Anti-Fraud and Corruption Policy

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Version	Date	Author	Changes
V1	January 2022	Louise Beale / Lorna Nix	Initial Issue using ESFA/ISBL model policy
V1.1	March 2024	Sarah-Jane Anderson	Updates to reporting line tables in sections 2.6 and 6.1
V1.2	October 2026	CFO	Updated to reflect current academy trust governance and anti-fraud best practice, including cyber fraud, procurement controls, internal scrutiny and regulatory reporting requirements.

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Ratified by	Trust Leadership Team
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Lead/owner	CFO
Target audience	All staff
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The electronic version is the definitive version of this document.

Summary

This policy and procedure defines the expected conduct of all staff engaged at the Diocese of Coventry Multi Academy trust (the Trust) and its academies, whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption, and who to report it to.

Also, reference is made to other Trust or Academy policies, such as the gifts and hospitality policy, where appropriate.

1. Introduction

1.1 The Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Trust and its academies has a responsibility in respect of preventing and detecting fraud. All staff and everyone involved in governance have a role to play. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud. Appendix A gives definitions of fraud, corruption and Gifts and Hospitality.

1.2 Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.

1.3 It is the duty of all employees and everyone involved in governance in the Trust to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Accounting Officer, the Chief Finance Officer (CFO) and Auditors to review the adequacy of the measures taken by the Trust to test compliance and to draw attention to any weaknesses or omissions.

1.4 Any investigation carried out in relation to alleged irregularities is linked to the Trusts Disciplinary procedure.

2. Policy Statement

2.1 This policy and procedure defines Anti-Fraud & Corruption and Gifts & Hospitality and offers guidance for all staff in the Trust.

2.2 The Trust aims to be an honest and ethical institution. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts Trust business. This document sets out the Trusts policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the Trusts objectives are, firstly, to create a culture which deters fraudulent activity, encourages its prevention and promotes its detection and reporting and, secondly, to identify and document its response to cases of fraud and corrupt practices.

2.3 This policy provides both staff and management with mutually understood guidelines for the administration of this procedure.

2.4 The scope of this procedure extends to all Trust employees, permanent, voluntary and fixed term.

2.5 Time limits specified in this document may be extended by mutual agreement.

2.6 If there is concern or doubt about any aspect of a matter which involves an irregularity, or an ongoing investigation into a suspected irregularity, the best approach is to seek advice as per the table below:

Person seeking advice	Seek advice from
Academy staff	Headteacher
Headteacher	CEO
Central team staff	CEO
Trust Leadership Team	CEO
CEO	Chair of the Business and Finance Committee and Auditors
Trust Board	Auditors

2.7 If requested, employees may be accompanied by a recognised trade union representative or work colleague, not involved in any part of the process, at any interviews.

3. Gifts & Hospitality

3.1 Refer to the Trust Gifts and Hospitality Policy.

4. Roles and Responsibilities

4.1 **Staff, Directors and Academy Governance Committee (AGC) Members.** The Trust has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- The Board and its committees meet regularly, the committees are Business and Finance, Audit and Risk, Trust Governance, Education and Ethos and People and Pay Committees.
- A requirement for all staff, Directors and AGC Members to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for staff, Directors and AGC Members to disclose personal interests;
- Staff, Directors and AGC Members must declare any actual, potential or perceived conflicts of interest and withdraw from decision making where appropriate.
- All staff, Directors and AGC Members are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures.
- Anti-fraud awareness training to enable the business support function to identify potential fraudulent activities.

Staff, Directors and AGC Members also have a duty to report another member of staff, Director or AGC Member whose conduct is reasonably believed to represent a failure to comply with the above.
Failure to declare a relevant conflict of interest may be treated as misconduct and, where personal benefit is obtained, may constitute fraud or corruption.

4.2 **Accounting Officer.** The Accounting Officer has specific responsibility for overseeing the financial arrangements on behalf of the Trust.

The main duties of the Accounting Officer are to provide the Directors with on-going assurance that:

- The financial responsibilities of the Directors are being properly discharged;
- The resources are being managed in an efficient, economical and effective manner;
- Sound systems of financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

4.3 **Chief Finance Officer (CFO).** The Chief Finance Officer (CFO) has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of the Trust.

In respect of fraud it is therefore the responsibility of the Chief Finance Officer (CFO) to ensure internal controls prevent and detect any frauds promptly. This includes:

- Appropriate controls over procurement, purchasing cards, supplier master data changes, payroll processes and electronic payments.
- Proper procedures and financial systems;
- Effective management of financial records;
- Management of the Trust's financial position;
- Anti-fraud awareness training

4.4 **External Audit.** The Trust'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 Trust 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 of Education.
The Trust's programme of Internal Scrutiny also provides independent assurance over the adequacy and effectiveness of systems and controls designed to prevent and detect fraud, corruption and irregularity.

