

All Saints Schools Trust



Anti-Fraud & Corruption Policy 2023-2023

Document Detail	
Category:	Financial Management
Authorised By:	Finance & Audit Committee, ASST Board
Status:	Approved
Chair of Board; F&A	<i>James Hargrave</i> <i>Ben Sear</i>
Signature	
Date Approved:	Dec 2023
Next Review Date:	Dec 2026

Contents

Section Title	Page No.
Introduction	4
Purpose of Policy	4
Establishing an Anti-Fraud Culture	5
Prevention	6
Detection & Investigation	6
Training	7
Responsibilities	7
Conclusion	8
Review	8
Appendix 1 – Fraud & Corruption Response Plan	9
Appendix 2 – Fraud: Staff Summary	13

1. INTRODUCTION

ASST (the 'Trust') is committed to promoting an anti-fraud culture. It already has procedures in place to reduce the likelihood of fraud occurring. These include a scheme of delegation and financial regulations, documented policies and procedures and a system of internal control. All cases of fraud, corruption and irregularity are taken very seriously and it is the Trust's policy to prosecute where justified, and to take appropriate disciplinary action where employees are involved.

ASST wishes to encourage anyone having reasonable suspicions of suspected or actual fraud, malpractice, corruption or irregularity to report them using the Trust's Whistleblowing Policy.

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.

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 ASST, its Staff or Officers.

It is the duty of ASST and its employees and officers to take reasonable steps to limit the possibility or corrupt practices, and;

The academy uses external providers to review the internal control framework and to assess the adequacy of the measures taken by ASST, to test compliance and to draw attention to any weaknesses or omissions.

2. PURPOSE OF THE POLICY

In administering its responsibilities in relation to fraud and corruption whether it is attempted on the academy or from within it, ASST is committed to an effective anti-fraud and corruption strategy designed to:

- Encourage prevention;
- Promote detection; and
- Identify a clear pathway for investigation.

ASST's expectation on propriety and accountability is that Officers, Senior Leaders and staff at all levels will lead by example in ensuring adherence to rules, and that all procedures and practices are above reproach.

All staff are expected to act in line with the 'seven Nolan principles of public life' being; selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

ASST also demands that individuals and organisations that come into contact with the Trust will act with integrity and without thought or actions involving fraud or corruption.

ASST's Anti-Fraud and Corruption strategy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent or corrupt act. These cover:

- Establishing an Anti-Fraud Culture (Section 3);
- Prevention (Section 4);
- Detection and Investigation (Section 5);
- Training (Section 6)

ASST is also aware of the high degree of external scrutiny of its affairs by a variety of bodies including:

- Parents
- Wider Community
- Partner & Service Organisations
- Department for Education through the ESFA
- External Audit
- HM Revenue & Customs
- Parliamentary Committees
- Government Departments

ASST has a Comprehensive Response Plan to suspected Fraud and Corruption and this is attached in **Appendix 1**.

3. ESTABLISHING AN ANTI-FRAUD CULTURE

ASST is determined that the culture and tone of the organisation is one of honesty and opposition to fraud and corruption.

There is an expectation and requirement that all individuals and organisations associated in whatever way with ASST will act with integrity, and that ASST staff at all levels will lead by example in these matters.

ASST's staff are an important element in its stance on fraud and corruption and they are positively encouraged to raise any concerns that they may have on these issues where they are associated with ASST's activity. This can be done in the knowledge that such concerns will be treated in confidence and be properly investigated.

If necessary, a route other than their normal line manager may be used to raise such issues and examples of such routes are:

- Member of the Trust Board;
- Chair of Local Governors;

Members of the public and customers are also encouraged to report concerns through any of the above avenues.

However, we recognise that, in some cases, our normal procedures will not be appropriate or adequate and employees will need to come forward on a confidential basis to express their concerns. Further detailed guidance on how to raise concerns confidentially is contained within the ASST Whistleblowing Policy.

The Leadership Team are responsible for following up any allegation of fraud or corruption received and will do so by following the guidance of the Fraud and Corruption Response Plan attached at **Appendix 1**.

Any abuse of this process by raising unfounded malicious allegations is a serious disciplinary matter.

