

# Anti-Fraud, Bribery and Corruption Policy

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Author	CEO
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### 1. Aims

This policy aims to ensure that:

- The Trust's funds are used only in accordance with the law, its articles of association, its funding agreement, and the latest Academy Trust Handbook
- The Trust and those associated with it operate in a way that commands broad public support
- The Trust has due regard to propriety and regularity, and ensures value for money, in the use of public funds
- Trustees fulfil their fiduciary duties and wider responsibilities as charitable trustees and company directors

### 2. Legislation and guidance

This policy is based on the Academy Trust Handbook, which states that Academy trusts must be aware of the risk of fraud, theft and irregularity and address it by putting in place proportionate controls. Trusts must take appropriate action where fraud, theft or irregularity is suspected or identified. The board of trustees must notify ESFA, as soon as possible, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year. Unusual or systematic fraud, regardless of value, must also be reported.

### 3. Definitions

#### Fraud

The Fraud Act 2006 came into force on 15th January 2007. The Act created a single offence of fraud and defined this in three classes:

- False representation.
- Failure to disclose information where there is a legal duty to do so.
- Abuse of position.

The Act also created four new offences of:

- Possession of articles for use in fraud.
- Making or supplying articles for use in fraud.
- Obtaining services dishonestly.
- Participating in fraudulent business.

The Chartered Institute of Public Finance and Accountancy (CIPFA) define fraud as:

*'the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain.'*

Fraud is different to theft, which is defined in the 1968 Theft Act as:

*'A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it.'*

## **Bribery**

A bribe is:

*'A financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity' [CIPFA].*

There are various Bribery offences, including offering or accepting a bribe (Sections 1 and 2 of the Bribery Act 2010), bribing or attempting to bribe a foreign official (Section 6) and being a commercial organisation failing to prevent bribery (Section 7). While the Trust is not a 'commercial organisation' for its normal activities, it is still considered appropriate for it to have regard to Guidance relating to the Bribery Act.

## **Corruption**

Corruption is:

*'The offering, giving, soliciting, or accepting of any inducement or reward which would influence the actions taken by the body, its members, or officers.'*

**The term 'fraud' is used throughout this document. For the purposes of the document the term also includes theft, bribery, and corruption.**

## **4. Purpose and Scope**

The purpose of this document is to confirm the Trusts' commitment to preventing and detecting fraud, bribery, and corruption.

The Policy Statement identifies the Trusts' overall stance relating to fraud and its expectations.

The Strategy describes the Trusts' approach to minimising the risk of fraud. The key objectives of the Strategy are to enable the Trust to minimise risk and any losses it experiences through fraud, bribery and/or corruption and to embed the management of fraud risk within the culture of the organisation.

This Anti-Fraud, Bribery and Corruption Policy and Strategy document applies to Trustees and all employees (full time, part time, temporary and casual) and volunteers of the Trust.

## **5. Roles and Responsibilities**

Trustees have overall responsibility for the maintenance and operation of this Policy and Strategy, although have delegated authority to the Trust's Executive leadership team to implement the strategy throughout the Trust.

## **6. Review**

The Trust maintains a continuous overview of its arrangements for managing the risk of fraud. A regular review of this Policy and Strategy is carried out and documents are revised as appropriate to reflect any key changes and to incorporate current best practice.

In assessing the effectiveness of its arrangements, the Trust will consider the extent to which:

- key personnel are trained in detecting and investigating fraud,
- identified incidents are investigated,
- perpetrators are robustly dealt with,
- the Trust responds to identified weaknesses in its systems and controls,
- there is any trend in incidents experienced,
- perpetrators are prosecuted,
- recovery of losses is sought.

## **7. Anti-Fraud, Bribery and Corruption Policy Statement**

A non-exhaustive list of generic indicators and/or risk factors associated with potential fraud and is aimed at education providers can be found using the following link:

<https://www.gov.uk/government/publications/indicators-of-potential-fraud-learning-institutions/indicators-for-potential-fraud-a-generic-checklist-for-education-providers>

**The Trust** expects all persons associated with the Trust and those acting as its agents to conduct themselves in accordance with the seven principles of public life defined by the Nolan Committee 1995. 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.

