Anti-Corruption, Fraud, Money Laundering and Bribery Prevention Policy

1 Introduction

1.1 References throughout this policy to the 'School' or 'school' relate to Reed's School and Ripley Court School. References throughout this policy to the 'Bursar' relate to the Bursar & Clerk to the Governors at Reed's School or the Bursar & Director of Operations at Ripley Court School.

1.2 It is the School's policy to conduct all of its business in an honest and ethical manner. It takes a zero-tolerance approach to money laundering, bribery, fraud and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships, implementing and enforcing effective systems to counter bribery. The School will comply with the Bribery Act 2010, and the Proceeds of Crime Act 2002 (POCA) in respect of its conduct both at home and abroad. It follows the fraud awareness good practice advice published by the DfE. (Fraud awareness: good practice for education and training providers - GOV.UK)

1.3 The purpose of this policy is to:

- Set out the School's responsibilities and those working for it, in observing and upholding its position on bribery and corruption; and
- Provide information and guidance to those working for it, on how to recognise and deal with bribery and corruption issues.

1.4 Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if the School is found to have taken part in corruption, the School could face an unlimited fine and face damage to its reputation. In addition, the School is at risk of committing a money laundering offence if it accepts funds in circumstances where it has knowledge or a reasonable suspicion that the payment is from illicit funds. The School, therefore, takes its legal responsibilities very seriously.

1.5 In this policy, 'third party' means any individual or organisation that colleagues come into contact with during the course of their work for us. This includes former, actual and prospective pupils and parents/guardians, suppliers, business contacts, agents, advisers, donors, trusts and charities, Old Reedonians, government, and public bodies.

1.6 This policy will be reviewed on an annual basis. The Finance, Risk & Estates Committee review the effectiveness of this policy along with any incidents on a termly basis. Financial limits stated will be reviewed at this time.

2 Who is covered by the policy?

2.1 This policy applies to all individuals working for the School at all levels (whether permanent, fixed-term or temporary), and includes Governors, volunteers, external coaches, visiting music teachers or any other person associated with the School (collectively referred to as 'colleagues' in this policy).

3 What is bribery?

3.1 A bribe is an inducement or reward offered, promised, or provided in order to gain any business or personal advantage.

3.2 The following are examples of circumstances in which offences under the Act may occur:

- An IT Company providing services to the School offers a colleague a free i-Pad as an incentive for renewing its contract for services.
- A ski company tendering for a contract with the School, to facilitate a School trip offers to accommodate a colleague's children on the trip free of charge.
- To request or offer a reduction in school fees at another school in return for an expectation that the member of staff would induce other families to accept places at the other school.

3.3 Accepting any of the above offers identified above may amount to an offence under the Act.

4 Gifts and Hospitality

4.1 By virtue of the nature of their role in School, some colleagues are more likely to be offered gifts or hospitality or have an enhanced opportunity to enter prize draws run by third parties. This policy has been written with the intention of ensuring that no colleague is in a position where their role may make them a target for bribery or where they may receive a significant advantage over other colleagues due to their role. Staff will be reminded of this policy by the Bursar ahead of the end of the Christmas and Summer terms.

4.2 This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties. Typical examples include the provision of lunch before a meeting or drinks before an awards ceremony attended by a colleague.

4.3 The giving or receipt of gifts or hospitality is not prohibited, if the following requirements are met:

- it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- it complies with local law;
- it is given in the School's name, not in the colleague's name;
- it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- it is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time;
- taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- it is given openly, not secretly; and
- gifts should not be offered to, or accepted from, government officials or representatives without the prior approval of the Bursar and Secretary to the Governors, Executive Headmaster or RCS Headmaster.

4.4 From time-to-time parents/guardians or pupils may offer colleagues gifts on an individual basis as a demonstration of their gratitude for the work that has been done on their behalf, and this is perfectly legitimate. However, in some contexts such gifts could be construed as an improper inducement to, for instance, accord preferential treatment in the future. Consequently, it is necessary for the School to have rules applying to such gifts. These are as follows:

- Any gifts, cash or other monetary equivalent of a value of £200 or over, should be reported to the Bursar. They should be donated to the Foundation or School's nominated charity. The parent/guardian should be thanked for their gift and informed that it is being donated to the Foundation or School's nominated charity.

- If a colleague receives a gift from a group of parents, then the maximum value that can be accepted will be based on an average of £50 per pupil and this must be reported to the Bursar. If the gift is valued at over £50 per pupil, this should be donated to the Foundation or School's nominated charity. The parents should be thanked for their gift and informed that it is being donated to the Foundation or School's nominated charity.