ASST has a zero tolerance approach to fraud and will deal swiftly and thoroughly with any member of staff who attempts to defraud the Academy.

4. PREVENTION

ASST recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential staff in terms of their propriety and integrity. Staff recruitment is therefore required to be in accordance with procedures laid down by the Trust and in particular to obtain written references regarding known honesty and integrity of potential staff before employment offers are made.

ASST employees are expected to follow any Code of Conduct related to their personal professional qualifications and also to abide by ASST's Code of Conduct. The role that appropriate staff are expected to play in ASST's framework of internal control is governed by the Trust's policies and procedures.

All Officers and staff of ASST are required to declare in a register held by the CFO, any offers of gifts or hospitality which are in any way related to the performance of their duties or not. Declarations should be made on the register of any offer, regardless of the offer being accepted or declined. If offers are disproportionate to the relationship between ASST and the other party then this could be perceived as bribery or corruption.

ASST's Financial Management policies place a duty on all staff to act in accordance with best practice when dealing with the affairs of the Trust or individual academies.

Significant emphasis has been placed on the thorough documentation of financial systems, and every effort is made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls.

The adequacy and appropriateness of ASST's financial systems is independently monitored by internal audit (Julia Steed) and an external accountancy firm through the annual audit - their recommendations are reviewed and considered by the Finance and Audit Committee.

5. DETECTION AND INVESTIGATION

The preventative systems, particularly internal control systems, within ASST have been designed to provide indicators of any fraudulent activity, although generally they should be sufficient in themselves to deter fraud.

It is often the alertness of staff and the public to such indicators that enables detection to occur and the appropriate action to take place when there is evidence that fraud or corruption may be in progress.

Despite the best efforts of financial managers and auditors, many frauds are discovered by chance or *'tip-off'* and ASST has in place arrangements to enable such information to be properly dealt with.

All suspected and detected Fraud will be investigated following the guidance of the Fraud and Corruption Response Plan attached at **Appendix 1**.

Depending on the nature and anticipated extent of the allegations, the Academy will normally work closely with auditors and other agencies such as the police to ensure that all allegations and evidence is properly investigated and reported upon.

As a consequence of ASST zero tolerance approach, ASST's Disciplinary Procedures will be used where the outcome of the investigation indicates improper behaviour by members of staff.

ASST will normally wish the police to independently prosecute offenders where financial impropriety is discovered.

6. TRAINING

ASST recognises that the continuing success of its Anti-Fraud and Corruption strategy and its general credibility will depend largely on the effectiveness of programmed training and responsiveness of staff throughout the organisation.

To facilitate this, ASST is committed to induction training for all Officers and employees to ensure that their responsibilities and duties are clear and to make them aware of the Academy policies.

7. RESPONSIBILITIES

The Officers are ultimately responsible for ASST's system of internal control which is designed to provide assurance regarding the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information.

The Accounting Officer/CEO carries overall responsibility for the prevention of fraud but these responsibilities lie with all ASST's employees.

The Senior Leadership Team (SLT) are responsible for the day to day prevention and detection of fraud and should ensure that they:

- Identify the risks to which systems, operations and procedures are exposed;
- Develop and maintain effective controls to prevent and detect fraud; and
- Ensure that agreed controls are being complied with and are subject to independent verification.

All employees are responsible for:

- Acting with propriety in the use of ASST's resources whether they are involved with cash, payment systems and receipts, or in dealing with suppliers, contractors, other partners and customers; and
- Reporting details immediately, as detailed in this policy, if they suspect that there is evidence of irregular or improper behaviour or that a fraud may have been committed.
- Acting in line with the 'seven Nolan principles of public life' being; selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- Registering all offers of gifts and hospitality above £30.

8. CONCLUSION

ASST has in place a clear network of systems and procedures to assist it in the fight against fraud and corruption. It is determined that these arrangements will keep pace with any future developments in both preventative and detection techniques regarding fraudulent or corrupt activity that may affect its operation.

To this end, ASST maintains a continuous overview of such arrangements through its CEO, Chief Finance Officer, the Finance and Audit Committee, Internal Auditors and External Auditors.

