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Anti-fraud policy

Laetare Catholic Multi-Academy Trust

Approved by:	**Finance and Resources Committee**
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Version control		
Date change made:	**Description of change:**	**Made by:**

1. Aims

This policy aims to ensure that the trust maintains robust control mechanisms to both prevent and detect fraud. It aims to describe the trust's intended culture and stance against fraud, corruption and bribery, and identifies how concerns can be raised and reported.

2. Legislation and guidance

Academy trusts must have an internal control framework which reduces the risk of fraud and theft, as outlined in the Academy Trust Handbook (paragraphs 2.6 and 2.7).

The handbook includes guidance for academies on investigating fraud, theft and/or irregularity in their accounts (paragraphs 6.9 and 6.10). Requirements include:

- Academies must be aware of the risk of fraud
- The board of trustees must notify the Education and Skills Funding Agency (ESFA) of any instances of fraud.

This policy has been developed in accordance with antifraud guidance from ESFA: https://www.gov.uk/guidance/academies-guide-to-reducing-any-risk-of-financial-irregularities#fraud-risk-management-strategy

3. Roles and responsibilities

3.1 Members, trustees and governors

- Ensure the trust has a robust anti-fraud policy and framework in place
- Approve the anti-fraud policy and any significant amendments
- Review any reports on fraud incidents and the effectiveness of the anti-fraud measures.

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3.2 Chief Executive Officer (CEO)

- Implement the anti-fraud policy at the school level
- Ensure staff are aware of the policy and receive appropriate training if required
- Report any suspicions of fraud to the CFO.

3.3 Chief financial officer (CFO)

- Oversee the implementation of the anti-fraud policy across the trust.
- Ensure that effective internal controls are in place to prevent and detect fraud.
- Report any suspected fraud to the trustees and relevant authorities.

3.4 All staff

- Comply with the anti-fraud policy and internal controls.
- Be vigilant and report any suspicious activities or concerns.
- Act with integrity and honesty in all activities.

3.5 Fraud investigation group

- Investigate any reported incidents of fraud
- Develop and implement an action plan to address and mitigate the impact of fraud
- Document and report the outcomes of investigations to the trustees and relevant authorities.

4. Definitions

4.1 Fraud

Fraud is deception carried out in order to gain an unfair advantage or to disadvantage another. It may involve the misuse of funds or other resources, or the supply of false information.

4.2 Corruption

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

4.3 Bribery

There are 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

Bribery is not tolerated. 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 that you know or suspect is offered with the expectation that it will obtain a business advantage for them
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.

4.4 Examples

Examples of what could constitute fraud and corruption are

- theft of cash
- non-receipt of income
- substitution of personal cheques for cash
- Inflated travelling and subsistence claims, or claims for non-existent journeys/events
- manipulating documentation to increase salaries/wages received, e.g. false overtime claims
- payment of invoices for goods received by an individual rather than the school

- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the trust
- intentional breaches of confidential 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 CFO or CEO.

5. Culture and stance

The trust is determined that the culture and tone of the organisation will be one of honesty and opposition to fraud and corruption of any kind. The trust expects that the directors, governors and employees at all levels will lead by example in ensuring adherence to approved policies, financial regulations, codes of conduct and prescribed procedures and practices.

The trust implements and maintains systems of accountability and controls to ensure that its resources are properly applied in the way it intended. These systems include, as far as is practical, adequate internal controls to detect not only significant errors but also importantly, fraud and corruption.

The trust's finance and audit committee is responsible for overseeing internal controls, financial regularity and rigorous risk management.

6. Reporting concerns

All actual or suspected incidents of fraud, corruption or bribery in a school should be reported without delay to the CFO.

In either instance, if the CFO is not available on the day the incident is reported, or if there are concerns about reporting to the CFO, the incident should be reported immediately to the CEO. If the CEO is not available or there are concerns about reporting to the person holding that role, the incident should be immediately reported to the Chair of Directors.

When staff report suspected fraud, it is important that their suspicions are treated seriously and that all details provided by the reporting employee are recorded accurately and in a timely manner. They should be signed by the reporting employee to confirm understanding. It is essential that staff are put at ease, since the decision to report the suspected fraud may be traumatic for the individual concerned. Those reporting fraud should be assured that all information will be dealt with in the strictest confidence and that anonymity will be preserved if requested in the first instance, however anonymity may not be able to be preserved if it is incompatible with a full and fair investigation.

The trust whistleblowing policy offers guidance on how to report a concern as well as providing free and confidential advice through Protect, UK's leading experts in whistleblowing.

Once the CFO has received recorded details of the case, they should, within 24 hours, hold a meeting of the fraud investigation group.

7. Investigation of fraud, theft and or irregularity

The fraud investigation group comprises the CFO, CEO and HR. The group will meet to decide on the initial response to suspected fraud. The fraud investigation group should report the incident and their response to the Chair of Directors within 24 hours and keep him or her informed about progress in dealing with the incident.

The fraud investigation group will follow the guidance provided by CIPFA's 'model set of financial regulations' for Academies 2013 – 'procedure for fraud prevention, detection and investigation' and 'fraud response' plan.

Staff adhering to procedures, and who are not inhibited to challenge matters which do not appear to be correct, provide the best protection against fraud and corruption. It is essential, therefore, that this policy statement is fully communicated to staff. The policy statement must be published to staff. Any fraud threats can arise from within the organisation such as employee theft, or from outside the organisation through concerted means to obtain money by deception.

8. Controls

Some of the most common external threats currently are invoice fraud where fraudsters persuade companies to pay invoices that are false, or by intercepting invoices from legitimate supplies and altering bank details to redirect funds.

An system of internal controls is in place to ensure the trust is protected against fraud. This includes:

- All new suppliers to be added using the new supplier form and authorised by the school business leader
- No changes to suppliers' bank details without authorisation of the school business leader
- All payment runs being authorised by the CFO or school business leader.

The trust as part of its control environment will operate an internal audit service on behalf of the board of directors to assess and test the control environment.

The trust 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 academy financial year. Any unusual or systematic fraud, regardless of value, must also be reported.

9. Monitoring arrangements

This policy will be reviewed every two years by the finance and resources committee.