



Anti-Fraud, Bribery and Corruption
Policy and Strategy
for The Keys Federation Academy Trust
and its schools

St. Peter's C. of E. Primary School, Hindley
Hindley Green Community Primary School
St. John's C. of E. Primary School, Hindley Green
St. John's C. of E. Primary School, Abram



May 2018

Anti-Fraud, Bribery and Corruption Policy

Introduction

The Keys Federation Academy Trust is determined to maintain its reputation as an organisation that will not tolerate fraud, bribery, corruption or abuse of position for personal gain, wherever it may be found in any area of the schools and Trust activity.

The purpose of this policy is to set out for staff, parents, visitors, volunteers and stakeholders of schools within the Keys Federation Academy Trust, the main principles for countering fraud, bribery and corruption. The policy supports the Trust's values of openness, honesty and performing to the highest standards.

Senior managers, staff, parents and stakeholders, should play a key role in counter-fraud initiatives. This includes providing a corporate framework within which counter-fraud arrangements will flourish and the promotion of an anti-fraud culture across the whole of the Academy Trust. This should provide a sound defence against internal and external abuse of public funds.

This policy also reflects the principles of the Nolan Committee.

Parts of the External Auditor's statutory duties are to ensure that the Trust has in place adequate arrangements for the prevention and detection of fraud and corruption.

Definition of Fraud, Bribery and Corruption

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines Fraud as the "*intentional distortion of financial statements or other records by persons internal or external to the organisation, which is carried out to conceal the misappropriation of assets or otherwise for gain.*"

The Fraud Act 2006 further defines fraud in three classes

- False representation
- Failure to disclose information where there is a legal duty to do so
- Abuse of position

CIPFA defines Corruption as the "*offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person.*"

The Theft Act 1968 defines theft as

"a person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it."

CIPFA defines Bribery as "*an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.*"

Scope

The Policy applies to staff, parents, visitors, volunteers and stakeholders of schools within The Keys Federation Academy Trust.

With regard to others who provide services for the schools, the Nolan Committee reiterated a fundamental principle in its report on the 'Standards of Conduct in Local Government' 1997, which was;

"Where a citizen receives a service which is paid for wholly or in part by the taxpayer, then the government or local authority must retain appropriate responsibility for safeguarding the interests of both the user and taxpayer regardless of the status of the service provider."

Therefore, the Trust expects that the individuals and organisations that they deal with will act with integrity and without thought or actions involving fraud, bribery and corruption.

This Anti-Fraud, Bribery and Corruption Policy is reviewed and presented to the Board of Directors annually.

Culture and Stance Against Fraud and Corruption

Responsibility for an anti-fraud culture is the joint duty of all those involved in giving direction, determining policy and management. The strategy should be directed against fraud and corruption whether it is attempted against the Trust from outside or from within its own workforce.

The Trust expects that senior managers, directors and staff will lead by example in ensuring adherence to legal requirements, contract procedure rules, financial procedure rules, codes of conduct and best practice.

Senior Management are expected to deal swiftly and firmly with those who defraud the Trust or who are corrupt. They will be robust in dealing with financial malpractice.

Raising Concerns

Although this document specifically refers to fraud and corruption, it equally applies to any forms of malpractice that can reduce public confidence in the Trust and its services and may also include acts committed outside their official duties but which impact upon the schools' trust in the individual concerned.

Examples may include, the criminal acts of theft of 'property', which includes all assets and cash; false accounting; obtaining by deception; pecuniary advantage by deception; bankruptcy, computer abuse and computer crime.

It also includes bribery and corruption. Staff and stakeholders can be exposed to a number of 'pressures' from contractors, landlords, the public etc, to act in a particular way in a particular case; this may involve 'favouritism' regarding the access to all kinds of services and benefits (eg grants, awards, benefits, council housing, or gaining contracts, planning permission etc).

Staff and stakeholders are an important element in the Trust's stance on fraud, bribery and corruption and they are positively encouraged and expected to raise any concerns that they may have on these issues where they are associated with the schools and the Trust.

