



STATEMENT OF POLICY AND PROCEDURES FOR DEALING WITH MALPRACTICE AND IRREGULARITY

1. Introduction

- 1.1 The Corporation of Shrewsbury Sixth Form College has a responsibility for the safe and proper use of public funds and the assets, which are made available to the College. To this end, the College is committed to its financial memorandum, regulations and procedures, which are designed to reduce the likelihood of fraud and financial irregularity. Nevertheless, the Corporation recognises that there will always be a possibility of such incidents, and have prepared this plan with that eventuality in mind.
- 1.2 The Corporation also has a responsibility to maintain the highest standards of probity in all its work and in the operation of the College and is committed to the eradication of danger, fraud and other illegal and unethical conduct within the College.
- 1.3 College recognises and endorses the recommendations of the Nolan Report on Standards in Public Life that Corporations should institute a Code of Practice upon the raising of concerns and disclosure of confidential information by employees relating to such practice.
- 1.4 This policy is supplemental to the provisions of the Public Interest Disclosure Act 1998, with which it is intended to be consistent and complementary. It shall not be read so as to diminish or limit the terms of that Act.

2. Policy Statement

- 2.1 The Corporation is committed to the operation of the College in an open and honest way with administrative and financial procedures, which are understood, and accepted as necessary, to secure the safe and proper use of the funds and assets available to the College.
- 2.2 It is the Corporation's belief and expectation that College staff will act with the highest standard of integrity. The Corporation will deal most firmly with those, who defraud it or are otherwise guilty of malpractice.
- 2.3 The Corporation encourages anyone having in good faith suspicions of fraud, financial irregularity of other improper behaviour or practice to report this in accordance with the procedures set out below. The employee's actions will be regarded as legitimate and proper provided that:
 - they have acted in good faith and not for personal gain, financial or otherwise
 - they have followed the procedures set out in this document
 - they have not made vexatious or deliberately false and malicious accusations.
- 2.4 Any employee reporting a matter as above shall not be subject to any disciplinary procedure, nor shall they suffer in any way as a result of making that report. Where, however, an employee acts vexatiously or maliciously, this will be treated as a serious disciplinary offence.
- 2.5 The Corporation will do its best to protect the identity of the member of staff who raises a concern and does not want his or her name to be disclosed. It must, however, be appreciated that the investigation process may reveal the source of the information and a statement by the member of staff may be required as part of the evidence. Should the police become involved in a matter, it may be necessary for the member of staff to make a statement to the police and/or attend a Court hearing as a witness.

2.6 Where an incident has been reported and is being investigated under this procedure, no member of staff, or any one associated with an investigation, should communicate with the media or any other third party concerning the incident without the express authority of the Principal and/or the Chairman of the Corporation. This is in the interests of a just and efficient investigation of the concern, the avoidance of adverse publicity and the avoidance of civil actions for defamation.

3. The Responsible Officer

3.1 Responsibility within the College for investigating incidents of fraud and malpractice as above has been delegated within the College to the Clerk to the Corporation. If the Clerk were involved in the allegation of malpractice, that responsibility would be delegated to the Principal. If both the Clerk and the Principal were involved in the allegation of malpractice, that responsibility would be delegated to the Chair of Audit Committee.

3.2 The role of the responsible officer shall include:

- a) receiving reports (and concerns) of staff on a confidential basis;
- b) considering the gravity of the incident in terms of any delegated limit and the impact of adverse publicity on the College;
- c) where a major diversion of funds is suspected, to consider rapid response in order to minimise or avoid (further) financial loss.

3.3 Where the responsible officer considers that staff interviews and/or disciplinary hearings are likely to take place associated with any incident, the Clerk shall consult the College's personnel adviser.

3.4 The responsible officer and all involved in the investigation shall take legal advice, as appropriate, on matters of employment law and procedures relating to discipline and grievance.

4. Procedure

4.1 Any member of staff who believes that they have good reason to suspect a colleague, student or other person of fraud, financial irregularity, any offence involving the College or any serious infringement of College rules should discuss this matter confidentially with the Clerk to the Corporation.

4.2 The Clerk shall prepare a confidential written record of the concern, the content of which is to be agreed with the member of staff raising that concern. If the member of staff wishes, his or her identity will not be included in that written record.

4.3 The Clerk will write to the member of staff concerned at their home address, or such other address as the person may specify, within five working days to acknowledge the raising of the concern and enclosing a copy of the agreed record.

4.4 Should the allegation of malpractice concern the Clerk to the Corporation, a member of staff should raise the concern with the Principal of the College or, should the Principal also be allegedly implicated in the malpractice, with the Chairman of the Audit Committee. The person with whom the concern is raised under this clause becomes the responsible officer for the concern.

