


Anti-Fraud & Theft Policy



ANTI-FRAUD & THEFT POLICY

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Signature of Chair of Board of Trustees:	
Name of Chair of Board	Mick Coleman
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Anti-Fraud & Theft Policy

Summary

This policy and procedure defines the expected conduct of all trustees, governors, staff and volunteers engaged at the Academy Trust, whether paid or voluntary, 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 Academy policies where appropriate.

Introduction

Our Lady of Grace Catholic Academy Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Academy Trust has a responsibility in respect of preventing and detecting fraud. All staff, governors and trustees have a role to play. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.

Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.

It is the duty of all employees, governors and trustees at the Academy Trust to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Internal and External Auditors to review the adequacy of the measures taken by the Academy Trust to test compliance and to draw attention to any weaknesses or omissions.

Any investigation carried out in relation to alleged irregularities is linked to the Academy's Disciplinary & Dismissals procedure.

Definitions:

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.

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 the Academy, its staff, governors or trustees.

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.

The acceptance of gifts and hospitality is a sensitive area where actions can easily be misconstrued. Therefore, employees’ actions should be such that they would not be embarrassed to explain them to anyone.

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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 Academy, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- **Bribery and corruption (Refer to Gifts & Hospitality Policy/Bribery Act 2010)** - 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; Academy's Procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

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 Academy;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Academy;
- 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 of a trust school or the Chief Finance Officer.

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 of the relevant school or the Chief Finance Officer.

If the suspected irregularity or fraud relates to Headteacher or Chief Finance Officer, then seek advice from the Catholic Senior Executive Lead (CSEL).

Policy Statement

This policy and procedure defines Anti-Fraud & Corruption and offers guidance for all staff in the Academy Trust.

The Academy 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 Academy business. This document sets out the Academy's policy and procedures for dealing with the risk of significant fraud or theft. In order to minimise the risk and impact of fraud, the Academy's objectives are, firstly, to

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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.

This policy, in line with the Academy'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.

The scope of this procedure extends to all Academy trustees, governors, staff and volunteers, whether paid or voluntary, fixed term or otherwise.

Time limits specified in this document may be extended by mutual agreement.

If requested, employees or other individuals involved in an investigation may be accompanied by one recognised trade union representative or work colleague, not involved in any part of the process, at any interviews (and, for the avoidance of doubt, such accompanying individual is not entitled to participate in any such investigation).

Roles and Responsibilities:

Staff, Governors and Trustees

Our Lady of Grace Catholic Academy Trust has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- Finance, Audit & Risk Committee meets regularly;
- A requirement for all staff, governors and trustees to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for staff, governors and trustees to disclose personal interests;
- All staff, governors and trustees are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures.

Staff, governors and trustees also have a duty to report another member of staff, governor or trustee whose conduct is reasonably believed to represent a failure to comply with the above.

Internal Auditors

The Internal Auditors (i.e. an external accountancy firm appointed by trustees to undertake internal scrutiny in line with recommendations within the Academy Trust Handbook) have specific responsibility for overseeing the financial arrangements on behalf of the governors and trustees.

The main duties of the Internal Auditors are to provide the governors and trustees with periodic independent assurance that:

- The financial responsibilities of the governors and trustees 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.

Chief Finance Officer (CFO)

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

In respect of fraud it is therefore the responsibility of the CFO to ensure internal controls prevent and detect any frauds promptly. This includes:

- Proper procedures and financial systems;
- Effective management of financial records;

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- Management of the Academy's financial position.

External Audit

The Academy'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 Academy 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.

Reporting a Suspected Fraud:

All allegations of suspected fraud and irregularities are to be brought to the attention of the CFO and also referred to the relevant Headteacher, unless this individual is involved in the irregularity in which case the CSEL, relevant Chair of Governors or Chair of Trustees (as applicable) should be informed.

Please refer to the Academy Whistleblowing Policy for further guidance.

Response to Allegations

The Headteacher (or CSEL / Chair of Governors / Chair of Trustees if the allegation relates to the Headteacher or the CFO, as appropriate) will have initial responsibility for co-ordinating the initial response relating to any allegations in respect of their school. In doing this he/she will consult with the Human Resource (EPM <https://www.epm.co.uk/>) advisors regarding potential employment issues. The Headteacher of a Trust school will also seek legal advice from the Academy's solicitors on both employment and litigation issues before taking any further action. For further guidance regarding allocation please see the Disciplinary Policy.

The CFO and Headteacher (or CSEL where appropriate) of the Trust school will ascertain whether or not the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, in line with the Disciplinary Policy, they will pass the matter on to the Chair of the Finance, Audit & Risk Committee. Even if there is no evidence to support the allegation, the matter must be reported.

The Finance, Audit & Risk Committee will undertake the management of the investigation (in line with the Disciplinary Policy)

- They will, if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required.
- They will determine whether the findings, conclusions and any recommendations arising from the preliminary investigation should be reported to the Chair of Governors / Chair of Trustees.
- If further investigations are required, they will determine which outside agencies should be involved (police, auditors, etc).

The Headteacher of each school is required to notify the Governing Body and 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 of the Governing Body and chair of Trustees fully informed between scheduled meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

If evidence of fraud (over £5,000) is forthcoming then the Trustees will inform the ESFA as required by the Funding Agreement and will consider whether or not to refer the matter to the police, in line with section 6.10 of the Academy Trust Handbook.

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Confidentiality and Safeguards

The Academy 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.

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.

There is a need to ensure that the process is not misused. For further guidance refer to the Academy Disciplinary, Grievance and Capability policy.

Links with other Policies:

The Governing Body and Trustees are 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 Theft policy should be read in conjunction with the following Academy policies:

- Whistle-Blowing Policy
- Gifts and Hospitality Policy (including appendix :Bribery Act 2010- essentials)
- Financial Regulations
- Disciplinary, Grievance and Capability policies.
- Conflict of Interest Policy
- Not for profit Policy
- Equalities Policy
- Scheme of Delegation
- Confidentiality Policy
- Data Protection Policy
- Child Protection / Safeguarding Policy – incorporating safer recruitment

This Policy should be reviewed by the Audit & Risk Committee on a 2 - yearly cycle and must be signed by the Chair of Trustees