



ANTI FRAUD AND CORRUPTION POLICY

PHASE	JUNIOR / SENIOR
POLICY LEAD	PHIL WILKINSON (CFO)
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1. Fraud Policy Statement

The Trust has a duty to ensure that the public funds entrusted to it are safeguarded and managed effectively and takes all necessary steps to prevent fraud occurring.

The Trust aims to be an honest and ethical institution and keeps robust controls to both detect and prevent fraud. It is the responsibility of all staff to comply fully with procedures and controls in place to prevent fraud. The effectiveness of such controls is subject to regular review by the internal audit system and follow the guidelines as laid down in the Academy Trust Handbook.

To minimise the risk and impact of fraud the Trust aims are to:

- Create a culture that deters fraudulent activity, encourages its prevention, and promotes its detection and reporting.
- Identify and document its response to cases and fraud and corrupt practices.

The scope of this policy extends to all Trust employees, paid and voluntary, permanent, fixed term.

2. Purposes of this Policy

Through this policy, the Trust will show that it will not tolerate fraud, corruption, or abuse of position for personal gain in any area or aspect of the Trust's activities. The Trust is committed to ensuring full compliance with the Academy Trust Handbook.

The Trust recognises that all instances of fraud, corruption, and any other form of dishonesty risks the Trust's school improvement aims, potentially diverting public money away from the provision of education. Moreover, such abuse of public funds, assets and services would threaten the reputation and sound financial standing of the Trust.

The purpose of the policy is to clearly set out the Trust's main aims to countering fraud and corruption.

3. Definitions

3.1 Fraud

The Trust adheres to the definitions of the range and malpractice of fraud as detailed in the Fraud Act 2006.

Fraud is a general term covering theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage of the perpetrator or others upon whose behalf they act, even if these "others" are in ignorance of the fraud. Fraud is intentional deceit and cannot include negligence.

Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practises, and falsification of accounts.

3.2 Corruption

The term "corrupt practises" 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 staff.

3.3 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 must be declared. Staff are referred to the Trust Gift and Hospitality policy.

In line with the Gift and Hospitality policy gifts may be accepted by staff up to a value of £35, anything over this amount must be referred to the CFO (Chief Financial Officer) before acceptance. Any gift approved over £35 must be included on the gifts and hospitality register.

Staff should refuse any gift where they think the giver has an ulterior motive. Likewise, gifts or hospitality should never be accepted from anyone who is or may be tendering for any contract with the Trust, seeking employment with the Trust or is in dispute with the Trust.

When accepting offers of hospitality staff must again be mindful of the giver having an ulterior motive and that by accepting the hospitality they are unwittingly entering into some form of agreement/promise.

Paid holidays and concessionary travel are not to be accepted along with offers of hotel accommodation nor the use of company villas/apartments.

3.4 Criminal Offences

- **Theft** – the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession.
- **Fraud** – the intentional distortion of financial statements or other records by persons internal or external to the Trust, which is carried out to conceal the misappropriation of assets or otherwise for gain.
- **Bribery and corruption (gifts and hospitality)** - involves the offering or the acceptance of a reward, for performing an act, or not performing an act, which leads to gain for the person offering the inducement.
- **Failure to observe**, or breaches of, Scheme of Delegation and Financial Regulations; Trust procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

3.5 Examples of Fraud and Corruption

- Theft of cash.
- Non-receipt of income.
- Substitution of personal cheques for cash.
- Travelling and subsistence claims inflated.
- Manipulating documentation to increase salaries/wages received e.g., false overtime claims, falsifying annual leave records.
- Payment of bills for goods/services received by an individual rather than the Trust.
- Failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Trust.
- Unauthorised borrowing of equipment.
- Breaches of confidentiality regarding information.
- Failure to declare a direct pecuniary or otherwise conflicting interest.
- Concealing a generous gift or reward.
- Unfairly influencing the award of a contract.

- Creation of false documents.
- Deception.
- Using position for personal reward.

The above list is not exhaustive, and fraud and corruption can take many different forms. If in any doubt clarification must be sought from the CFO.

