



## CONNECTED LEARNING Anti-Fraud & Corruption Policy

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## 1. INTRODUCTION

CL Multi-Multi-Academy Trust is committed to promoting an anti-fraud culture. It already has procedures in place to reduce the likelihood of fraud occurring. These include a scheme of delegation and financial regulations, documented policies and procedures and a system of internal control. All cases of fraud, corruption and irregularity are taken very seriously and it is the Multi-Academy Trust's policy to prosecute where justified, and to take appropriate disciplinary action where employees are involved.

CL Multi-Academy Trust wishes to encourage anyone having reasonable suspicions of suspected or actual fraud, malpractice, corruption or irregularity to report them using the Multi-Academy Trust's Whistleblowing Policy (Part of the schools individual Finance Regulations).

### **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 CL Multi-Academy Trust, its Staff, Trustees or Governors.

It is the duty of CL Multi-Academy Trust and its employees and trustees to take reasonable steps to limit the possibility of corrupt practices, and;

The Multi-Academy Trust uses external providers to review the internal control framework and to assess the adequacy of the measures taken by CL Multi-Academy Trust, to test compliance and to draw attention to any weaknesses or omissions.

## 2. PURPOSE OF THE POLICY

In administering its responsibilities in relation to fraud and corruption whether it is attempted on the Multi-Academy Trust or from within it, CL Multi-Academy Trust is committed to an effective anti-fraud and corruption strategy designed to:

- Encourage prevention;
- Promote detection; and
- Identify a clear pathway for investigation.

CL Multi-Academy Trust's expectation on propriety and accountability is that Trustees, Governors, Senior Managers and staff at all levels will lead by example in ensuring adherence to rules, and that all procedures and practices are above reproach.

All staff, governors and trustees are expected to act in line with the 'seven Nolan principles of public life' being; selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

CL Multi-Academy Trust also demands that individuals and organisations that encounter the Multi-Academy Trust will act with integrity and without thought or actions involving fraud or corruption.

CL Multi-Academy Trust's Anti-Fraud and Corruption strategy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent or corrupt act. These cover:

- Establishing an Anti-Fraud Culture (Section 3);
- Prevention (Section 4);
- Detection and Investigation (Section 5);
- Training (Section 6)

CL Multi-Academy Trust is also aware of the high degree of external scrutiny of its affairs by a variety of bodies including:

- Parents
- Wider Community
- Partner & Service Organisations
- Department for Education

- External Audit
- HM Revenue & Customs
- Parliamentary Committees
- Government Departments

CL Multi-Academy Trust has a Comprehensive Response Plan to suspected Fraud and Corruption and this is attached in **Appendix 1**.

### **3. ESTABLISHING AN ANTI-FRAUD CULTURE**

CL Multi-Academy Trust is determined that the culture and tone of the organisation is one of honesty and opposition to fraud and corruption.

There is an expectation and requirement that all individuals and organisations associated in whatever way with CL Multi-Academy Trust will act with integrity, and that CL Multi-Academy Trust staff at all levels will lead by example in these matters.

CL Multi-Academy Trust's staff are an important element in its stance on fraud and corruption and they are positively encouraged to raise any concerns that they may have on these issues where they are associated with CL Multi-Academy Trust's activity. This can be done in the knowledge that such concerns will be treated in confidence and be properly investigated.

If necessary, a route other than their normal line manager may be used to raise such issues and examples of such routes are:

- Member of the Trust Board or
- Chair of Governors

Members of the public and customers are also encouraged to report concerns through any of the above avenues.

However, we recognise that, in some cases, our normal procedures will not be appropriate or adequate and employees will need to come forward on a confidential basis to express their concerns. Further detailed guidance on how to raise concerns confidentially is contained within CL Multi-Academy Trust Whistleblowing Policy.

The Senior Leadership Team are responsible for following up any allegation of fraud or corruption received and will do so by following the guidance of the Fraud and Corruption Response Plan attached at **Appendix 1**.

Any abuse of this process by raising unfounded malicious allegations is a serious disciplinary matter. CL Multi-Academy Trust has a zero tolerance approach to fraud and will deal swiftly and thoroughly with any member of staff who attempts to defraud the Multi-Academy Trust.

### **4. PREVENTION**

CL Multi-Academy Trust recognises that a key preventative measure in the fight against fraud 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. Staff recruitment is therefore required to be in accordance with procedures laid down by the Multi-Academy Trust and in particular to obtain written references regarding known honesty and integrity of potential staff before employment offers are made.

CL Multi-Academy Trust employees are expected to follow any Code of Conduct related to their personal professional qualifications and also to abide by CL Multi-Academy Trust's Code of Conduct. The role that appropriate staff are expected to play in CL Multi-Academy Trust's framework of internal control is governed by the Multi-Academy Trust's policies and procedures.

All Trustees, Governors and staff of the Multi-Academy Trust are required to declare in a register held by the Chief Finance Officer, any offers of gifts or hospitality which are in any way related to the performance of their duties or not. Declarations should be made on the register of any offer over £50, regardless of the offer being accepted or declined. If offers are disproportionate to the relationship between CL Multi-Academy Trust and the other party then this could be perceived as bribery or corruption.

CL Multi-Academy Trust's Finance Manual and supporting policies place a duty on all staff to act in accordance with best practice when dealing with the affairs of the Multi-Academy Trust.

Significant emphasis has been placed on the thorough documentation of financial systems, and every effort is made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls.

The adequacy and appropriateness of CL Multi-Academy Trust's financial systems is independently monitored by an independent ICE inspector and Williams Giles, an external accountancy firm and their recommendations are reviewed and considered by the Trust's Audit, Finance & Personnel Committee.

## **5. DETECTION AND INVESTIGATION**

The preventative systems, particularly internal control systems, within CL Multi-Academy Trust have been designed to provide indicators of any fraudulent activity, although generally they should be sufficient in themselves to deter fraud.

It is often the alertness of staff and the public to such indicators that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.

Despite the best efforts of financial managers and auditors, many frauds are discovered by chance or *'tip-off'* and CL Multi-Academy Trust has in place arrangements to enable such information to be properly dealt with.

All suspected and detected Fraud will be investigated following the guidance of the Fraud and Corruption Response Plan attached at **Appendix 1**.

Depending on the nature and anticipated extent of the allegations, the Multi-Academy Trust will normally work closely with auditors and other agencies such as the police to ensure that all allegations and evidence are properly investigated and reported upon.

As a consequence of CL Multi-Academy Trust's zero tolerance approach, its Disciplinary Procedures will be used where the outcome of the investigation indicates improper behaviour by members of staff.

CL Multi-Academy Trust will normally wish the police to independently prosecute offenders where financial impropriety is discovered.

## **6. TRAINING**

CL Multi-Academy Trust recognises that the continuing success of its Anti-Fraud and Corruption strategy and its general credibility will depend largely on the effectiveness of programmed training and responsiveness of staff throughout the organisation.

To facilitate this, CL Multi-Academy Trust is committed to induction training for all Trustees, Governors and employees to ensure that their responsibilities and duties are clear and to make them aware of the Multi-Academy Trust policies.

## **7. RESPONSIBILITIES**

The Trustees are ultimately responsible for CL Multi-Academy Trust's system of internal control which is designed to provide assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The Lead Headteacher carries overall responsibility for the prevention of fraud but these responsibilities lie with all CL Multi-Academy Trust's employees.

The Senior Leadership Team are responsible for the day to day prevention and detection of fraud and should ensure that they:

- Identify the risks to which systems, operations and procedures are exposed;
- Develop and maintain effective controls to prevent and detect fraud; and
- Ensure that agreed controls are being complied with and are subject to independent verification.

All employees are responsible for:

- Acting with propriety in the use of CL Multi-Academy Trust's resources whether they are involved with cash, payment systems and receipts, or in dealing with suppliers, contractors, other partners and customers; and

- Reporting details immediately, as detailed in this policy, if they suspect that there is evidence of irregular or improper behaviour or that a fraud may have been committed.
- Acting in line with the 'seven Nolan principles of public life' being; selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- Registering all offers of gifts and hospitality over £50.00

## **8. CONCLUSION**

CL Multi-Academy Trust has in place a clear network of systems and procedures to assist it in the fight against fraud and corruption. It is determined that these arrangements will keep pace with any future developments in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation.

To this end, CL Multi-Academy Trust maintains a continuous overview of such arrangements through, in particular, its Lead Headteacher, Chief Finance Officer, the Audit, Finance & Personnel Committee, Internal Auditors and External Auditors .

## **9. REVIEW**

This policy will be reviewed on an ongoing basis in line with best practice and legislative requirements, and at least every 3 years.

All questions regarding this procedure should be addressed, in the first instance, to the Lead Headteacher.

## APPENDIX 1 ANTI-FRAUD & CORRUPTION RESPONSE PLAN

### DEFINITIONS:

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 Multi-Academy Trust, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- **Bribery and corruption (Gifts & Hospitality – see Section 4 above)** - involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain
- **Failure to observe**, or breaches of, Scheme of Delegation and Financial Regulations; Multi-Academy Trust'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 Multi-Academy Trust
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Multi-Academy 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 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 appropriate Headteacher.

## **REPORTING A SUSPECTED FRAUD**

All allegations of suspected fraud and irregularities are to be brought to the attention of the Trust's Chief Finance Officer and also referred to the appropriate Headteacher, unless this individual is involved in the irregularity in which case the appropriate Chair of Governors should be informed.

Please refer to the Multi-Academy Trust Whistleblowing Policy for further guidance.

## **Response to Allegations**

The appropriate Headteacher in conjunction with the Chief Finance Officer will have initial responsibility for co-ordinating the preliminary response. In doing this he/she may consult with the LA's HR Team (if relevant) regarding potential employment issues. The Headteacher may also seek legal advice from the Multi-Academy Trust's solicitors on both employment and litigation issues before taking any further action.

The Chief Finance Officer and the Headteacher will ascertain whether or not 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 the Trust's Audit, Finance & Personnel Committee; even if there is no evidence to support the allegation, the matter must be reported.

The Audit, Finance & Personnel Committee will undertake the management of the investigation:

- They will, if appropriate, conduct an 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 warrant further exploration, and they will determine whether any outside agencies should be involved (police, auditors).

The appropriate Headteacher is required to notify the Local Governing Body 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 Local Governing Body fully informed between governor meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

If evidence of fraud is forthcoming then the Trustees will inform the Education Funding Agency as required by the Funding Agreement. If the police have not, and will not be involved, they will then be required to determine if any further action needs to be taken.

## **CONFIDENTIALITY AND SAFEGUARDS**

CL Multi-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 Multi-Academy 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.

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 Multi-Academy Trust Disciplinary, Grievance and Capability policies.