9. REVIEW

This policy will be reviewed on an ongoing basis in line with best practice and legislative requirements, and at least every 3 years.

All questions regarding this procedure should be addressed, in the first instance, to the CEO and/or CFO.

APPENDIX 1: FRAUD AND CORRUPTION RESPONSE PLAN

1. INTRODUCTION

ASST is committed to the values of probity and accountability, but the determined perpetrator will always find a way round systems and procedures. It is therefore necessary for all managers to be aware of what is required in the event of being notified of a suspected fraud. This document sets out the process for staff who wish to notify any suspicions and also how ASST should respond.

2. NOTIFYING SUSPECTED FRAUD

Suspected fraud can be discovered in a number of ways but in all cases it is important that staff feel able to report their concerns and should be made aware of the means by which they are able to do so:

CEO/CFO

If an employee discovers a suspected fraud then it should be reported to the CEO/CFO as a matter of urgency. Whilst the CEO/CFO should establish as many details as possible (by discussion with the notifying person only) the incident should formally be reported to the Chair of ASST Board.

In some cases the notifying individual may prefer to report the suspicion to an independent officer or even to remain anonymous, therefore, ASST has other means available.

Direct To the Chair of ASST Board

Where an employee wishes to report suspicions or evidence of fraud or corruption, but does not have the confidence to report this through the CEO/CFO, they are encouraged to approach the Chair of ASST Board.

Further detailed guidance on how to raise concerns confidentially is contained within the Whistleblowing Policy.

3. INVESTIGATING SUSPECTED FRAUD

Initial Steps

Once fraud is suspected it is critical that any investigation is conducted in a professional and timely manner aimed at ensuring that the current and future interests of both ASST and the suspected individual(s) are protected. The latter is equally important as a suspicion should not be seen as guilt to be proved.

It is also crucial that the notifying employee does not feel threatened. ASST undertakes to protect the identity of such employees and not to release the source of notification at any time during the investigation.

For each notified suspicion the CEO will appoint an “Investigating Officer” to be in charge of the investigation on a day-to-day basis. This can be a member of the Senior Leadership Team.

Subsequent Steps

The Investigating Officer must:

1. Initially assess whether there is a need for any employee to be suspended. The decision should be kept under review at all stages of the ensuing investigation;
2. Identify a course of action (what, who, when, how, where);

3. Identify the reporting process (who by, to whom, when and how) and ensure that strict confidentiality is continuously maintained; and
4. Bring the matter to the attention of the Finance and Audit Committee.

It is important, from the outset, to ensure that evidence is not contaminated, lost or destroyed. The Investigating Officer will therefore take immediate steps to secure physical assets, including computers and any records thereon, and all other potentially evidential documents, and ensure that appropriate controls are introduced to prevent further loss.

The Investigating Officer will:

1. Ensure that a detailed record of the investigation is maintained. This should include a chronological file recording details of, for example:
 - i. telephone conversations;
 - ii. discussions, meetings and interviews;
 - iii. records/documents reviewed;
 - iv. tests and analyses undertaken; and
 - v. results and their significance

The file should be indexed and all details recorded no matter how insignificant they initially may appear.

2. Ensure that evidence is obtained, appropriately categorised and retained:
 - i. prime documents;
 - ii. certified copies;
 - iii. physical items;
 - iv. secondary evidence (e.g. interview transcripts etc.);
 - v. circumstantial evidence; and
 - vi. hearsay.
3. Ensure interviews are conducted in a fair and proper manner, and that contemporaneous notes are taken detailing who was present and who said what.

4. LIAISON WITH THE POLICE

The experts at investigating fraud are the police. They will also advise on the likely outcome of any intended prosecution. Initial contact with the police should only be undertaken following discussion between the CEO/CFO and the Investigating Officer. It is the policy of the police to welcome early notification of suspected fraud.

If the police decide that a formal investigation is necessary, all staff should co-operate fully with any subsequent requests or recommendations. All contact with the police following their initial involvement will usually be via the Investigating Officer.

Where the police decide to formally investigate this will not prejudice any internal disciplinary procedures; these should continue as normal. However, the internal investigation and the police's should be co-ordinated to make maximum use of resources and information.

