



EDUCATION
and
LEADERSHIP
Trust



TRUST ANTI-FRAUD AND CORRUPTION POLICY

V1.3

Date reviewed and approved by policy committee:	11.11.19
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Responsible for this policy:	Trust Finance Officer
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Approval History

Approved By:	Date of Approval	Version Approved	Comments
Policy Committee		V1.0	
Policy Committee	11.11.19	V1.3	

Revision History

Revision Date	Previous Revision Date	Rev	Summary of Changes	Changes Marked	Owner/Editor
14.10.15		V1.0	Added in 'the' on No. 1 1.4, and added both on No. 5. Amended Audit Committee to Finance and Audit Committee.		KLU
10.10.16		V1.2	TEMA Logo added		PKA/SME
24.10.19	10.10.16	V1.3	Trust Business Manager amended to Trust Finance Officer. Reference to Trust HR Director. EFA changed to ESFA	Yes	DCO/CTE

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1 Introduction

- 1.1 This policy and procedure defines the expected conduct of all staff engaged at the Trust, whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption, and who to report it to.
- 1.2 The Education and Leadership Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Trust has a responsibility in respect of preventing and detecting fraud. All staff, Governors and Directors have a role to play. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.
- 1.3 Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.
- 1.4 It is the duty of all employees, Governors and Directors at the Education and Leadership 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 Trust to test compliance and to draw attention to any weaknesses or omissions.
- 1.5 Any investigation carried out in relation to alleged irregularities is governed by the Trust's Disciplinary procedure.

2 Purpose of the Policy:

- 2.1 This policy and procedure defines Anti-Fraud and Corruption and offers guidance for all staff in the Trust. Section 8 of this document outlines the other policies that this one is linked to.
- 2.2 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.
- 2.3 This policy, in line with the Trust's Co-operative values of Honesty, Openness, Social responsibility, Caring for others, Self-help, Self-responsibility, Democracy, Equality, Equity and Solidarity, provide all staff including management with mutually understood guidelines for the administration of this procedure.
- 2.4 The scope of this procedure extends to all Trust employees, permanent, voluntary and fixed term, and all Trust Governors and Directors.
- 2.5 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.

- 2.6 Time limits specified in this document may be extended by mutual agreement.
- 2.7 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.

3 Definitions:

3.1 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.

3.2 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 Education and Leadership Trust, its staff, Governors or Directors. Reference should also be made to the Gifts, Hospitality and Bribery Policy in this regard.

3.3 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 Executive Headteacher or Trust 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 Executive Headteacher, or Trust Finance Officer or Trust HR Director.

4 Roles and Responsibilities

4.1 Staff and Governors

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

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

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

4.3 Accounting Officer (Executive Headteacher)

The Accounting Officer has specific responsibility for overseeing the financial arrangements on behalf of the Trust Board. The main duties of the Accounting 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.

4.4 Trust Finance Officer:

The Trust Finance Officer has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of Education and Leadership Trust. In respect of fraud it is therefore the responsibility of the Trust Finance Officer 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.

4.5 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 Department for Education and the Education and Skills Funding Agency.

4.6 Internal Audit

The Trust's internal audit programme will be determined by the Finance and Audit Committee and will focus on key areas of risk/potential fraud. The Finance and Audit Committee will receive a regular report from the internal audit function informing them of the compliance with procedures and policies to minimise the risk of fraud within the financial systems.

5 Reporting a Suspected Fraud

All allegations of suspected fraud and irregularities are to be brought to the attention of both the Trust Finance Officer and the Executive Headteacher, unless both of these individuals are involved in the irregularity in which case the Chair of the Trust Board should be informed. Please refer to the Trust Policy on Whistle blowing for further guidance.

6 Response to Allegations

- 6.1 The Executive Headteacher will have responsibility for co-ordinating the initial response. In doing this he/she will consult with the HR Director and/or appropriate external Human Resource advisors regarding potential employment issues. The Executive Headteacher will also seek legal advice from the Trust's legal advisers on both employment and litigation issues before taking any further action.
- 6.2 The Trust Finance Officer and Executive Headteacher will ascertain whether or not the suspicions raised have substance. Where it is believed that the allegations can be substantiated any individuals involved will be dealt with through the Trust's agreed Disciplinary Policy. In every case, and as soon as possible after the initial investigation, they will notify the Chair of the Finance and Audit Committee. Even if there is no evidence to support the allegation, the matter must be reported.
- 6.3 Once any Disciplinary Process has been completed, or at an appropriate point in the Disciplinary procedure the Finance and Audit Committee will oversee a procedural investigation into the matter to determine if existing procedures can be modified to eliminate the possibility of a similar incident being repeated in the future. The findings of this investigation must be reported to the Chair of the Trust Board.
- 6.4 The Executive Headteacher is required to notify the Trust Board 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 Trust Board fully informed between director meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns. In addition, any instances of fraud or theft committed against the Trust, whether by employees, governors, directors or third parties, above £5,000 must be reported to the Education and Skills Funding Agency (EFSA).
- 6.5 If evidence of fraud is forthcoming then the Trust Board will consider whether or not to refer the matter to the police.

7 Confidentiality and Safeguards

- 7.1 The Education and Leadership 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. Any such disclosure will be dealt with under the Trust's Whistleblowing Policy.

- 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 as a result of the concern being reported.
- 7.3 There is a need to ensure that the process is not misused. For further guidance refer to the Education and Leadership Trust Disciplinary, Grievance and Capability policies.

8 Links with Other Policies

8.1 The Trust Board 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 Corruption policy attempts to consolidate those in one document and should be read in conjunction with the following Trust policies:

- Gifts, Hospitality and Bribery Policy
- Staff Code of Conduct
- Whistle blowing Policy
- Trust Financial Procedures and Scheme of Financial Delegation
- Disciplinary, Grievance and Capability Policies
- Equality Policy
- Academy Financial Regulations