

Anti-Fraud and Corruption Policy



Community First
Academy Trust

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Company No: 08359889

Anti-fraud and Corruption Policy

Summary

This policy and procedure defines the expected conduct of all staff engaged at Community First Academy Trust, whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption, and who to report it to.

It includes clear guidelines on what is acceptable in terms of gifts and hospitality and how these matters are declared.

Also, reference is made to other school policies where appropriate.

1. Introduction:

- 1.1 Community First Academy Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with Community First Academy Trust has a responsibility in respect of preventing and detecting fraud. All staff and Directors have a role to play. Community First Academy Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.
- 1.2 Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.
- 1.3 It is the duty of all employees and Directors at Community First Academy Trust to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of Auditors to review the adequacy of the measures taken by Community First Academy Trust to test compliance and to draw attention to any weaknesses or omissions.
- 1.4 Any investigation carried out in relation to alleged irregularities is linked to the Trust's Disciplinary & Dismissals procedure.

2. Definitions:

2.1 Fraud

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

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

2.2 Corruption

The term 'corrupt practices' is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by Community First Academy Trust, its staff or Directors.

2.3 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 should be declared. Please see Gifts and Hospitality Policy.

- 2.4 Irregularities fall within the following broad categories, the first three of which are 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 and external to the Trust, which is carried out to conceal the misappropriation of assets or otherwise for gain;
 - ◆ **Bribery and corruption (Gifts & Hospitality – see Point 6.)**- involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement;
 - ◆ **Failure to observe**, or breaches of, Scheme of Delegation and Financial Regulations;
 - ◆ **Failure to observe**, or breaches of, Trust's Procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

- 2.5 Examples of what could constitute fraud and corruption are -
- ◆ theft of cash;
 - ◆ non-receipt of income;
 - ◆ substitution of personal cheques for cash;
 - ◆ travelling and subsistence claims for non-existent journeys/events;
 - ◆ travelling and subsistence claims inflated;
 - ◆ manipulating documentation to increase salaries/wages received, e.g. false overtime claims;
 - ◆ payment of invoices for goods 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 paths. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the Headteacher, Finance Director or School Business Manager.

- 2.6 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, the best approach is to seek advice from the Headteacher.

3. Policy Statement:

- 3.1 This policy and procedure defines Anti-Fraud & Corruption and Gifts & Hospitality and offers guidance for all staff in the Trust.
- 3.2 The Trust aims to be an honest and ethical institution. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts Trust business. This document sets out the Trust'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 Trust's objectives are, firstly, to create a culture which deters fraudulent activity, encourages its prevention and promotes its detection and reporting and, secondly, to identify and document its response to cases of fraud and corrupt practices.
- 3.3 This policy, in line with the Trust's corporate values of integrity, consistency, impartiality, fairness and best practice, provides both staff and management with mutually understood guidelines for the administration of this procedure.
- 3.4 The scope of this procedure extends to all Trust employees, permanent, temporary and volunteers.
- 3.5 Time limits specified in this document may be extended by mutual agreement.
- 3.6 If requested, employees may be accompanied by a recognised trade union representative or work colleague, not involved in any part of the process, at any interviews.

4. Equal Opportunities statement:

- 4.1. Community First Academy Trust is committed to equality of opportunity, and to promoting an ethos of dignity, courtesy and respect throughout the organisation.

5. Objectives:

- 5.1 The Trust has taken the following steps to communicate expectations to staff:
- ◆ The development and publication of a formal statement of its expectations on standards of personal conduct, propriety and accountability;
 - ◆ The development and publication of a formal statement of the procedures to be followed by employees who have a suspicion of, or concern about, possible or actual malpractice within the Trust.

6. Roles and Responsibilities:

6.1 Staff and Directors

Community First Academy Trust has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- ◆ All staff are made aware of the Trust Code of Conduct for Employees;
- ◆ The Board of Directors and Local Governing Body meets regularly;
- ◆ A requirement for all staff and Directors to declare prejudicial interests and not contribute to business related to that interest;
- ◆ A requirement for staff and Directors to disclose personal interests;
- ◆ All staff and Directors are made aware of the understanding on the acceptance of gifts and hospitality;
- ◆ Clear recruitment policies and procedures.

Staff and Directors also have a duty to report another member of staff or Governor whose conduct is reasonably believed to represent a failure to comply with the above.

6.2 Responsible Officer

The Responsible Officer has specific responsibility for overseeing the financial arrangements on behalf of the Directors.

The main duties of the Responsible Officer are to provide the Directors with on-going independent assurance that:

- ◆ The financial responsibilities of the Directors are being properly discharged;
- ◆ 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.

6.3 The CEO – Accounting Officer

The CEO has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of Community First Academy Trust.

In respect of fraud it is therefore the responsibility of the CEO 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 Trust's financial position.

6.4 External Audit

The Trust's 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 Dept of Education.

7 Reporting a Suspected Fraud:

7.1 All allegations of suspected fraud and irregularities are to be brought to the attention of a member of the Senior Leadership Team and also referred to the Headteacher, unless this individual is involved in the irregularity in which case the Chair of the Trust should be informed.

Please refer to the Trust Whistleblowing Policy for further guidance.

8 Response to Allegations

8.1 The Headteacher or member of the senior leadership team will ascertain whether or not the suspicions aroused have substance. He/she will if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required. The findings, conclusions and any recommendations arising from the preliminary investigation will be reported to the Chair of the Trust.

8.2 The Headteacher will have initial responsibility for co-ordinating the Trust's response. In doing this he/she will consult with the Human Resource advisors regarding potential employment issues. The Headteacher will also see legal advice from the Trust's solicitors on both employment and litigation issues before taking any further action.

- 8.3 The Headteacher is required to notify the Board of Directors 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 Chairman of the Trust fully informed between Governor meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.
- 8.4.1 If evidence of fraud is forthcoming then the Board of Trustees will inform the Department for Education as required by the Funding Agreement and will consider whether or not to refer the matter to the police.
- 8.4.2 All instances of fraud over £5000 and any unusual or systematic fraud, regardless of value, will be reported to the EFA regardless of value.

9 Confidentiality and Safeguards

- 9.1 Community First Academy Trust 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 Trust 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.
- 9.2 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 as a result of the concern being reported.
- 9.3 There is a need to ensure that the process is not misused. For further guidance refer to the Trust Disciplinary, Grievance and Capability policies.

10 Links with other Policies:

- 10.1 The Board of Directors is committed to preventing fraud and corruption. To help achieve this objective 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 consolidate those in one document and should be read in conjunction with the following Trust policies:
- ◆ Whistle-Blowing Policy
 - ◆ Financial Regulations
 - ◆ Disciplinary and Dismissal Policy
 - ◆ Equal Opportunities Policy

Signed: C.E.O Date:

Signed: Chair of Trust Date: