



The Collegiate Trust  
Exceptional Education for All

## **FRAUD POLICY**

<b>Lead</b>	CFO
<b>Consultation</b>	N/A
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## **1. Fraud Policy Statement**

The Collegiate Trust has a duty to its stakeholders to take all responsible steps to prevent fraud occurring, whether perpetrated by staff, pupils, parents, contractors, suppliers, or any member of the public.

The Trust maintains robust control mechanisms to both prevent and detect fraud. All Trust managers have a responsibility for maintaining agreed, documented control systems and must be seen to be setting an example by complying fully with procedures and controls. The effectiveness of controls is subject to regular review by the internal audit system and follows all guidance as laid down in the Academy Financial Handbook.

Trustees and members of staff have a responsibility to protect the assets and reputation of the Trust and are expected to be alert to the potential for fraud.

Within the Trust, robust internal controls and processes have been established to report concerns and maintain confidentiality as appropriate.

## **2. Purpose of Policy**

Through this policy, the Trust is determined to demonstrate that it will not tolerate fraud, corruption, or abuse of position for personal gain in any area or aspect of the Trust's activities. The Trust is always committed to ensuring full compliance with the Academies Financial Handbook.

The Trust considers that all instances of fraud, corruption and other dishonesty endanger the achievement of the Trust's school improvement aims, potentially diverting limited resources from the provision of education. Furthermore, abuse of the Trust's resources, assets and services undermine the Trust's reputation and threaten its sound financial standing.

The purpose of this policy is to set out the Trust's main objectives for countering fraud and corruption. This policy:

- Defines fraud, corruption, and bribery
- Identifies the scope of the applicability of the policy
- Sets out the Trust's intended culture and stance against fraud, corruption, and bribery
- Identifies how to raise concerns and to report malpractice.

## **3. Definitions**

### **3.1 Fraud**

The Trust defines fraud as the range of abuse and malpractice that is covered by the Fraud Act 2006.

Fraud is an abuse of knowledge or position, or deception, that is done deliberately to create an unfair gain for the perpetrator or for a related person or entity and/or cause a disadvantage to another. It takes place in many ways:

- Withholding information
- Acting in a deliberately misleading way
- Misrepresenting a situation to others
- Abuse of position

Irrespective of the definition applied, fraud is always deceitful, immoral, and intentional and creates an unfair gain for one party and/or a disadvantage for another.

Gains and losses do not have to be direct. A gain to a related party or company through intentional abuse of position, albeit not directly to the individual involved, is still fraudulent. In the same way, using the Trust's name to procure personal goods and services is also fraudulent; where there is deliberate abuse of position to make a gain in the form of goods and services at a discount price of get the Trust to pay for them.

### **3.2 Corruption**

Corruption will normally involve the above with some bribe, threat or reward being involved.

### **3.3 Bribery**

The Trust considers the four key offences under the Bribery Act 2010:

- Bribery of another person
- Accepting a bribe
- Bribing a foreign official
- Failing to prevent bribery

Within the Trust and its schools, bribery is not tolerated under any circumstances. It is unacceptable to:

- Give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- Give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to *facilitate or expedite* a routine procedure;
- Accept payment from a third party, knowing or suspecting it is offered with the expectation that it will obtain a business advantage for them;
- Accept a gift or hospitality from a third party, knowing or suspecting that it is offered or provided with an expectation that a business advantage will be provided by the Trust in return;
- Retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this or other related Trust policies.

### **3.4 Facilitation Payments**

Facilitation payments are not tolerated by the Trust and are illegal. Facilitation payments are unofficial payments made to public officials to secure or expedite a particular action or actions.

## **4. Scope of Policy**

This policy applies to all trustees and staff.

The Trust expects that trustees and staff and associated organisations e.g. partners, suppliers, contractors, and service providers with which it deals, will act with integrity and without thought or

actions involving fraud. Where appropriate, the Trust will include clauses in its contracts about the consequences of fraud, bribery, and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and may also lead to prosecution.

The Trust follows the seven principles of public life defined by the Nolan Committee 1995, and expects all members, trustees, and staff and those acting as its agents to conduct themselves according to them at all times. The seven principles are:

- **Honesty** – holders of public office have a duty to declare any private interest relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Integrity** – holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- **Selflessness** – holders of public office should take decisions solely in terms of the public interest. They should not do so to gain financial or other material benefits for themselves, their family, or their friends.
- **Objectivity** – in carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- **Openness** – holders of public office should be as open as possible about all the decisions and actions they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- **Accountability** – holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **Leadership** – holders of public office should promote and support these principles by leadership and example.

Through observance of these principles the Trust requires members, trustees, and staff to be alert to the possibility of fraud, corruption, and dishonesty in all their dealings.

The Trust also requires that staff responsible for its systems and procedures should design and operate systems and procedures which endeavour to minimise losses due to fraud, corruption, and other dishonest action abuse in line with the Academies Financial Handbook and any other statutory and ESFA requirements.

## **5. Whistleblowing**

If an individual has reason to suspect that fraud is taking place (or has taken place), they are expected to bring it to the attention of senior management within the school/Trust as described in the Trust's Whistleblowing Policy.

## **6. Anti-Fraud and Corruption Culture**

The Collegiate Trust is determined that the culture and tone of the Trust will be one of honesty and zero tolerance to fraud and corruption of any kind. The Trust expects that the members, trustees and staff at all levels will lead by example in ensuring adherence to approved policies, financial regulations, codes of conduct and prescribed procedures and practices as laid out in the Academies Financial Handbook and other statutory and ESFA requirements.