- Colleagues may retain gifts received from suppliers if they are token work-related items e.g. pens, notepads, flash drives, desk calendars or diaries. Unwanted gifts and/or any other gifts should be reported to the Bursar and either politely refused or donated to the School or School's nominated charity. In either case, the Bursar should be notified by email and if the gift is being donated to charity then the giver of the gift should be told that this is the case.

- Where the value of individual gifts or equivalent received from any one source exceeds £200 in any 12 month rolling period, this must be reported to the Bursar. Any amount above £200 will be donated to the Foundation or School's nominated charity. The parent/guardian or other source should be thanked for their gift and informed that it is being donated to the Foundation or School's nominated charity.

- It is acceptable for colleagues to offer prizes to pupils or other colleagues of a small value in certain tasks or competitions.

- It is acceptable for colleagues to accept prizes from a third party providing that the value or equivalent value of the prize does not exceed £200 in any 12 month rolling period. Where this value is exceeded, the prize must be donated to the Foundation or School's nominated charity. The third party should be thanked for the prize and informed that it is being donated to the Foundation or School's nominated charity.

4.5 Where a colleague is required to donate their gift or prize to the Foundation or to the School's nominated charity, they may offer to make an equivalent cash donation instead. The equivalent value will be agreed upon between the Bursar or Executive Headmaster, and the colleague in receipt of the gift or prize.

4.6 Where colleagues are unsure whether they are able to accept a gift, hospitality or prize, they must contact the Bursar for confirmation who will consult with the Executive Headmaster as necessary.

4.7 Where gifts, prizes or hospitality are offered to the Reed's Bursar or RCS Headmaster and they either exceed the value of £200, or there is any doubt about whether they are able to accept a gift, hospitality or prize, the Executive Headmaster will make the final decision. Similarly, where the receiver is the Executive Headmaster, the Chair of Governors will make the final decision.

5 What is not acceptable?

5.1 It is not acceptable for a colleague (or someone on their behalf) to:

1. give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that an advantage for the School will be received, or to reward an advantage already received;
2. give, promise to give, or offer, a payment, gift, prize or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
3. accept payment from a third party that the colleague knows or suspects is offered with the expectation that it will obtain an advantage for them;
4. accept a gift, prize or hospitality from a third party if the colleague knows or suspects that it is offered or provided with an expectation that a business advantage will be provided by the School in return;
5. threaten or retaliate against another colleague who has refused to commit a bribery offence or who has raised concerns under this policy; or
6. engage in any activity that might lead to a breach of this policy
7. give personal gifts or prizes to pupils.

6 Donations

6.1 The School only makes charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made in the School's name or on behalf of the School without the prior approval of the Bursar and Secretary to the Governors or the Executive Headmaster/RCS Headmaster.

6.2 Donations are a particular area of risk faced by the School. To mitigate the risk, the School should know, at least in broad terms, where the money it is being given comes from and should be able to identify and be assured of the provenance of substantial donations.

6.3 Good due diligence will help to assess any risks to the School from accepting a donation including giving reasonable assurance that the donation is not from any illegal or inappropriate source.

7 What is fraud & fraud prevention measures

7.1 Fraud is a criminal offence as defined by the Fraud Act 2006. The Act defines fraud as:

- fraud by false representation – where a person expresses or implies something, which they know to be untrue or misleading.
- fraud by failing to disclose information – where a person fails to disclose information, which they have a legal duty to disclose.
- fraud by abuse of position – where a person is in a position where they are expected to safeguard the financial interests of others but abuse that position.

7.2 The School is alert to the possibility that it may be the target of fraudulent activity. It is pro-active in ensuring staff in the finance department, and in leadership and governance roles, have good awareness of fraud threats. Staff receive regular training on emerging and new technology-based frauds to help create a counter fraud culture where challenge and reporting are encouraged. All staff receive cyber-security training.

8 What is money laundering?

8.1 Money laundering is a process or scheme in which criminals try to disguise the identity, original ownership, and destination of money they have obtained through criminal conduct. The laundering is done with the intention of making it seem that the proceeds have come from a legitimate source. Money used in these schemes is known as Illicit Funds.

8.2 The School is potentially vulnerable to being used as a vehicle through which a criminal may seek to launder Illicit Funds. The following are examples of circumstances in which a criminal may use seek to launder Illicit Funds:

- Pay Fees or make a donation
- Provide 'pocket-money' to a boarding pupil

9 Proceeds of Bribery & Corruption – Red Flags for Schools

9.1 The United Kingdon’s National Crime Agency (NCA), on behalf of the National Economic Crime Centre (NECC), in conjunction with law enforcement and financial sector partners as part of the Joint Money Laundering Intelligence Taskforce (JMLIT) issued an Amber Alert to Schools in October 2020, highlighting ‘Red Flags’ for Independent Schools.

