



TRUE LEARNING PARTNERSHIP

ANTI FRAUD, BRIBERY AND CORRUPTION POLICY

Policy Ref Number: TTLP/11

**Reviewed by: Chief Financial Officer
Approved by: Finance Committee**

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1. Introduction

The TRUE Learning Partnership (TL) takes a zero-tolerance approach to fraud, bribery and all other corrupt business practices. TL is committed to ensuring that it demonstrates the highest ethical standards and acts with integrity in all business activities. TL promotes an honest and open environment across our school communities, whereby all members of the community work together to protect our reputation.

This document sets out the Trust's policy and procedures for dealing with the risks of significant fraud, bribery and/or corruption.

The Academy Trust Handbook states;

*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.*

2. Policy statement

TL has a public duty to safeguard the proper use of the Trust's finances and resources. TL is committed to promoting an anti-fraud culture across our community, investigating all alleged/possible cases of fraud, bribery and/or corruption, and pursuing appropriate disciplinary action where there is evidence of such.

In order to minimise the risk and impact of fraud and corruption, the Trust's objectives are;

- to create a culture which deters fraud, bribery and/or corruption
- to encourage the prevention of fraud, bribery and/or corruption
- to promote the detection of fraud, bribery and/or corruption
- to report all instances of fraud, bribery and/or corruption

TL's Finance Committee will provide oversight of this policy.

The purpose of this policy is to:

- Establish the responsibilities of the Trustees, Local Governing Bodies and staff members in observing and upholding our position on fraud, bribery and corruption
- Provide information and guidance to staff on how to recognise and deal with concerns about fraudulent activity
- Promote the early detection of fraudulent and corruptive behaviour.

Definitions

Fraud

A person is guilty of fraud if they are in breach of:

- fraud by false representation
- fraud by failing to disclose information
- fraud by abuse of position

(Fraud Act 2006 <https://www.legislation.gov.uk/ukpga/2006/35/crossheading/fraud>)

Bribery

- Giving someone a financial or other advantage to encourage that person to perform their function or activities improperly or to reward that person for already having done so.

(The Bribery Act 2010 <https://www.legislation.gov.uk/ukpga/2010/23/contents>)

Corruption

- The offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions of any person.

This policy should be read in conjunction with the following TL policies and procedures:

- Whistleblowing Policy
- Code of Conduct
- Charging and Remissions Policy
- Declarations of Business Interests
- Academy Trust Handbook
- Financial Procedures Manual
- Donations Policy

Types of 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. Common types of fraud include theft, fictitious and falsification of invoices and credit card fraud. Other types of fraud include mis-use of assets and failure to disclose conflicts of interest.

3. Fraud risk management strategy

The strategy describes the Trust's approach to managing and minimising the risk of fraud. The key objectives are;

- to minimise risk and any losses it experiences through fraud, bribery and/or corruption
- to embed the management of fraud risk within the culture of the Trust
- to take robust action when fraud, bribery or corruption is suspected.

3.1 Minimising risk

The Trust is committed to minimising the risk of fraud through;

- **Assessing the Trust's overall vulnerability to fraud, bribery and corruption.** The Trust will assess the overall level of risk via a variety of mechanisms including the Strategic Risk Register, external and internal audit reports and executive team assurance and performance reports. The Trust Board refers to the ESFA's Anti-Fraud checklist for academy trusts (Appendix 1).
- **Developing effective controls to prevent bribery, fraud and other corrupt practices.** The Trust responds to identified weakness in systems and controls. Cost-effective internal systems of control are established to prevent and detect fraud.
- **Clarifying roles and responsibilities for the overall and specific management of fraud risk.** Key personnel are trained in detecting and investigating fraud. Staff are aware of the process of raising concerns about fraudulent activity.
- **Providing information and guidance to staff on how to recognise and deal with developing and promoting an anti-fraud culture.** Staff receive annual updates providing advice and support on what is acceptable and what is not acceptable in terms of gifts, hospitality and the acceptance of donations.

- **Establishing robust policies and procedures** that are embedded and understood throughout the Trust, including recruitment screening and contracts.
- **Investigating allegations of fraud and ensuring recovery of loss.** TL ensure that any suspected, alleged, attempted or actual instances of bribery, fraud or other corrupt business practices are investigated appropriately. Appropriate disciplinary action will be taken in all cases where investigation has proven attempted or actual instances of bribery, fraud or corruption have occurred.

3.2 Managing risk

TL expects all members of our community to conduct themselves in accordance with the seven principles of public life as defined by the Nolan Committee 1995;

- Honesty
- Integrity
- Selflessness
- Objectivity
- Openness
- Accountability
- Leadership

The Trust requires trustees, governors and employees at all levels to lead by example in adhering to legal requirements, codes of conduct and Trust policies and procedures.

All staff have a duty to protect the assets of the Trust, report all reasonably held suspicions of fraud or irregularity and cooperate with any investigation.