5. REPORTING FRAUD AND ATTEMPTED FRAUD

Department for Education

ASST will report to the Department of Education through the ESFA:

- any suspected fraud of a value in excess of £5,000; and
- any fraud or corrupt act by an Officer or Senior Leadership Team, irrespective of the value involved.

Reporting will be undertaken by CEO/CFO or the Chair of ASST Board at the earliest opportunity.

Local Governing Body

The Leadership Team will report to the LGB all cases of fraud and attempted fraud, detailing the nature and extent of the fraud and any implications for the association's internal control system.

ASST will maintain a register of all incidents of fraud and attempted fraud, which will be reviewed by the Chair of the Finance and Audit Committee at least quarterly.

Interim Report

As soon as the initial 'detection' stage of the investigation has been completed an interim confidential report, which may be verbal, but is more likely to be in a written format, should be made by the Investigating Officer to the CEO/CFO and Chair of ASST Board and any other officer decided upon at the preliminary stage.

The Interim Report should include;

- i. the findings to date;
- ii. the interim conclusions drawn from those findings; and
- iii. a recommendation to continue the investigation, if this is justified by the initial findings.

If it is decided to continue the investigation the future reporting arrangements and any changes to the planned action should be confirmed by the CEO/CFO.

Final Report

This report will supersede all other reports and be the definitive document on which leadership (in a disciplinary situation) and possibly the police (in a criminal situation) will base their initial decisions.

The format of the Final Report will not always be the same as each case is unique, but will frequently set out:

- When the fraud was initially discovered;
- The method of discovery;
- The period the fraud covers;
- Who the suspects are, their position in ASST and their responsibilities;
- Details of how the investigation was undertaken;
- The facts and evidence which were identified;
- Amount of loss and chances of recovery;
- Action taken against perpetrator;

- Action taken in respect of involving the police;
- Action taken to prevent recurrence;
- Summary of findings and recommendations, both regarding the fraud itself and any additional work required on the system weaknesses identified during the investigation.

All reports must be substantiated by the strongest evidence and avoid contents that could be considered to be defamatory in the event of the report being made public.

Defamation in law is defined as:

“the publication (i.e. communication) of a statement which tends to lower a person in the estimation of right-thinking members of society generally or which tends to make them shun or avoid that person”.

6. RECOVERY ACTION

ASST will take appropriate steps, including legal action if necessary, to recover any losses arising from fraud, theft or misconduct. This may include action against third parties involved in the fraud or whose negligent actions contributed to the fraud.

Appendix 2: Fraud – Staff Summary

DO	DON'T
Make a note of your concerns	Be afraid of raising your concerns
<ul style="list-style-type: none"> Record all relevant details, such as the nature of your concern, the names of parties you believe to be involved, details of any telephone or other conversations with names, dates and times and any witnesses. Notes do not need to be overly formal, but should be timed, signed and dated. Timeliness is most important. The longer you delay writing up, the greater the chances of recollections becoming distorted and the case being weakened. 	<ul style="list-style-type: none"> The Whistleblowing Policy provides protection for employees who raise reasonably held concerns through the appropriate channels. You will not suffer discrimination or victimisation as a result of following these procedures and the matter will be treated sensitively and confidentially.
Retain any evidence you may have	Convey your concerns to anyone other than authorised persons
<ul style="list-style-type: none"> The quality of evidence is crucial and the more direct and tangible the evidence, the better the chances of an effective investigation. 	<ul style="list-style-type: none"> There may be a perfectly reasonable explanation for the events that give rise to your suspicion. Spreading unsubstantiated concerns may harm innocent persons. (Section 2 of the Fraud Response Plan sets out who you should notify).
Report your suspicions promptly	Approach the person you suspect or try to investigate the matter yourself
<ul style="list-style-type: none"> In the first instance, report your suspicions to your Executive Headteacher or CEO/CFO. If this action would be inappropriate, further guidance on disclosure can be found in ASST's Whistleblowing Policy. 	<ul style="list-style-type: none"> There are special rules relating to the gathering of evidence for use in criminal cases. Any attempt to gather evidence by persons who are unfamiliar with these rules may WEAKEN the case.