5. Reporting a Suspected Fraud

5.1 All allegations of suspected fraud and irregularities are to be brought to the attention of the Chief Finance Officer (CFO) and also referred to the CEO, unless this individual is involved in the irregularity in which case the Chair of Directors should be informed.

Please refer to the Trust Whistleblowing Policy for further guidance.

6. Response to Allegations

6.1 Responsibility for co-ordination of the initial response to an allegation is as follows:

Allegation relating to	Responsible person	Notify
Academy staff	Headteacher	CEO
Headteacher	CEO	Chair of the Board

Central staff	CEO	Chair of the Board
Trust Leadership Team	CEO	Chair of the Board
CEO	Chair of Trust Board	The Members
Chair of the Board	The Members	

In doing this they will consult with the People team regarding potential employment issues. They will also seek legal advice from the Trust's legal advisors on both employment and litigation issues before taking any further action.

6.2 The Chief Finance Officer (CFO) and Headteacher will ascertain whether or not the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, they will report the matter to the Chair of the Audit and Risk Committee. Even if there is no evidence to support the allegation, where the allegation relates to a significant fraud, irregularity or control weakness, the matter must be reported.

6.3 The Audit and Risk Committee will oversee the management of significant fraud investigations and receive reports on findings, actions and control improvements.

- Receive updates regarding investigations and outcomes.
- Determine whether findings should be reported to the CEO, Chair of the Board or other relevant parties.
- Consider whether additional assurance work, internal scrutiny activity or external investigation is required.
- Determine whether external agencies should be involved, including auditors, professional advisors, the Department for Education or the police.

6.4 The Headteacher/Chief Finance Officer (CFO) is required to notify the Board of any serious financial irregularities. This action will be taken at the first opportunity following the completion of the initial investigations and will involve keeping the Chair of the Board fully informed between Board meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

6.5 If evidence of fraud, theft, irregularity or significant control weakness is identified, the Trust will consider its reporting obligations under the Academy Trust Handbook, Funding Agreement and any other applicable regulatory requirements. Where required, the Department for Education and other relevant authorities will be notified promptly.

7. Confidentiality and Safeguards

7.1 The Trust 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 Trust 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.

7.2 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.

7.3 There is a need to ensure that the process is not misused. For further guidance refer to the Trust Disciplinary, Grievance and Capability procedures and policies.

8. Related Policies

8.1 The Trust and the Board are 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 Trust policies:

- Whistle-Blowing Policy
- Financial Regulations Manual
- Disciplinary Procedure
- Equality and Diversity Policy
- Gifts and Hospitality Policy
- Procurement Policy
- Scheme of Delegation

Appendix A – Definitions

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 the Trust, its staff or anyone involved in governance for the Trust.

Gifts and Hospitality - Any gifts, rewards and benefits that are disproportionately generous or that could be seen as an inducement to affect a business decision should be declared.

The acceptance of gifts and hospitality is a sensitive area where actions can easily be misconstrued. Therefore, employees' actions should be such that they would not be embarrassed to explain them to anyone.

Irregularities fall within the following broad categories, the first three of which are criminal offences:

- **Theft** - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession;
- **Fraud** - the intentional distortion of financial statements or other records by persons internal and external to the Trust, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- **Bribery and corruption (Gifts & Hospitality – see Point 5.)**- involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement;
- **Failure to observe**, or breaches of, Scheme of Delegation and Financial Regulations; the Trusts Procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

Examples of what could constitute **fraud** and **corruption** are -

- Procurement fraud, including manipulation of quotations or tenders, contract splitting or deliberate circumvention of procurement controls.
- Misuse of Trust purchasing cards, expense claims or Trust resources for personal benefit.
- Payroll fraud, including fictitious employees, unauthorised amendments to payroll records or false overtime claims.
- Cyber-enabled fraud, including phishing emails, fraudulent requests to change supplier bank account details, invoice fraud and business email compromise.
- Deliberate failure to declare conflicts of interest or related party relationships in accordance with Trust policies.
- theft of cash;
- non-receipt of income;
- substitution of personal cheques for cash;
- travelling and subsistence claims for non-existent journeys/ events;
- travelling and subsistence claims inflated;

- manipulating documentation to increase salaries/wages received, e.g. false overtime claims;
- payment of invoices for goods received by an individual rather than the Trust;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Trust;
- unauthorised borrowing of equipment;
- breaches of confidentiality regarding information;
- failure to declare a direct pecuniary or otherwise conflicting interest;
- concealing a generous gift or reward;
- unfairly influencing the award of a contract;
- creation of false documents;
- deception;
- using position for personal reward.

The above list is not exhaustive, and fraud and corruption can take many different paths. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the Chief Finance Officer (CFO).