The Trust expects that the individuals and organisations with which it deals will act with integrity and without thoughts or actions involving fraud, bribery and corruption. Where appropriate, the Trust will include clauses in its contracts about the consequences of fraud, bribery and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and will normally lead to prosecution.

3.2.1 Leadership

The Trust Board and its sub committees, and senior managers should ensure that their behaviour is always demonstrably selfless, impartial and consistent with the public service values of probity and accountability.

3.2.2 Employee screening

Potential new members of staff will be screened before appointment, particularly for posts with financial responsibility. This will include;

- Identity and right to work checks
- References
- Qualification checks
- DBS

3.2.3 Procedures and controls

Fraud can be minimised through robust systems and procedures implemented across the Trust, in particular those relating to financial regulations and operational controls. The Trust has robust policies and procedures in place including;

- Financial Procedures Manual
- Scheme of Delegation
- Operational Controls Manual
- Whistleblowing Policy
- Disciplinary Policy and Disciplinary Process

These documents outline segregation of duties, clear roles and responsibilities at all levels in the Trust and levels of accountability. It should be noted that:

No trustee, governor, employee or connected party will benefit personally from the use of TL funds and that all trustees, governors and employees will complete the register of business interests to disclose any possible conflict of interest.

The Trust's Finance Audit and Risk Committee will provide a continuous review of systems. Detective checks and balances will be designed into all relevant systems and applied consistently, including segregation of duties, reconciliation procedures, random checking of transactions, and review of management accounting information. All staff dealing with finance must undertake training to ensure that appropriate standards of accounting are maintained diligently.

The Trust ensures that appropriate restrictions and protection of ICT equipment is in place to prevent the possible misuse of technology. The Trust Board receive updates on the Trust's response to the risk of cybercrime across the schools.

The Trust also protects against the risk of fraud with appropriate insurance policies.

3.2.4 Audit

The Trust's internal audit partner will provide independent assurance on the processes and controls put in place for management to prevent and detect fraud and irregularity.

External auditors provide independent oversight of the financial controls and activities within the Trust as part of their work in auditing the year-end financial statements.

3.2.5 Taking action

It is often the alertness of employees and members of the community that enable fraud to be detected. If an individual has a genuine reason to suspect that fraud or irregularity is taking place, or has taken place, they are expected to bring this to the attention of the Trust authorities as quickly as possible by;

- Using the Whistleblowing procedures, highlighted in the Whistleblowing Policy
- Reporting any concern to a senior member of staff

In accordance with the Trust's Whistleblowing Policy, anyone with any concerns about the Trust's activities should normally raise concerns through their immediate line manager or senior management. In exceptional cases they can also raise concerns directly with the Chair of the Finance Committee (John.guest@truelearning.org.uk) or the chair of the Audit and Risk Committee (sarah.horseman@truelearning.org.uk).

Staff members who have committed serious financial irregularities may attempt to conceal through a number of means. The ESFA's Indicators for potential fraud may be helpful to identify where concerns may exist. <https://www.gov.uk/government/publications/indicators-of-potential-fraud-learning-institutions/indicators-for-potential-fraud-a-generic-checklist-for-education-providers>

If in doubt, staff members should report their concerns, provided they are supported by at least one piece of reliable information or evidence.

DO NOT

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

3.3.1 Responding to concerns

Where staff have raised concerns;

- Be responsive to concerns. All concerns should be treated seriously and sensitively and confidentially.
- Note details (time, date, record of conversations, names of people present, obtain as much information as possible, noting documentary evidence to support any allegations)
- Evaluate the allegation objectively. Consider the facts, based on information to hand before taking this any further.
- Advise the appropriate person. If the suspicion is justified, deal with the matter promptly. Full details should be recorded and reported to the CFO or CEO, who will then investigate.

4 Investigation

Once the concern has been reported to the CFO or CEO, a strategy meeting will be held to assess the concern and determine the response. This should involve the CFO, CEO and other members of the Executive Management Group and Trust Board as appropriate (key people with responsibilities for HR/ IT/ Finance/Operations). Each case will be different, and the approach taken will depend on the circumstance presented and the nature of the allegation. The group will also consider whether it is necessary to investigate systems other than those which have given rise to suspicion, through which the suspect may have had opportunities to misappropriate the school's assets.

The course of action will be one of the following;

- Formal internal investigation
- Referral to Police or other investigative agencies
- Referral to appropriate professional body
- Referral to external auditor
- Referral to the ESFA Investigations Team

4.1 Formal internal investigation

An Investigating Officer will be appointed by the CEO to lead the investigation. This will be someone who has the appropriate experience and seniority to plan and undertake the preliminary fact finding and/ or formal investigation.

Investigations will be conducted in a professional manner, in accordance with relevant Trust policies and procedures.