The Trust implements and maintains robust systems of accountability and controls to ensure that its resources are properly applied in the way intended. These systems include, as far as is practical, adequate internal controls to detect not only significant errors but also fraud and corruption.

The Trust's Audit, Risk and Finance Committee is responsible for overseeing internal controls, financial regularity, and rigorous risk management.

## **7. Cybercrime**

Any risks of cybercrime will be identified and noted in the Risk Register, which will be reviewed regularly.

Any instances or suspicion of cybercrime should be immediately reported to the Trust's IT Team for their investigation and assessment.

Access to any vulnerable areas may be restricted and potential data leaks will be identified. If any leaks are of a sensitive nature, the Data Protection Officer will be notified.

Should a ransom demand be made at any time, the incident will be reported to the National Cyber Crime Agency and every effort will be made to resist a payment. Should there be no option than to pay a demand, the Trust will obtain permission from the ESFA before making any payment.

Further information on cyber crime can be found in the Trust's IT Policy.

## **8. Reporting Concerns**

All actual or suspected incidents of fraud, corruption or bribery in the Trust or a Trust school should be reported without delay to the Principal or CFO who will report immediately to the CEO of the Trust.

If the Principal or CFO are not available on the day the incident is reported, or if there are concerns about reporting to the CFO, the incident should be reported immediately to the CEO. If the CEO is not available on the day or there are concerns about reporting to them, then the incident should be immediately reported to the Chair of The Board of Directors.

When individuals report suspected fraud, their suspicions will always be treated seriously, and all details provided will be recorded accurately and in a timely manner. Those reporting fraud can be assured that all information will be dealt with in the strictest confidence and that anonymity will be preserved if requested. However, anonymity may not be able to be preserved if it is incompatible with a full and fair investigation.

Once an irregularity is suspected, reported or disclosed, whether it relates to fraud, a whistleblowing disclosure or an ethical issue, it is critical that any investigation is conducted in a professional manner, in accordance with the following procedures:

- The matter may be reported immediately to another appropriate external authority such as the Police.
- The matter can be referred to an Investigating Officer, appointed by the CEO, who has expertise and seniority to investigate the matter fully and determine the severity.
- Internal investigations will be conducted in a manner which ensures that those involved in the investigation will be different from those who may be required subsequently to conduct any disciplinary proceedings.
- The report of the investigation may conclude that there is no case to answer or that disciplinary procedures should be applied or that further investigation is necessary. If it is decided that one or more of these means is appropriate, the CEO should satisfy themselves that the course of action is warranted.

- If no action is to be taken, the individual concerned will be informed of the reason for this.
- If the decision is reached that there is a case to be answered, the person or person implicated will be informed of this, shown the supporting evidence and be offered an opportunity to respond as part of the investigation.
- Once the details of the issue are recorded, the CFO and CEO should hold a meeting with the Trust's Audit, Risk and Finance Committee. The Committee should report the incident and their response to the Chair of the Board of Directors within 24 hours and keep them informed about progress in dealing with the incident.

The Trust believes that individual adherence to procedures as well as feeling supported to challenge matters which do not appear correct, provide the best protection against fraud and corruption. Therefore, it is essential, that this policy is fully communicated to staff.

In addition to the above, the Academies Financial Handbook confirms trusts must notify ESFA of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in an academy's financial year. Any unusual or systematic fraud (e.g. regular occurrences of low value theft), regardless of value, must also be reported via the online enquiry form.

## **9. Monitoring and Review**

The Trust's CFO has overall responsibility for the maintenance and operation of this policy. The policy will be reviewed regularly by the Trust's Audit, Risk and Finance Committee and forms part of the Trust's Financial Procedures in line with the requirements of the Academies Trust Handbook.

## APPENDIX – ESFA Anti-Fraud Checklist for Academy Trusts

The ESFA have published an anti-fraud checklist for academy trusts. It notes that fraud occurs in every sector and although the level of identified fraud in academies is very low, academy trusts need to be aware of the potential for it to occur.

The ten questions included in the checklist are intended to help trustees, accounting officers and chief finance officers to review their arrangements for preventing, detecting, and dealing with fraud should it occur.

The Academies Financial Handbook requires academy trusts to have an internal control framework which reduces the risk of fraud and theft. The following internal control framework and policies reduce this risk within The Collegiate Trust:

- Scheme of Delegation
- Financial Procedures
- Whistleblowing Policy
- Risk Register
- Internal Audit
- Reporting to the Audit, Risk and Finance Committee

The 10 questions that the Trust must always be aware of:

1. Are the trustees, accounting officer and chief finance officer aware of the risk of fraud and their responsibilities regarding fraud?
2. Is fraud included within the remit of the trust's audit committee?
3. Has the role of the trust's external auditor and responsible officer (or equivalent) regarding fraud been established and is it understood?
4. Is fraud risk considered within the trust's risk management process?
5. Does the trust have a fraud strategy or policy and a 'zero tolerance' culture to fraud?
6. Is the fraud strategy or policy and 'zero tolerance' culture promoted within the trust? For example, through financial regulations, disciplinary procedures, checks on new staff, induction proceed, staff training, vetting of contractors?
7. Does the trust have policies on whistleblowing, declarations of interest and receipt of gifts and hospitality?
8. Does the trust have appropriate segregation of duties around the financial transactions, including, but not limited to, accounting, processing, and banking arrangements?
9. Is it clear to whom suspicions of fraud in the academy trust should be reported?
10. If there has been any fraud in the trust, has a 'lesson learned' exercise been undertaken