

# Anti-Fraud and Corruption Policy

Academic Year 2022-2027



Version and Date		Action/Notes	Date Written	Date to be Reviewed
3.0	10.10.2017	Approved by the Board of Trustees	21.09.17	5 Years – Oct 2022
4.0	13.07.2021	Approved by the Board of Trustees	Updated July 21	5 Years – July 2026
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## Summary

This policy and procedure defines the expected conduct of all staff engaged at the Connect Education 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 Trust policies where appropriate.

## 1. Introduction:

- 1.1 The Connect Education 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, Trustees and Local Governing Board (LGB) Governors have a role to play. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.
- 1.2 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, Trustees and LGB Governors of the Connect Education Trust to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Responsible Officer and Auditors to review the adequacy of the measures taken by the Trust to test compliance and to draw attention to any weaknesses or omissions.
- 1.4 Any investigation carried out in relation to alleged irregularities is linked to the disciplinary 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 the Connect Education Trust, its staff, Trustees or LEC Members.

### 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.

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.

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)** - 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. The Bribery Act 2010 introduces four offences:
  - The offence of bribing another person. This can occur where a person offers, promises or gives a financial or other advantage to another individual to perform improperly a relevant function or activity.
  - The offence of being bribed. This is where a person receives or accepts a financial or other advantage to perform a function or activity improperly.
  - Bribery of a foreign public official. This is where a person directly or through a third party offers, promises or gives any financial or other advantage to a foreign public official in an attempt to influence them.
  - A corporate offence of failure to prevent bribery. A commercial organisation could be guilty of bribery where a person associated with the organisation, such as an employee, agent or even a sub-contractor, bribes another person intending to obtain or retain business for the organisation;
- **Failure to observe**, or breaches of, Scheme of Delegation and Financial Regulations; 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 School/ Trust;
- 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 Accounting Officer.

- 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 or Accounting Officer.

### **3. Policy Statement:**

- 3.1 This policy and procedure defines Anti-Fraud, Corruption, Bribery, Gifts, and 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, voluntary and fixed term.
- 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. Gifts & Hospitality:**

- 4.1 Please refer to the guidelines in the gifts and hospitality policy that will help you to judge what sort of gift, and what level of hospitality is acceptable.

### **5. Roles and Responsibilities:**

- 5.1 Staff, Trustees and LGB Governors

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

- LGBs and Trustee Committees meets regularly;
- A requirement for all staff, Trustees and LGB Governors to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for staff and governors to disclose personal interests;
- All staff and governing members are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures.

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

- 5.2 Responsible Officer

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

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

- The financial responsibilities of the 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.

### 5.3 Chief Financial Officer

The Chief Financial Officer has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of the Connect Education Trust.

In respect of fraud it is therefore the responsibility of the Chief Financial 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.

### 5.4 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.

## 6. Reporting a Suspected Fraud:

- 6.1 All allegations of suspected fraud and irregularities are to be brought to the attention of the Chief Financial Officer and also referred to the Chief Executive Officer, unless this individual is involved in the irregularity in which case the Chair of Trustees should be informed.

Please refer to the Trust's Whistleblowing Policy for further guidance.

## 7. Response to Allegations

- 7.1 The Headteacher will have initial responsibility for co-ordinating the initial response in relation to a school allegation. The Chief Financial Officer would be responsible in relation to the Central Team and Trust. In doing this he/she will consult with the HR 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.
- 7.2 The Chief Financial Officer and 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 Chief Executive Officer. Even if there is no evidence to support the allegation, the matter must be reported.
- 7.3 The Finance and Resources Committee will undertake the management of the investigation.

- 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 Trustees.
- If further investigations are required, they will determine which outside agencies should be involved (police, auditors).

7.4 The Chief Executive Officer 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 Trustees fully informed between Trustee meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

7.5 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. Confidentiality and Safeguards**

8.1 The Connect Education 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.

8.2 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.

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

## **9. Links with other Policies**

9.1 The Board of Trustees 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 other Trust policies.

This Policy was reviewed by the Board of Trustees on a 5-yearly cycle.