The Investigating Officer will examine the case, collecting evidence from various perspectives, including interviews and analysis of any related documentations in order to determine the facts. The Investigating Officer should, where possible, quantify any potential or actual financial loss and ensure that steps are taken at the earliest opportunity to prevent any further loss.

The CEO will inform the Chair of the Trust Board that an investigation is taking place. Senior management will establish and maintain contact with the police or other investigative agencies where appropriate.

Where the case is sufficiently serious, an individual who is accused may be suspended while the investigation is under way in accordance with the Trust's disciplinary procedures. The Director of HR will be consulted before any such action is taken. External HR professional advice will be sought in cases of any potential suspension.

The process of suspending a member of staff should be carefully considered, so as not to imply or presume guilt. The timing of suspension should be planned, with the suspect being approached unannounced and supervised while leaving the premises. They will be required to hand over any relevant computer passwords and not remove any records from the premises. Any security passes and keys should be returned. The Director of ICT and Network Operations should be instructed to immediately withdraw access permission to the Trust's systems.

An investigation will be carried out in accordance with the principles of natural justice and with due regard to the statutory rights of all individuals involved in the case. The Trust will take all reasonable measures to ensure the investigation is concluded as quickly as possible.

Any information relevant to the investigation of suspected fraud must not be disclosed except for the purposes of the investigation or subsequent proceedings.

All reported incidents are logged on the Trust Fraud Register. The Fraud Register is reviewed at each meeting of the Audit and Risk Committee.

5. Conclusion

At the conclusion of the investigation, the Investigating Officer will produce an Investigation Report with details of the facts relevant to the case and the supporting evidence. This will enable the CEO to determine any disciplinary or other sanctions.

The decision will be reported to the Audit and Risk Committee and the Chair of the Trust Board.

5.1 Sanction

Depending on the circumstances of each case, the Trust may apply any or all the following sanctions;

- Disciplinary action in accordance with the Trust's disciplinary procedure
- Civil proceedings
- Criminal proceedings

This may result in

- Recovery of pension contributions from employees who are members of the Pension Fund
- Recovery of assets owned by an employee or third party found guilty of committing fraud
- Filing for bankruptcy where an individual has a poor history of paying
- Recovery from any current salaries or by way of “attachment of earnings”

5.2 Recovery of loss

The Investigating Officer shall, where possible, quantify the amount of any loss. The CFO and CEO will consider what redress is appropriate in each case. Where a loss is significant, legal advice will be sought.

If an offer of restitution is made, this should be referred to the CFO and CEO, who will seek legal advice.

6. ESFA

The Academy Trust Handbook confirms trusts must notify the ESFA of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in an academy’s financial year. Any unusual or systematic fraud (e.g. regular occurrences of low value theft), regardless of value, must also be reported.

The ESFA does not tolerate fraud and takes quick and decisive action where it is uncovered. This includes commissioning an investigation or, in certain instances, referring cases directly to the police.

7. Cybercrime

Cybercrime is an increasing risk within the sector and attacks can have a significant operational and/or financial impact on schools and Academy Trusts. TL is committed to managing the risk of cybercrime via proportionate controls and measures and raising awareness via annual training for all Trust employees.

The Academy Trust Handbook states that Trusts must obtain permission from the ESFA to pay any cyber ransom demands. The ESFA supports the National Crime Agency’s recommendation not to encourage, endorse, or condone the payment of ransom demands. Payment of ransoms has no guarantee of restoring access or services and is likely to result in repeat incidents.

REVIEW

Date of Policy: October 2024

Review date: The Policy will be reviewed annually unless operating experience and/or changes in legislation require an earlier review.

Anti-fraud checklist for academy trusts

Fraud occurs in every sector and although the level of identified fraud in academies is very low, academy trusts need to be aware of the potential for it to occur.

The 10 questions below are intended to help trustees, accounting officers and chief financial officers to review their arrangements for preventing, detecting and dealing with fraud should it occur.

Arrangements will vary according to the size, complexity and structure of the trust.

1. Are the trustees, accounting officer and chief financial officer aware of the risk of fraud and their responsibilities regarding fraud?
2. Is fraud included within the remit of the trust's audit committee?
3. Has the role of the trust's external auditor and responsible officer (or equivalent) regarding fraud been established and is it understood?
4. Is fraud risk considered within the trust's risk management process?
5. Does the trust have a fraud strategy or policy and a 'zero tolerance' culture to fraud?
6. Is the fraud strategy or policy and 'zero tolerance' culture promoted within the trust? For example through financial regulations, disciplinary procedures, checks on new staff, induction process, staff training, vetting of contractors?
7. Does the trust have policies on whistleblowing, declarations of interest and receipt of gifts and hospitality?
8. Does the trust have appropriate segregation of duties?
9. Is it clear to whom suspicions of fraud in the AT should be reported?
10. If there has been any fraud in the trust, has a 'lessons learned' exercise been undertaken?