The Trust requires Trustees, Members, Governors, and employees at all levels to lead by example in adhering to legal requirements, financial rules, contract procedure rules, codes of conduct, and prescribed procedures

and practices.

The Trust requires Trustees and senior staff to design and operate systems and procedures that will minimise losses due to fraud, bribery, corruption, and other dishonest action.

The Trust expects all persons connected to the Trust to be alert to the possibility of fraud, bribery, and corruption in all their dealings.

The Trust will provide clear routes by which concerns can be raised internally by Trustees, Members, Governors, and employees, and externally by other stakeholders and the public.

The Trust will not tolerate fraud. Employees found to be defrauding the Trust face gross misconduct dismissal under the disciplinary process. Employees and any other parties defrauding the Trust e.g., claimants or contractors will have their cases referred to the Police.

## **8. Anti-Fraud, Bribery and Corruption Strategy**

### **A Objectives of the Anti-Fraud, Bribery and Corruption Strategy**

The Strategy describes the Trusts' approach to minimising the risk of fraud. The key objectives of the Strategy are to enable the Trust to reduce the opportunity for fraud and to create a culture where fraud is unacceptable.

These objectives will be achieved by ongoing revision and implementation of an action plan based upon guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Audit Commission.

### **B How the Trust manages the risk of fraud, bribery, and corruption**

#### **Key components of the Framework are:**

##### **Roles and Responsibilities (Leadership and Management)**

The responsibility for anti-fraud arrangements is widely dispersed. Trustees have to give clear support to the Trust's arrangements. The Trustee Board and executive leadership must provide strong leadership by advocating the Trust's arrangements and supporting strong action when these are ignored.

The Trustees are responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the Trust's interests are safeguarded, including its reputation. Risk is managed through the existence and application of appropriate policies and procedures.

##### **Policy and Strategy**

This document contains and explains the Trust's Policy and Strategy.

##### **Procedures / deterring fraud**

The wide range of procedures in place to minimise the risk of fraud constitutes a major part of the Trust's system of internal control, which is designed to ensure the Trust conducts its business properly and effectively and completes its transactions fully and accurately.

The Trust aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with the Accounting Officer (CEO). Support is given by the Chief Financial Officer (CFO) and independent audit reports, which provide an independent appraisal of the integrity of all internal control systems.

#### **Key Procedures and Controls**

The following key procedures and controls operate within the Trust:-

- a. The Trust has an effective Anti-Fraud, Bribery and Corruption Policy and Strategy, and maintains a culture that will not tolerate fraud, bribery, or corruption.
- b. All persons associated with the Trust comply with respective Codes of Conduct
- c. A Register of Interests is maintained to enable Governors, Trustees, and employees to record any financial or non-financial interests that may bring about conflict with the Trust's interests.
- d. A Register of Gifts and Hospitality is maintained to enable Governors, Trustees, and employees to record gifts and hospitality either received, or offered and declined, from the Trust's contractors and suppliers.
- e. Confidential Reporting (Whistle blowing) procedures are in place and operate effectively.
- f. Suitable and enforced financial and contract procedure rules are in place.
- g. There are robust recruitment and selection procedures.
- h. There are clear and active disciplinary arrangements.
- i. Sanctions are pursued against those who commit fraud, bribery, and corruption.

The Trust is fully committed to ensuring that the examples of best practice indicated above are an integral part of its operations and completes the DfE school resource management self-assessment checklist annually.

### **Deterring fraud**

The Trust uses a number of ways to deter potential fraudsters from committing or attempting fraudulent or corrupt acts (including bribery) whether they are inside and / or outside of the Trust, including: -

- Having sound internal control systems, which allow for innovation while limiting opportunities for fraud, bribery, and corruption.
- Publicising at every opportunity the Trust's determination to prevent and detect fraud, bribery, and corruption. e.g., clause in contracts.
- Acting robustly and decisively when fraud, bribery and corruption are suspected and proven – e.g., the termination of contracts, dismissal, prosecution.
- Action to recover any losses through fraud – e.g., through agreement, Court action, penalties, insurance etc.

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### **Detection and Investigation**

It is the responsibility of all persons associated with the Trust to prevent and help detect fraud, bribery, and corruption. High risk areas have been identified on the 'Risk Register' and their impact and any remedial actions required, assessed by Trustees and Senior Trust Leadership.

