFA Fraud and Corruption Tracker 2020

School related	
1. Cautions	Cautions relate to a verbal warning given in circumstances where there is enough evidence to prosecute, but it is felt that it is not in the public interest to do so in that instance.
2. Debt fraud	Debt fraud includes fraudulently avoiding a payment of debt to an organisation
3. Disciplinary outcomes	Disciplinary outcomes relate to the number of instances where, as a result of an investigation by a fraud team, disciplinary action is undertaken, or where, a subject resigns during the disciplinary process.
4. Economic and voluntary sector (grant fraud)	This type of fraud relates to the false application or payment of grants or financial support to any person and any type of agency or organisation.
5. Insurance fraud	Insurance fraud includes any insurance claim that is proved to be false, made against the organisation or the organisation's insurers.
6. Mandate fraud	Action Fraud define mandate fraud as “when someone gets you to change a direct debit, standing order or bank transfer mandate, by purporting to be an organisation you make regular payments to, for example a subscription or membership organisation or your business supplier”.
7. Manipulation of data fraud	The majority of manipulation of data frauds relate to employees changing data in order to indicate better performance than actually occurred and staff removing data from the organisation. It also includes individuals using their position to change and manipulate data fraudulently or in assisting or providing access to a family member or friend.
8. No recourse to public funds fraud	No recourse to public funds prevents any person with that restriction from accessing certain public funds. A person who claims public funds despite such a condition is committing a criminal offence.
9. Organised crime	The widely used definition of organised crime is one planned, co-ordinated and conducted by people working together on a continuing basis. Their motivation is often, but not always, financial gain.
10. Payroll fraud	Payroll fraud covers a wide range of areas such as ghost employees on the payroll, diversion of payments into fraudulent accounts, employees set up to receive higher salaries than they are entitled to by either grade or hours worked and false overtime claims.
11. Procurement fraud	This includes any fraud associated with the false procurement of goods and services for an organisation by an internal or external person(s) or organisations in the ‘purchase to pay’ or post contract procedure, including contract monitoring.
12. Recruitment fraud	Recruitment fraud includes applicants providing false CVs, job histories, qualifications, references, immigration status (ie the right to work in the UK) or the use of a false identity to hide criminal convictions or immigration status.

School related	
13. Tax	Tax fraud is a deliberate attempt not to pay the tax that is due. This type of fraud is typically against the payment of corporation tax, income tax, VAT, and landfill tax, but includes all taxes and duties administered by HM Customs and Excise.
14. Whistleblowing	Effective whistleblowing allows staff or the public to raise concerns about a crime, criminal offence, miscarriage of justice or dangers to health and safety in a structured and defined way. It can enable teams to uncover significant frauds that may otherwise have gone undiscovered. Organisations should therefore ensure that whistleblowing processes are reviewed regularly.
Wider Fraud Definitions	
15. Adult social care fraud	Adult social care fraud can happen in a number of ways but the increase in personal budgets gives a greater opportunity for misuse. Investigations may cover cases where: <ul style="list-style-type: none"> • direct payments were not being used to pay for the care of the vulnerable adult • care workers were claiming money for time they had not worked or were spending the allocated budget inappropriately.
16. Blue Badge fraud	The Blue Badge is a Europe-wide scheme entitling holders of the permit to parking concessions. This scheme is locally administered, and badges issued to those with disabilities so they can park nearer to their destination. At present, a badge issued to a deceased person is classified as fraudulent, even if it is not being used for fraudulent purposes.
17. Business rates fraud	Business rates fraud is not a transparent landscape for the fraud investigator, with legislation making it difficult to separate evasion and avoidance. Business rate fraud may include the fraudulent applications for exemptions and reliefs and unlisted properties, and fraud staff may be used to visit properties in question.
18. Council tax fraud	Council tax fraud is split into three sections: <ul style="list-style-type: none"> • Council tax single person discount – where the liable party claims to be the only adult resident and receives a 25% discount, when in fact other adults reside in the property. • Council tax reduction support – where the recipient fails to correctly declare their circumstances. • Other types of council tax fraud – e.g., claims for exemptions or discounts to which the council tax payer has no entitlement.
19. Housing fraud	Fraud within housing takes a number of forms, including sub-letting for profit, providing false information to gain a tenancy, wrongful tenancy assignment and succession, failing to use the property as the principle home, abandonment, and right to buy.
20. Right to buy	Right to buy is the scheme that allows tenants who have lived in their properties for a qualifying period the right to purchase the property at a discount.
21. Welfare assistance	Organisations have a limited amount of money available for welfare assistance claims so the criteria for applications are becoming increasingly stringent. Awards are discretionary and may come as either a crisis payment or some form of support payment.



A Desktop Guide to Reporting Fraud, Bribery and Corruption

FRAUD is the dishonest intent to obtain a financial gain from, or cause a financial loss to, a person or party through false representation, failing to disclose information or abuse of position.

CORRUPTION/BRIBERY is the offering, promise, giving, requesting, agreeing to receive, or accepting a payment or other advantage to induce or reward a person to improperly carry out their duties.

DO

- **Note your concerns**

Record details such as your concerns, names, descriptions, dates, times, details of conversations and possible witnesses. Time, date and sign your notes.

- **Retain or secure evidence**

Retain any evidence that may be destroyed, but do not alter or write on it in any way.

- **Report your suspicion promptly**

Confidentiality will be respected – delays may lead to further financial loss.

- **Be discreet**

Don't discuss your concerns with anyone who doesn't need to know.

DO NOT

- **Confront the suspect or convey concerns to anyone other than those authorised**

Never attempt to question a suspect yourself; this could alert a fraudster and place you at harm and jeopardise an investigation/put evidence at risk.

- **Try to investigate the concern yourself**

Never attempt to gather evidence yourself unless it is about to be destroyed; speak with the Council's Counter-Fraud Specialist as soon as possible for advice and guidance.

- **Be afraid of raising your concerns**

The Public Interest Disclosure Act 1998 protects employees who have reasonable concerns. You will not suffer discrimination or victimisation by following the correct procedures.

If you suspect that fraud against the School has taken place, you must report it immediately:

- To the Headteacher in the first instance, where appropriate and
- To the Audit Manager (Chris Pyke) or the Section 151 Officer (Christopher Lee)
- Via email to the Group Auditor Investigations (fraud@cardiff.gov.uk)

Report Fraud, Bribery, & Corruption – contact details:

Audit Manager (Chris Pyke) cpyke@caerdydd.gov.uk

Internal Audit, County Hall, Cardiff. CF10 4UW

Telephone: 2087 3455

All referrals will be treated in confidence and investigated by professionally trained personnel.

Protecting your school from Fraud, Bribery, and Corruption

Your nominated **Counter-Fraud Specialist is David Hexter**, who can be contacted via email on fraud@cardiff.gov.uk

If you would like further information about Cardiff Council Fraud Activities, please visit our [SharePoint site](#).