Staff and stakeholders should normally raise their concerns to a member of the senior leadership team, however it is recognised that they may feel inhibited in certain circumstances. In this case, staff and stakeholders should contact the Principal, Director of Academy Excellence, CFO, CEO or a member of the Board of Directors. The Trust's Whistleblowing Policy gives further guidance on how to raise concerns and it gives details about the support and safeguards that are available to those that do raise concerns.

Action the Trust will take

All concerns will be treated in confidence and will be investigated promptly and fully in a professional manner. It should be noted that an allegation does not mean the individual person or company is guilty of any wrongdoing, and so they will not be treated as such until the case is proven.

If fraud, bribery or corruption has taken place, the Trust will, in appropriate cases:

- Prosecute the individual(s) or refer the case to the police
- Take appropriate disciplinary action where it involves an employee and this may lead to dismissal
- Refer the matter to the ESFA
- Pursue recovery for financial loss

- Where appropriate the results of any action taken, including prosecutions, will be reported to the media

There is, of course, a need to ensure that the investigation process is not misused, therefore, any internal abuse, such as raising malicious or vexatious allegations, will be dealt with as a disciplinary matter.

Anti-Fraud and Corruption Strategy

This Policy also forms an important part of the Anti-Fraud, Bribery and Corruption Strategy by setting out the tone, culture and expectations of the schools as part of the Trust's framework.

The Strategy is concerned with both operational activity to detect and investigate fraud, bribery and corruption and also pro-active actions to deter and prevent fraud and corruption through the development of an anti-fraud culture.

The Responsible Officer

The academy's internal audit service assists by examining and evaluating the adequacy and effectiveness of the actions taken to fulfil this obligation through the services of the Responsible Officer.

Irregularities include:

- fraud, which includes the misappropriation of money and property
- corruption
- financial malpractice
- embezzlement
- serious maladministration
- unethical practices that are not necessarily criminal
- dangerous acts or omissions creating health and safety hazards

Anti-Fraud, Bribery and Corruption Strategy

Introduction

This document outlines how the schools within The Keys Federation Academy Trust currently manage the risk of fraud.

The guidance from CIPFA defines the following five key elements as foundations for an effective anti-fraud framework.

- Adopting the Right Strategy
- Accurately Identifying the Risks
- Creating and Maintaining a Strong Culture
- Taking Action to Tackle the Problem
- Defining Success

How the Trust manages the Risk of Fraud and Corruption

The Trust manages the risk of fraud and corruption through

- An Anti-Fraud, Bribery and Corruption Policy, which emphasises the importance of probity to all concerned;
- Staff and stakeholder support;
- Codes of Conduct for Staff and Officers;
- Whistleblowing Policy, and Complaints Procedure;
- Contracts Procedure Rules and Financial Procedure Rules;
- Sound internal control systems, procedures and reliable records;
- Effective Internal Audit;
- Effective recruitment procedures;
- The Trust's Disciplinary Procedure;
- Clear responsibilities, accountabilities and standards;
- Induction and Training.

These policies provide a framework within which the organisation operates. Having clear policies ensures clarity about individual accountabilities and the appropriate course of action in any given event. These policies not only ensure that a consistent and fair approach is taken during any investigations regarding suspected fraud, bribery or corruption but also contribute to the promotion of anti-fraud culture.

Internal Control Systems

The Trust, has adopted a constitution incorporating contracts procedure rules, financial procedure rules and various rules and codes of conduct that provide a requirement on officers when dealing with the Trust's affairs to act in accordance with best practice.

The Trust aims to have sound financial systems and procedures which incorporate efficient and effective internal controls. As part of the Strategy, the 'separation of duties' should be considered as a fundamental control in systems, especially when involving significant transactions.

Adopting the Right Strategy

Adopting the right strategy is a key element in effectively countering fraud, bribery and corruption. The Keys Federation Academy Trust is committed to promoting a strong ethical and counter fraud culture. This anti-fraud, bribery and corruption strategy is the mechanism for achieving this commitment and in particular, aims to reduce losses to fraud and corruption in all areas to an absolute minimum. It is intended to achieve this by complying with the best practice standards recommended by CIPFA's Better Governance Forum.

