

General Welfare Requirement: Organisation

Providers must plan and organise their systems to ensure that every child receives an enjoyable and challenging learning and development experience that is tailored to meet their individual needs.

Finance

4.10.5 Anti-Fraud Policy

Introduction

This document sets out the policy and procedures of St Joseph's Pre-school against fraud and other forms of dishonesty, including gifts and hospitality, together with the steps that must be taken where any of these practices are suspected or discovered.

Statement of Intent

St Joseph's Pre-school will continually strive to ensure that all its financial and administrative processes are carried out and reported honestly, accurately, transparently and accountably and that all decisions are taken objectively and free of personal interest. We will not condone any behaviour that falls short of these principles.

At St Joseph's Pre-School we aim to be an honest and ethical organisation. As such, this document offers guidance to Committee Members, staff¹ and volunteers, and sets out the Pre-school's policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the pre-school's objectives are:

- to create a culture which deters fraudulent activity;
- encourages its prevention and promotes its detection and reporting; and
- to identify and document its response to cases of fraud and corrupt practices.

It includes clear guidelines on what is acceptable in terms of gifts and hospitality and how these matters are declared. Reference is made to other policies where appropriate.

Everyone involved with St Joseph's Pre-school has a responsibility in respect of preventing and detecting fraud. All staff and committee members have a role to play. St Joseph's Pre-school also recognises the role of others in alerting them to areas where there is suspicion of fraud. Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.

Any investigation carried out in relation to alleged irregularities is linked to the Pre-school's Disciplinary procedure² (referral to the Police will not prohibit or restrict action under the Disciplinary Procedure).

Definitions

Fraud

A deliberate intent to acquire money or goods dishonestly through the falsification of records or documents. The deliberate changing of financial statements or other records by either: a member of the public, someone who works or is a volunteer for St Joseph's Pre-school. The

¹ Permanent, voluntary and fix term

² 2.1.1. Disciplinary procedure

criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.

Theft

Dishonestly acquiring, using or disposing of physical or intellectual property belonging St Joseph's Pre-school or to individual members, supporters or clients of the Pre-school.

Misuse of Equipment

Deliberately misusing materials or equipment belonging to St Joseph's Pre-school.

Abuse of Position

Exploiting a position of trust within the organisation.

Corruption

The term 'corrupt practices' is defined for the purpose of this policy as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by St Joseph's Pre-school, its staff or committee members.

Gifts and Hospitality

Any gifts, rewards and benefits that are disproportionately generous or that could be seen as an inducement to affect a business decision should be declared. The acceptance of gifts and hospitality is a sensitive area where actions can easily be misconstrued. Therefore, employees' and/or Committee member actions should be such that they would not be embarrassed to explain them to anyone

Guidelines on helping you judge what sort of gift and what level of hospitality is acceptable can be found in Appendix 1.

If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the Chairperson. Similarly, if there is concern or doubt about any aspect of a matter which involves an irregularity, or an ongoing investigation into a suspected irregularity, then seek advice from the Chairperson.

Roles and responsibilities

Staff, volunteers and Committee Members

St Joseph's Pre-school has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- a requirement for all staff and Committee Members to declare prejudicial interests and not contribute to business related to that interest;
- a requirement for staff and Committee Members to disclose personal interests;
- all staff and Committee Members are made aware of the understanding on the acceptance of gifts and hospitality;
- clear recruitment policies and procedures;
- acting with propriety in the use of St Joseph's Pre-school's resources and the handling and use of funds whether they are involved with cash, receipts, payments or dealing with suppliers;

Staff, volunteers and Committee Members also have a duty to report another member of staff, volunteer or Committee Member whose conduct is reasonably believed to represent a failure to comply with the above.

In respect of fraud it is therefore the responsibility of the Committee Members to ensure internal controls prevent and detect any frauds promptly. This includes:

- proper procedures and financial systems;
- effective management of financial records;
- management of the Pre-school's financial position.

Treasurer

The Treasurer has specific responsibility for overseeing the financial arrangements on behalf of the Committee.

The main duties of the Treasurer are to provide the Committee with on-going independent assurance that:

- the resources are being managed in an efficient, economical and effective manner;
- sound systems of financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

External Audit

St Joseph's Pre-school's Annual Report and Financial Statements include an Independent Examiners' assessment. This assessment includes a view as to whether the financial statements give a true and fair view and whether proper accounting records have been kept by the Pre-school throughout the financial year. In addition, it reports on compliance with the accounting requirements of the Charities Commission.

Reporting a Suspected Fraud:

All allegations of suspected fraud and irregularities are to be brought to the attention of the Lead Practitioner and also referred to the Chairperson.

Please refer to 1.10.1 Whistleblowing Policy for further guidance.

Response to Allegations

Whilst having regard to the requirements of the Data Protection legislation, St Joseph's Pre-school actively participates in an exchange of information with external agencies on fraud and corruption. It is often the alertness of Committee Members, staff or volunteers to the possibility of fraud and corruption that leads to detection of financial irregularity.

The Chairperson and Treasurer must be notified immediately of all financial or accounting irregularities or suspected irregularities or of any circumstances which may suggest the possibility of irregularities including those affecting cash, stores, property, remuneration or allowances.

The Chairperson will have the responsibility for co-ordinating the initial response. In doing this they will consult with external bodies such as ACAS regarding potential employment issues.

The Lead Practitioner and Chairperson will ascertain whether or not the suspicions aroused have substance.

The Committee Members will undertake the management of the investigation.

- They will, if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required.
- If further investigations are required, they will determine which outside agencies should be involved (police, auditors).

If evidence of fraud is forthcoming then the Committee Members will inform Gloucestershire County Council, particularly in relation to receipt of funding (as per the Local Provider Agreement), and will consider whether or not to refer the matter to the police.

In cases of suspected payroll irregularities the Treasurer and/or Treasury Administrator will raise concerns with PATA³ as the Pre-school purchases payroll services from them.

Malicious accusations may be the subject of disciplinary action

Confidentiality and Safeguards

St Joseph's Pre-school recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. The Pre-school will not tolerate harassment or victimisation and will do what it lawfully can to protect an individual when a concern is raised in good faith.

This does not mean that if the person raising the concern is already the subject of a disciplinary, redundancy or other procedure that those procedures will be halted as a result of the concern being reported.

There is a need to ensure that the process is not misused. For further guidance refer to 2.1.1 Disciplinary procedure and 2.1.2 Grievance procedure.

Further Information

- Charity Commission Guidance "[Protect your charity from fraud](https://www.preventingcharityfraud.org.uk)"
- www.preventingcharityfraud.org.uk

Associated policies and procedures

- 1.10.1 Whistleblowing
- 2.1.1 Disciplinary procedure
- 2.1.2 Grievance procedure
- 4.10.2: Financial Controls

| Version Number | Author | Purpose of change | Date |
|-----------------------|---------------|---|---------------------------------------|
| 1.0 | K Coupe | New policy in line with requirements and recommendations of the Charity Commission's Financial Controls Checklist and guidance document "Protect your Charity from Fraud" | 9 Feb 2025 Treasurer (L Farrer) |
| 2.0 | K Coupe | Reviewed and updated as necessary | 13 May 2025 Treasurer |

³ www.pataglos.org.uk; telephone: 01452 541244

| Version Number | Author | Purpose of change | Date |
|-----------------------|---------------|--------------------------|-------------|
| | | | (L Farrer) |

Appendix 1

Gifts and Hospitality Guidelines

The following general rules apply and must guide decisions on receipt of gifts and hospitality as an employee or Committee Member of St Joseph's Pre-school:

- To accept gifts should be the exception. You may accept small 'thank you' gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £5 in value. You should notify the Treasurer and Chairperson of any gift or hospitality over this value.
- Always say "no" if you think the giver has an ulterior motive. Be sensitive to the possibility that the giver may think that even small gifts or simple hospitality will elicit a more prompt service or preferential treatment.
- Never accept a gift or hospitality from anyone who is, or may be in the foreseeable future, tendering for any contract with the Pre-school, seeking employment with the Pre-school or is in dispute with the Pre-school, even if you are not directly involved in that service area.
- Where items purchased for the Pre-school include a 'free gift', such a gift should either be used for Pre-school business or handed to the Treasurer to be used for charity raffles.
- If you are in doubt about the acceptability of any gift or offer of hospitality it is your responsibility to consult the Chairperson.

A gauge of what is acceptable in terms of hospitality is whether this Pre-school would offer a similar level of hospitality in similar circumstances.