



## **ANTI-FRAUD POLICY**

FREQUENCY OF REVIEW: 2 Years

RATIFIED BY: Audit & Risk Committee  
March 2023

DATE OF NEXT REVIEW: March 2025  
Unless there is a material change

Signed: .....  
Chair of Audit & Risk Committee

Date: .....

Signed: .....  
Chief Education Officer (CEO)

Date: .....

## **Fraud Policy Statement**

TrustEd CSAT Alliance has a duty to its stakeholders to take all responsible steps to prevent fraud occurring, whether perpetrated by trustees, 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 cyclical review by the internal audit system and follows all guidance as laid down in the Academies 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.

## **Purpose**

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 committed to ensuring full compliance with the Academies Financial Handbook at all times.

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 approach for countering fraud and corruption. The 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.

## **Fraud – Working Definition**

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
- abusing of position

Fraud is always deceitful, immoral, and intentional. It 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 or to get the Trust to pay for them.

### **Corruption – Working Definition**

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

### **Bribery – Working Definition**

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

1. Bribery of another person
2. Accepting a bribe
3. Bribing a foreign official
4. Failing to prevent bribery.

Within the Trust and its schools, bribery is not tolerated under any circumstance.

In line with the Trust's Gifts and Hospitality Policy, the Trust considers 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.

### **Facilitation Payments**

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

## 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 interests 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 in order 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 that 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 and abuse in line with the Academies Financial Handbook and any other statutory ESFA requirements.

## Anti-fraud and corruption culture

TrustEd CSAT Alliance 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 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 and Risk Committee is responsible for overseeing internal controls, financial regularity and rigorous risk management.

### **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 Headteacher or Director of Finance who will report it immediately to the Chief Education Officer (CEO)/Deputy CEO (DCEO) of the Trust.

If the Headteacher/ Director of Finance is not available on the day the incident is reported, or if there are concerns about reporting it to the Director of Finance, the incident should be reported immediately to the CEO/DCEO. 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 details of the issue are recorded, a meeting of the Trust's Audit and Risk Committee (including the CEO) will be held, to decide on the initial response. The Audit and Risk Committee will report the incident and their response to the Chair of the Trust within 24 hours and keep him/her 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 to be correct, provide the best protection against fraud and corruption. Therefore, it is essential, that this Policy is regularly communicated to trustees and staff.

### **Monitoring and Review**

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

*\*Please note that should there be any changes/further national guidance issued relevant to this policy, it will be updated accordingly prior to the review date shown above and referred to the next Trust Board meeting.*



### **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 low, trusts must be aware of the potential for it to occur.

The risk of fraud is considered on an ongoing basis through:

- the risk register which is discussed at the Trust's Audit and Risk Committee
- the schedule for internal audit
- the Trust's Financial Procedures Handbook
- the delegated levels of authority
- compliance with the Academies Financial Handbook
- A copy of the Academies Financial Handbook *musts* is discussed and circulated to all senior staff annually.

The **10** questions below are intended to help trustees, accounting officers and chief financial officers to review their arrangements for preventing, detecting and dealing with fraud should it occur.

Arrangements will vary according to the size, complexity and structure of the Trust.

1. Are the trustees, accounting officer and chief financial 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 process, 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 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 'lessons learned' exercise been undertaken?