4.5 The Responsible Officer shall discuss with the appropriate person, as defined in this procedure, the action to be taken in respect of the concern raised. If at any time the concerned employee considers that the Responsible Officer is failing to deal appropriately with matters, he or she may raise their concern with the appropriate person.

4.6 At the conclusion of the investigation, the Responsible Officer shall inform the member of staff who raised the concern of the steps taken and the outcome of any investigation.

5. Investigation into Fraud and Financial Irregularity

- 5.1 On receipt of the concern the responsible officer shall consider the gravity of the incident, in terms of any delegated limit and the impact of adverse publicity upon the College and, where a major diversion of funds is suspected, shall consider whether immediate steps are necessary in order to minimise or avoid financial loss.
- 5.2 The responsible officer shall inform and consult with the Principal and/or the Chairman of the Audit Committee, the appropriate person, as to the further steps to be taken. If the Chairman of the Audit Committee is the responsible person, then he/she shall consult with the Chairman of the Corporation. Internal Audit will be informed immediately in all but the most trivial cases and consideration will be given to the involvement of the police, where a criminal act is suspected. In any event, the police should be consulted before action is taken, which may alert suspects and lead to the removal or destruction of evidence, including action taken to stop a loss or tighten controls.
- 5.3 In cases where it is believed that a criminal act has taken place, then the police, external audit and the corporation *must* be informed, if this has not yet been done.
- 5.4 Where it appears that no criminal act has taken place an internal investigation shall be held to:
- determine the facts and to quantify any loss, which has occurred
 - decide upon the need for any disciplinary action
 - assess the prospect of recovering any loss
 - review procedures in the area of loss to identify improvement and control to prevent a recurrence of the incident
- 5.5 In reaching a decision upon whether or not to take any disciplinary action, the following shall be considered:
- is there a case for an individual to answer?
 - was there negligence or an error of judgement?
 - has an employee acted dishonestly, but without criminal intent?
- 5.6 Any disciplinary sanctions to be applied will be dealt under the Corporation's personnel procedures from time to time in force.
- 5.7 When consideration is to be given to the interviewing of a suspect, the requirements of the Police and Criminal Evidence Act must be borne in mind in order to ensure that the content of any such interview is admissible in any criminal proceedings, which may arise. Specific legal advice should be taken upon this point.

6. Action following Investigation of Fraud and Financial Irregularity

- 6.1 Where any money or property has been lost as a result of an incident the Corporation shall determine:
- the amount or value lost, including any interest, which might properly be claimed
 - whether this loss is recoverable under the College's insurance arrangements
 - whether the loss is recoverable by other means, such as from an employer's salary by agreement or by civil proceedings
 - whether or not a loss should be written off

- 6.2 In all cases the Finance Manager must be informed and the loss be recorded in a Loss and Compensation Register. Any write off must also be recorded and will be in accordance with the limits specified in Financial Regulations.
- 6.3 The Corporation shall consider whether any alteration to its financial procedures and other arrangements may be appropriate to prevent future loss occurring and shall implement such alterations as soon as possible.

7. Investigation into Allegations of other Irregularity or Misconduct

- 7.1 It is unlikely that concerns other than those involving fraud or financial irregularity will raise the possibility of criminal proceedings. Nevertheless, there remains the possibility of civil and/or tribunal action, whether or not directly involving the College. For this reason, investigations into concerns of a non-financial nature shall be made to the same standards and upon the same principles as those involved in financial issues.
- 7.2 The Responsible Officer shall inform and discuss with the Principal and/or the Chair of the Corporation the nature of the concern raised and shall agree the nature and extent of the internal investigation to be undertaken.
- 7.3 Investigations shall consider:
- the nature and extent of any incident, which has occurred.
 - whether this appears to be an isolated incident or evidence of a long- standing or widespread practice.
 - whether the incident is in breach of any established rule, procedure or code of practice of the College.
 - whether or not disciplinary process should be taken against any person.
- 7.4 Where a policy, procedure or code of practice already exists in respect of a concern, the Corporation shall consider what steps may be necessary to publicise and reinforce awareness of that policy etc. Where no such policy or code exists, the Corporation shall consider the need for one and, if appropriate, devise the same as soon as reasonably possible and shall take steps to make all persons affected aware of it.

8. Records

- 8.1 The Responsible Officer shall maintain a register containing details of all reported suspicions, including those dismissed as minor or otherwise not investigated, details of actions taken and conclusions reached.
- 8.2 The register shall record separately matters of financial irregularity. This section shall be reviewed by the Audit Committee at least once a year and any significant matters shall be reported to the Corporation.
- 8.3 A proper record shall be kept at all stages of any investigation to ensure that the progress of the investigation can be validated and that all procedures have been followed and documented.