It is often the alertness of employees and the public that enables frauds to be detected. The Trust has a fraud response plan which provides detailed fraud-response arrangements to enable any information gained or allegations made to be properly and effectively dealt with. The plan explains what to do and not do when suspecting fraud:

#### **DO:**

- ✓ Make an immediate note of all relevant details. Include date and time of the event, record of conversations (including telephone), names of persons present (or description if the name is not known), vehicle details where appropriate e.g., type, colour, registration etc.
- ✓ Report your suspicions as rapidly as possible together with the relevant details to an appropriate level of authority and experience. This can either be your line manager, CEO, or COO.
- ✓ Alternatively, you may prefer to put your suspicions in writing to the CEO or COO. The envelope must be addressed with the following header:

'CONFIDENTIAL — TO BE OPENED BY THE ADDRESSEE ONLY'.

- ✓ Alternatively you may prefer to communicate your suspicions via email. The specific email address to be used: [ceo@propelleracademytrust.org](mailto:ceo@propelleracademytrust.org)

Any concerns relating to the behavior or actions of the CEO can be raised directly with a Trustee.

The Trust would prefer you not to provide information anonymously as it may be necessary for you to provide further information. However, all anonymous information that is received will be investigated.

All reported suspicions will be dealt with sensitively and confidentially.

**DO NOT:**

- Confront or accuse anyone directly.
- Try to investigate the matter yourself.
- Discuss your suspicions with anyone else than the appropriate level of authority.
- Be afraid to report a matter on the basis that your suspicions may be groundless; all reports will be treated on the basis that they are made in good faith.

**Reporting and Monitoring**

The Chief Executive Officer (CEO) will ensure that a log is maintained of all reported incidents at the Trust.

A decision will then be made as to who is best placed to investigate any concerns raised. The investigating officer, who will be a responsible individual selected by the CEO as appropriate, also has the responsibility to report all findings to members of the Board of Trustees.

**C Training**

The Trust recognises that the success of its Anti-Fraud, Bribery and Corruption Strategy and its general credibility depends significantly on the effectiveness of training, communication, and the responsiveness of employees throughout the Trust. The Trust provides suitable induction and training programmes that ensure all persons associated with the Trust are kept up to date on the Trust's arrangements for managing the risk of fraud. These training programmes also ensure casual, temporary and agency staff are aware of the high standards of probity required by the Trust.

The investigation of small-scale fraud, bribery, and corruption rests on a day-to-day basis with the CEO and/or COO and may include support from other leadership members, as appropriate.

**D Audit**

Internal Audit is a key element of the Trust's internal control system.

Internal Audit reviews are carried out by independent auditors external to the Trust. The auditors carry out a risk-based series of audits designed to assess the Trust's identification and management of fraud risks. The service would also be heavily involved in investigations into any irregularities, as required, and determined by the CEO and/or COO.

**E Culture**

The importance of a positive culture towards anti-fraud, bribery and corruption cannot be overstated. The effectiveness of the Trust's arrangements can be undermined by a culture that does not apply the public standards and supporting policies and procedures routinely on a day-to-day basis. Maintaining appropriate arrangements, continually advocating them and taking robust action where they are not applied all help to build the right underpinning culture.

The Trust will continue to assess the culture and ensure its actions to promote its arrangements provide a

positive influence.

## **F Raising Concerns**

In accordance with the Trust's 'Whistleblowing Policy', anyone with any concerns about the Trust's activities should normally raise concerns through their immediate manager or senior management. However, it is recognised that this may not be possible or in the Trust's best interests in certain circumstances. In these cases, contact should be made using the methods noted above (section 8, B)

All concerns, reported by whatever method, will be treated in confidence, and will be reviewed and investigated by the person deemed to be appropriate and best placed to do so.

## **G Referrals to the Police**

Any referrals to the Police should be made only by or after consultation with the CEO and/or COO. In accordance with this Strategy, any matters should be first raised with (one of) these officers prior to any referral to the Police.

## **H Sanctions and Redress**

After any investigation, sanctions should be applied where fraud has been found to have been committed. The Trust will pursue criminal and civil action in a robust, consistent, and proportionate manner. The Trust will pursue a range of options, as appropriate to each case.