

GMILT

Anti Fraud and Corruption Policy

**For Trust Academies
Effective from 6th December 2017**

A Greater Manchester Learning Trust Policy

ANTI FRAUD AND ANTI CORRUPTION POLICY

Approval History

Approved By:	Date of Approval	Version Approved	Comments
Trust Audit	6.12.17	1	Base policy for academies

Revision History

Revision Date	Previous Revision Date	Rev	Summary of Changes	Changes Marked	Owner/Editor

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1. Purpose

Greater Manchester Learning Trust and our academies are committed to the highest ethical standards and acting with integrity in all business activities. This policy details the Academy's position on the prevention of fraud, bribery and corruption, and the promotion of an anti-fraud culture.

As such, it is opposed to corruption and seeks to eliminate fraud by the way it conducts business. This document sets out the Academy's policy and procedures for dealing with the risk of significant fraud or corruption, including bribery and theft.

In order to minimise the risk and impact of fraud and corruption, the Academy's objectives are to create a culture, which deters fraudulent and corruptive activity, encourages its prevention and promotes its detection and reporting.

The purpose of this policy is to:

Establish the responsibilities of the governing body and staff members in observing and upholding our position on fraud, bribery and corruption.

- Provide information and guidance to Academy staff on how to recognise and deal with fraudulent activity concerns.
- Promote the early detection of fraudulent and corruptive behaviour.

This policy covers all individuals working for Greater Manchester Learning Trust at all levels (whether permanent, fixed-term or temporary), and includes governors, volunteers, agents and any other person associated with the Academy.

Legal framework

This policy has due regard to statutory legislation, including, but not limited to, the following:

- The Bribery Act 2010
- The Fraud Act 2006
- The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013

2. Scope

This policy will be implemented in accordance with the following Academy policies and procedures and applies to all staff:

- Whistleblowing Policy
- Business and Pecuniary Interests
- Disciplinary Policy and Procedure
- Staff Code of Conduct
- Governing Body Code of Conduct

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Definitions

Fraud is a criminal offence, which is defined by the Fraud Act 2006 as:

- Deceiving through false representation.
- Failing to disclose information where there is a legal duty to do so.
- Abusing a position of trust.
- Corruption is the offering, giving, soliciting or accepting of any inducement or reward, which may influence the actions taken by the body, its members or officers.

Theft is dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.

Bribery is defined by the Bribery Act 2010 as inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages.

3. Our approach

Our approach is to apply the policy to all staff in a fair and consistent manner.

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4. Roles and Responsibility

The Principal is responsible for:

- Developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud.
- Ensuring that all employees are aware of the Academy's policy on fraudulent and corruptive behaviour, and understand the relevant Academy procedures.
- Ensuring that all relevant staff are adequately trained on internal controls and procedures that need to be complied with.
- Implementing any changes to the internal controls and procedures that may have been identified as a result of a fraud or irregularity investigation, in order to prevent further instances of fraud or corruption.
- Setting high examples of conduct in their day to day work, which are beyond reproach.
- Publicising the Academy's commitment to fighting fraud and corruption.
- Working with the governing body to establish recruitment procedures, ensuring that all candidates are thoroughly vetted prior to commencing their employment.
- Ensuring and monitoring the Academy's compliance with internal controls and agreed policies and procedures related to fraud and corruption.
- Investigating all allegations of fraud and commencing disciplinary action where appropriate.
- Informing the Chair of the governing body or the internal audit of any indications of fraudulent activity and alleged financial irregularities.
- Reporting to the governing body on all aspects of fraud risk management.
- Declaring any business and personal interest, as well as any interests or offers of gifts or hospitality, which are in any way related to the performance of their duties in relation to the Academy.

All members of staff are responsible for:

- Upholding the anti-fraud and corruption culture within the Academy.
- Adhering to the Academy's policies and procedures in relation to fraud and corruption, including acts of bribery and theft.
- Familiarising themselves with the types of fraud and irregularity that might occur within the Academy.
- Reporting any instances of suspected fraud or irregularity, no matter how trivial they may seem, to the Principal or Chair of the governing body.
- Declaring any business and personal interests held, as well as any offers of gifts or hospitality, which are in any way related to the performance of their duties in relation to the Academy.
- Ensuring that the Academy's reputation and assets are protected against fraud.

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The governing body is responsible for:

- Ensuring that internal controls, procedures and policies are put in place that minimise the risk of fraud and corruption, including theft and bribery.
- Developing, implementing and monitoring Academy procedures in relation to fraud.
- Reviewing this policy on an annual basis, ensuring that it remains adequate and appropriate for the needs of the Academy.
- Working with the Principal to establish recruitment procedures, ensuring that all candidates are thoroughly vetted prior to commencing their employment.
- Promoting an anti-fraud and corruption culture within the Academy.
- Setting the standards for the Academy and giving their full support to all systems and controls in place to assure probity.
- Ensuring that any business and personal interests of all members of the governing body are declared.
- Reporting any instances of suspected fraud or irregularity to the designated Internal Audit Officer.