4 Roles and Responsibilities

4.1 Staff and Trustees

The Trust has adopted the following measures to prove its commitment to anti-fraud and corruption:

- Audit and Risk Committee meets 4 times per academic year
- All staff, trustees and governors must declare prejudicial interests and not contribute towards business related to that interest
- A requirement for all staff, trustees and governors to disclose personal interests
- All staff, trustees and governors are made aware of the understanding of the acceptance of the Gift and Hospitality policy
- Clear recruitment policies and procedures
- Anti-fraud awareness training to enable the business support function to identify potentially fraudulent activities

Staff, trustees and governors also have a duty to report another member of staff, trustee or governor whose conduct is reasonably believed to represent a failure to follow the above in line with the Trust Whistleblowing policy

4.2 Internal Auditor

The Internal Auditor has specific responsibility for overseeing the financial arrangements on behalf of the Trustees.

The main duties of the Internal Auditor is to provide Trustees with on-going independent assurance that:

- The financial responsibilities of the Trust are being properly discharged.
- The resources are being managed in an efficient, economical and effective manner.
- Sound systems of financial control are being maintained.
- Financial considerations are fully considered in reaching decisions.

4.3 Chief Financial Officer

The CFO is responsible for ensuring that effective systems of internal controls are kept and will safeguard the resources of the Trust. The CFO will ensure that internal controls prevent and detect fraud promptly. This includes:

- Proper procedures and financial systems.
- Effective management and financial records.
- Management of Trust's financial position.
- Anti-fraud awareness training.

4.4 External Audit

The Trust Annual Report and Financial Statements include an Independent Auditors' Report. This report 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 Trust throughout the financial year. In addition, it reports on compliance with the accounting requirements of the relevant Companies Act and confirms compliance with the financial reporting and annual accounting requirements issued by the Department of Education.

5 Reporting a Suspected Fraud

All allegations of suspected fraud and irregularities are to be brought to the attention of the CFO who in turn will notify the CEO, unless this individual is involved in the irregularity in which case the Chair to Trustees should be informed.

Please refer to the Trust Whistleblowing policy for further guidance.

The Academies Financial Handbook states that Trustees must notify the ESFA, as soon as possible, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually or £5,000 cumulatively in any financial year. Unusual or systematic fraud, regardless of value, must also be reported. The following information is needed:

- Full details of the event(s) with dates.
- The financial value of the loss.
- Measures put in place to prevent recurrence.
- Was the matter referred to the police (if not why not).
- Are losses covered by the RPA or any other insurance.

6 Response to Allegations

- 6.1 The CFO is responsible for co-ordinating the initial response. In doing this they will consult with the Senior HR Manager regarding potential employment issues and notify the CEO. The CFO will also seek advice from the Trust's legal advisors on both employment and litigation issues before taking any further action.
- 6.2 The CEO, CFO and Senior HR Manager will ascertain whether the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, they will pass the matter on to the Chair of Audit and Risk Committee. Even if there is no evidence to support the allegation, the matter must be reported.
- 6.3 The Audit and Risk Committee 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 needed.
 - They will decide whether the findings, conclusions and any recommendations arising from the preliminary investigation should be reported to the Chair of Trustees.
 - If further investigations are needed, they will decide which outside agencies should be involved (police, auditors).
- 6.4 The CFO must notify Trustees of any serious financial irregularities. This action will be taken at the first opportunity following the completion of the initial investigations and will involve keeping the Chair to Trustees informed between trustees meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

- 6.5 If evidence of fraud is forthcoming then Trustees will inform the Department for Education as required by the Funding Agreement and will consider whether to refer the matter to the police.

7. Confidentiality and Safeguards

- 7.1 The 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 Academy 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.
- 7.2 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 due to the concern being reported.
- 7.3 There is a need to ensure that the process is not misused. For further guidance refer to the Disciplinary Policy, the Code of Conduct Policy and Grievance and Dignity Policy.

8. Links with other Policies

Trustees are committed to preventing fraud and corruption. To help achieve this aim there is a clear network of systems and procedures in place for the prevention, detection and investigation of fraud and corruption. This Anti-Fraud and Anti-Corruption policy attempts to combine those in one document and should be read in conjunction with the following Trust policies:

- Whistle-Blowing Policy
- Financial Regulations
- Disciplinary Policy
- Code of Conduct Policy
- Grievance and Dignity Policy
- Equal Opportunities Policy
- Gifts and Hospitality Policy
- Scheme of Delegation

9. Monitoring and Review

The Trust CFO has overall responsibility for the maintenance and operation of this policy. The policy will be reviewed by the Finance Committee on a three year cycle and signed by the Chair to Trustees and the CEO.