This strategy and the various policies which support it will be reviewed regularly to ensure they remain current and satisfy best practice requirements.

Accurately Identifying the Risks

The risk of fraudulent or corrupt activity is included in the Trust's Risk Register. It is acknowledged that if the potential incidence of fraud can be identified and measured, this will allow resources to combat fraud to be allocated more effectively.

Creating and Maintaining a Strong Culture

High ethical standards are an integral part of good governance and can lead to increased public confidence in local democracy. In promoting good standards of governance, the Trust aims to create an anti-fraud culture and environment to deter those who may commit fraudulent and corrupt acts and encourage those who suspect such activity to report it promptly.

Leaders and staff of schools within The Keys Federation

A successful anti-fraud culture is one where acts of fraud, bribery and corruption are widely recognised as unacceptable behaviour and Whistleblowing is perceived as public-spirited action. The Trust has put in place a number of policies, procedures and other actions to promote an anti-fraud culture.

All staff must abide by the Federation's Code of Conduct for Employees, which sets out the requirement on personal conduct.

The Trust has in place disciplinary procedures for all categories of employee. Any breach of conduct will be dealt with under these procedures and may result in dismissal.

Safe Recruitment

A key preventative measure in the fight against fraud, bribery and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff, in terms of their propriety and integrity. In this regards, temporary staff should be treated in the same manner as permanent staff.

Written references should always be obtained with specific assurances regarding the known honesty and integrity of potential staff before formal employment offers are made.

Training

The Trust recognises that the continuing success of its Anti-Fraud, Bribery and Corruption Strategy and its general credibility will depend largely on the effectiveness of programmed training, communication and responsiveness of staff throughout the organisation.

To facilitate this, the Trust supports the concept of full induction, training and follow-up training; this applies particularly to staff involved in internal control systems and financial and finance-related systems, to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced.

Prevention

Leaders across the schools have an important role to play in the prevention of fraud, bribery and corruption. Leaders need to understand the importance of soundly designated systems which meet key control objectives and minimise the opportunities for fraud and corruption. To this end, the Responsible Officer and External Auditors endeavour to provide appropriate advice to leaders to ensure they are fully aware of the need to give sufficient emphasis to the preventative aspects of fraud and corruption at work.

Detection

It is the responsibility of leaders to prevent and detect fraud, bribery and corruption.

In addition, External Auditors will liaise closely and implement a cyclical programme of audits which will test for fraud and corruption

However, despite the best efforts of leaders and auditors, many frauds are discovered by chance. It is often the alertness of employees and the public that enables detection to occur,

Investigation

Senior leadership are responsible for following up any allegation of fraud, bribery or corruption that they receive and are required to inform the ESFA of all irregularities. The investigating officer will :

- Deal promptly and confidentially with the matter;
- Record all evidence that has been received;
- Ensure that evidence is sound and adequately supported;
- Make secure all of the evidence that has been collected, including electronic evidence;
- Where appropriate, contact other agencies
- When appropriate, arrange for the notification of the council's insurers;
- Report to senior leadership, and where appropriate, recommend that disciplinary action is taken in accordance with the schools' Disciplinary Procedures, and make necessary revisions to systems and procedures to ensure that similar frauds do not recur.

Sanctions and Redress

Where financial impropriety is discovered, whether perpetrated by officers, staff or organisations the Trust deals with, the presumption is that the Police will be called in. The Crown Prosecution Service determine whether or not a prosecution will be pursued. Referral to the Police is a matter for the Board of Directors.

Referral to the Police will not inhibit action under the Trust's Disciplinary Procedures. Serious cases of fraud or corruption would represent gross misconduct and consequently staff may be liable to dismissal.

This Strategy and Policy was presented to and approved by the Board of Directors during the summer term 2018.

Signed

B. Anthon

Chair of Board of Directors