The lead individual for Financial Services is responsible for:

ensuring that effective systems of internal controls are maintained and will safeguard the resources of the Academy.

In respect of fraud, it is therefore the responsibility of that individual 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 Academy's financial position.

Internal Audit

Internal Audit will regularly revisit the internal controls at the Academy and this will be placed on the annual cycle at least every two years.

External Audit

The Academy'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 Academy 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/ESFA.

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Staff and Governors

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

- Finance and Risk & Audit Committees meet regularly;
- A requirement for all staff and governors to declare pecuniary interests and not contribute to business related to that interest;
- A requirement for staff and governors to disclose personal interests;
- All staff and governors are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures.

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

Personal Conduct

The Academy aims to promote a culture, which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct. To help ensure that all employees are fully aware of the Organisation's expectations regarding standards of personal conduct, appropriate guidance is provided by the following key statements:

- These regulations are binding on all officers, members of staff, students and constituent parts of the organisation. Refusal to observe them will be grounds for disciplinary action.
- In disbursing and accounting for all funds, the organisation must demonstrate that it is adopting high standards of financial probity. Implicit within this regime is the requirement that officers and employees of the organisation must at all time conduct financial affairs in an ethical manner.
- All members of staff and lay members of organisation committees are responsible for disclosing any personal, financial or beneficial interest in any transaction with respect to the Organisation or its related companies, minority interest companies and trading areas.
- Any person who is responsible for placing an order with a supplier (whether a contractor or not) with whom he has a personal interest must disclose this.
- Officers or employees of the Academy shall never use their office or employment for personal gain and must at all times act in good faith with regard to the Academy's interests.
- Budget Holders are expected to adhere to the Financial Regulations at all times and to use their best efforts to prevent misuse or misappropriation of funds and other organisation property.

Taken together, these represent a statement of the framework within which officers and employees are expected to conduct themselves. These requirements will also be stated within the staff handbook which will be issued to all members of staff and which will also include a statement of the disciplinary consequences if they are not complied with.

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5. Indicators of fraudulent activity

Some actions and behaviours may give cause for concern, arouse suspicion and possibly indicate fraudulent activity, including, but not limited to, the following:

- Changes in behaviour, such as appearing under stress without excessive workload
- Lifestyle changes, such as new cars, exotic holidays and expensive belongings
- Ready supply of excuses for errors
- Refusal to take holidays
- First to arrive and last to leave
- Does not allow anyone else to undertake his or her work
- Refuses promotion
- Suppliers will only deal with one person
- New staff leaving quickly
- It is important to note that any one of these on its own may be perfectly innocent and a function of carrying out normal duties; however, a combination of the factors may give cause for concern as this type of unusual behaviour within the profession give reason for suspicion.

6. Reporting suspected fraud

Concerns in regards to fraudulent activity will be reported to the Principal or Chair of the governing body. Reports must be shared with the Executive Principal.

Any concerns will be reported immediately in the knowledge that such concerns will be treated in confidence and properly investigated.

Procedures outlined in the Whistleblowing Policy will be followed to report concerns where the normal reporting procedure is not appropriate.

Any matter, which might constitute as fraud will be brought to the attention of the governing body or Principal. Claims will, in the first instance, be investigated by the Principal to ascertain the basic facts.

Subject to the findings, the matter will be reported to Internal Audit, which may result in a full internal investigation by External Audit.

Internal Audit and External Audit has full right of access to examine any documents or contents of school property, including the examination of computers and related equipment, as well as to undertake interviews with staff members.

The investigation process will include:

- Gauging the credibility of the allegation.
- Securing evidence, ensuring it is retained in the original format.
- Interviewing witnesses.
- Taking statements.
- Interviewing potential suspects.

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- Liaising with the Principal and governing body/Executive Principal, as well as external agencies where necessary.

Internal and External Audit will work closely with the Principal and governing body in fraud related cases involving disciplinary investigation.

Cases of fraud can also be reported to the Action Fraud, ***National Fraud and Cyber Crime Reporting Centre via the Action Fraud website or by speaking to a fraud adviser on 0300 123 2040.***

Where fraud is proven, this constitutes as gross misconduct and cases will be dealt with appropriately, in accordance with the school's disciplinary procedures.

Where appropriate, the Academy will refer the case to the police in order for them to consider taking criminal action.

The Trust will seek to apply appropriate criminal, civil and disciplinary sanctions to all cases of proven fraud and corruption.

Unacceptable practice

Bribery is a fraudulent and corruptive act, and therefore it is not acceptable for employees to:

- Give, promise or offer a payment, gift or hospitality, with the expectation or hope that an advantage for the Academy will be received, or to reward an advantage already received.
- Give, promise 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 if they know or suspect that it is offered with an expectation of a business advantage in return.
- Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy.
- Engage in any activity that may lead to a breach of this policy.

Acceptable practice

This policy does not prohibit normal and appropriate hospitality (both given or received), if the following requirements are met:

- It is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in exchange for favours or benefits.
- It is given in name of the Academy not in the individual's.
- It complies with local law.
- It does not include cash or a cash equivalent, i.e. vouchers, gift certificates.
- It is appropriate in the circumstances, i.e. the giving of small gifts at Christmas time.
- The type and value of the gift is reasonable given the reason the gift is offered.
- It is given openly, not secretly.

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- Gifts should not be offered to, or accepted from, government officials or representatives without the prior approval of the lead Financial Services at the Academy/Trust.

The advice of the Academy is to, in all circumstances, consider whether the gift or hospitality is reasonable and justified, and to consider the intention behind the gift.

Charitable donations

Charitable donations are considered part of the Academy's wider purpose. The Academy supports a number of carefully selected charities. The Academy may also support fundraising events involving employees. The Academy only makes charitable donations that are legal and ethical. No donation must be offered or made in the Academy's name without prior approval as above.

7. Reporting suspected bribery

Employees are encouraged to raise concerns about any suspicion of bribery or corruption at the earliest possible opportunity. Issues that should be reported include:

- Any suspected or actual attempts at bribery.
- Any concerns that an employee may be in receipt of bribes.
- Any concerns that an employee may be offering or delivering bribes.

All concerns should be reported following the procedure set out in the Trust's Whistleblowing Policy.

All reports of bribery will be investigated thoroughly, and in a timely manner, by the appropriate member of the senior leadership team and in the strictest confidence. Employees are required to assist in any investigation into possible or suspected bribery.

Employees who raise concerns in good faith will be supported by the Academy and the Academy will ensure that they are not subjected to any detrimental treatment as a consequence of their report. Any instances of detrimental treatment against an employee for reporting a suspicion will be treated as a disciplinary offence.

8. Systems of Internal Control

The next line of defence against fraud is the establishment of operational systems, which incorporate adequate and effective internal controls designed to minimise the incidence of fraud, limit its impact and ensure its prompt detection. These controls include high-level management controls such as budgetary control (designed to identify fraud, which results in shortfalls in income or overspendings against expenditure) and organisational controls such as separation of duties, internal check and staff supervision. Personnel policies are also a key part of setting the culture and deterring fraud. This includes seeking to reduce the risk of employing dishonest staff by checking information supplied by employees and references obtained during the course of the recruitment process, including CRB checks.

The general framework of responsibilities for financial management and the policies relating to the broad control and management of the organisation are documented in

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the Scheme of Financial Delegation. The Scheme of Financial Delegation is issued and updated periodically by the following approval by the Trust Finance Committee on behalf of Trust Academies. They are binding on all officers, members of staff, students and constituent parts of the organisation and are distributed to the Principal, Senior Vice Principal and Financial Staff. A manual of Financial Procedures should set out in detail the expected controls which should be in place

9. Fraud Response

Academy policies and procedures for ensuring that all allegations and reports of fraud or dishonesty are properly followed-up are considered in a consistent and fair manner and that prompt and effective action is taken to:

- minimise the risk of any subsequent losses;
- reduce any adverse operational effects;
- improve the likelihood and scale of recoveries;
- demonstrate that the organisation retains control of its affairs in a crisis; and
- make a clear statement to employees and others that it is not a soft target for attempted fraud.

This includes both statements of general policy and specific steps to be taken when circumstances dictate and is necessary in order to reduce the following risks:

- inadequate communication so that action is late or inappropriate;
- lack of leadership and control so that investigators are not properly directed and waste time and effort;
- failure to react fast enough so that further losses are incurred or the evidence required for successful recovery or prosecution is lost;
- adverse publicity which could affect confidence in the Organisation; and
- creation of an environment, which, because it is perceived as being ill prepared, increases the risk of fraud.

The main responses to fraud at the Academy are as follows:

1. All officers, members of staff, students and constituent parts of the Academy are required to immediately report any financial irregularity or any circumstance suggesting the possibility of irregularity, affecting the financial procedures, cash, stores or other property of the organisation.
2. The lead for Financial Services will ascertain whether or not the suspicions aroused have substance and if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required. The findings, conclusions and any recommendations arising from the preliminary investigation will be reported to the Principal.
3. The Principal will have the initial responsibility for coordinating the organisation's response. In doing this he will liaise with the Human Resources Manager regarding potential employment issues. The Principal will also seek expert legal advice on both employment and litigation issues before taking any further action.
4. The Principal is required to notify the Chair of Governors /Executive Principal of any serious financial irregularity. This action will be taken at the first

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opportunity following the completion of the initial investigations and will involve keeping Internal Audit and Chair of Governors fully informed between committee meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

If evidence of a fraud is forthcoming then the Chair of Governors /Directors will inform the Education and Skills Funding Agency as required by the Funding Agreement and will consider whether or not to refer the matter to the police

10. Confidentiality and Safeguards

The Academy 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 Academy 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.

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.

There is a need to ensure that the process is not misused.

11. Related Documents

The Governing Body 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 with the following Academy policies:

- Whistle-Blowing Policy
- Financial Regulations
- Disciplinary and Dismissal Policy
- Equal Opportunities Policy