9.2 These red flags can be summarised as follows:-

- Third party payments received in settlement of school invoices.
- Unexpected interest in specific student applications from members of school staff, or requests to ‘circumvent’ normal application requirements.
- Student comes from a jurisdiction considered of higher risk for money laundering.
- Funds coming to the school to pay for a pupil’s fees where the funds are not coming from either a UK account or from the same jurisdiction as the child’s nationality.
- Payments from school fees that do not come directly from parents.
- Cash deposits into accounts funding outgoing payments to schools.
- Cash deposits paid directly into independent schools’ accounts for fees, obscuring the source of funds.
- Account being funded by a number of unassociated third parties, with the income exceeding the profile of the customer.
- Transactions to schools of a size that my indicate that multiple years’ fees are being paid up front.
- Account activity which is not aligned to the purpose of the account such as the use of custody accounts for school payments.
- Where the client cannot, or will not, provide further detail around the underlying customer.
- Clients classified as Politically Exposed Persons (PEPs) paying school fees.
- Clients classified as PEPs and also originating from a country that has controls in place around PEPs holding offshore accounts.

9.3 Where a colleague is responsible for the receipt of payment they should make themselves familiar with the Amber Alert in full and should consult with the Bursar should they have any concerns or questions in regard to payments offered or received.

10 Actions to be taken to identify money laundering

10.1 Whilst the School is unlikely to have satisfied the threshold for committing a money laundering offence where the School or the colleague were unaware that a payment was made from illicit funds, colleagues must not turn a ‘blind eye’. Where there are factors that indicate a higher risk of potential money laundering activity, the colleague must refer the concern to the Bursar who will consider what further steps or investigations are required before accepting the payment.

10.2 Where a colleague has identified any potentially suspicious or high-risk transactions, the colleague should use the Checklist in Annex 1. If any of the answers to the questions are 'yes', the colleague **must** refer the payment to the Bursar for further consideration. The list is not exhaustive and even if all the answers to the questions are 'no', if something seems unusual, the colleague must raise their concern with the Bursar.

10.3 In order to protect colleagues and the School, the School will:

- not accept cash payments of more than £100, unless in exceptional circumstances and authorised by the Bursar/Director of Finance.
- not accept payment in advance of fees unless linked to an approved application to join the School's fees in advance scheme, and the school has an existing relationship with the fee payer. Where fees in advance exceed EUR 10,000, and no existing relationship exists, due diligence checks must be carried out.
- not return any donation or fees paid in advance, in particular will not return any payment to a different bank account to that from which the funds were initially received
- not accept payments from high-risk countries or from PEPs (Politically Exposed Person)
- provide training appropriate to colleague's roles.

11 What must the Bursar and Director of Finance do where a payment seems suspicious?

11.1 Where a colleague identifies a concern in relation to a payment, the Bursar and Director of Finance must consider the relevant circumstances relating to the transaction that has raised the concern. The enquiries the Bursar/Director of Finance will make will depend on the circumstances, but could include:

- Asking the payer to explain who is making the payment where this is not clear;
- Asking for an explanation of why the payment is being made in a particular way, for example, where payments are being made from a variety of sources or accounts;
- Checking to see if anyone associated with the payment is a PEP;
- Asking the payer for proof of the source of the funds; or
- Carrying out an internet search to establish that the payer is not involved in alleged criminal activities

11.2 After having made the appropriate enquiries, the Bursar will decide whether;

- The payment can be accepted; or
- Further explanation or evidence as the legitimacy of the funds is required; or
- The School should submit a Suspicious Activity Report (SAR) to the National Crime Agency (NCA).

11.3 The Bursar will keep a record of the decision made in relation to the payment and the evidence supporting the decision.

11.4 Where the Bursar has reason to submit a SAR to the NCA, where appropriate, they may request consent to proceed with the transaction. If the School has requested a defence against a money laundering offence (DAML) in the SAR, the School should not accept, pay away, return or otherwise use the suspicious payment for any purpose until the time limit for the NCA to respond to the SAR expires.

11.5 The Bursar will also consider whether the incident needs to be reported also to the Charity Commission.

12 Responsibilities of Colleagues

12.1 Colleagues must ensure that they have read, understood and comply with this policy.

12.2 The prevention, detection and reporting of bribery, money laundering and other forms of corruption are the responsibility of all those working for the School or under its control. All colleagues are required to avoid any activity that might lead to, or suggest, a breach of this policy.

12.3 The School could be held liable for failing to prevent bribery or money laundering if a person associated with it commits an offence under the Act. Colleagues must notify the Bursar or the Executive Headmaster as soon as possible if they believe or suspect that a breach of this policy has occurred, or may occur in the future, or if they consider that they have been offered any inducement or reward with a view to obtaining a business or personal advantage.

12.4 Any colleague who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. The School reserves its right to terminate its contractual relationship with other colleagues if they breach this policy.

13 Record-keeping

13.1 The School keeps financial records, and has appropriate internal controls in place, which will evidence the business reason for making payments to third parties.

13.2 All colleagues must make their Head of Department/Line Manager aware and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review.

13.3 Colleagues must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the School's Expenses Policy (which can be found on Firefly) and specifically record the reason for the expenditure.

13.4 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

14 How to raise a concern

14.1 Colleagues are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. Concerns should be reported by following the procedure set out in the Whistleblowing Policy.

15 Protection

15.1 Workers who refuse to accept or offer a bribe, or who are offered a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The School aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

15.2 The School is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If a worker believes that they have suffered any such treatment, they should use the School's Grievance Procedure.

16 Training and communication

16.1 Training on this policy forms part of the induction process for all new colleagues. All existing colleagues receive regular, relevant training on how to implement and adhere to this policy. The Registrar and Finance department who are closely involved with the receipt of school fees receive detailed training in preventing money laundering, identifying potential fraud, bribery and corruption.

Compiled by: Reed's Bursar & Secretary to the Governors	Revision Number: 11 (Autumn Term 2025)
Approved by: Finance, Risk and Estates Committee	Next Revision date: Autumn Term 2026

Revision History Table

Revision Number	Section/Paragraph number	Amendments
11 – Autumn 2025	Title 1.1	Policy title amended to include 'Fraud' Link to DfE Fraud awareness good practice guidance added

	1.6 4.1 7 16.1	Reference to RPI removed. Final sentence added. New Reference to ‘fraud’ added

Annex 1

Checklist for identifying potentially suspicious transactions

Colleagues must consider the following questions in relation to each high-risk payment. If any of the answers to the questions are ”yes”, the colleague must refer the payment to the Bursar for further consideration. This list is not exhaustive. Even if all the answers to the questions are “no”, if something seems unusual, the colleague must raise their concern with the Bursar.

	Potential red-flags	Ask…	Yes/ No
1.	Transactions	Are payments to the School unusual because of their size, frequency or the manner of their execution? Are the payments related to the Fees in Advance Scheme or in excess of EUR10,000 and from a payee without an existing relationship with the School? For example: Is the parent unexpectedly or unusually making lots of small payments from several different accounts? Are the payments unexpectedly being paid from a different account? Are the Fees in Advance for a child who has not accepted an offer of a place at the School?	
2.	Bank account:	Is the payment being made from an account that is not in the same name as the payer?	
3.	Arrangements	Does the payment involve complex or illogical arrangements that make it unclear who is making the payment? For example:	

		Is the payment coming from a variety of sources or payers? Is the payer seemingly unconnected to the pupil, parent or donor?	
4.	Third party payments	If the payment is from an account that is not the parent's account, is the connection between the third party making the payment and the pupil unclear? For example, is the payment from someone who is not the parent's employer or a known relative of the pupil?	
5.	Internet search	Are there any adverse media articles about the payer suggesting an involvement in criminal activities?	
6.	Erroneous payments	Has the School been asked to reverse a payment made because the payment was made in error? Has the School been asked to send a repayment to a person that is different to the original payer?	
7.	Country of residency	Is the parent resident in or have they recently relocated from, a high-risk country? You should ask the Bursar for the current list of high risk countries. Money Laundering Advisory Notice: High Risk Third Countries - GOV.UK	
8.	PEP (Politically Exposed Person – broadly an individual who is performing a	Are either of the parents or the person paying the fees (where different) a PEP?	

	prominent public function)	If the parent is a PEP, is their business activity unusual given the public role they hold?	
9.	Assets:	Does it seem that a parent's assets are inconsistent with their known legitimate income?	
10.	Resources	Are the funds being used bearer's cheques or cash?	
11.	Identity	Is the payer difficult to identify?	
12.	Early or quick payments	Is the parent unusually anxious to make a payment? Is the parent unable to justify why they need to make the payment quickly or early?	
13.	False documents	Do any documents appear to be falsified?	
14.	Representative	Have you, or other professionals involved, been instructed at a distance, asked to act outside of your usual specialty, or offered an unusually high fee?	