

ANTI-FRAUD AND CORRUPTION POLICY

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1. INTRODUCTION

This policy and procedure defines the expected conduct of all staff engaged at Hasmonean Multi-Academy Trust (the “Trust”), this also applies to all volunteers, in relation to deterring and/or detecting fraud and corruption, and to whom to report it.

The Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Trust has a responsibility in respect of preventing and detecting fraud. All staff, local governors, trustees and members have a role to play. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.

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

It is the duty of all employees, local governors, trustees and members at the Trust to take reasonable steps to limit the possibility of corrupt practices. The Internal Audit Team (appointed by the Trust) may provide independent assurance on the processes and controls put in place by management to prevent or detect fraud and irregularity or to manage the risk of fraud and irregularity.

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

Any investigation carried out in relation to alleged irregularities is linked to the Trust's Disciplinary & Dismissals procedure.

The following definitions are useful to assist the understanding of this policy:

2. DEFINITIONS

Fraud - Fraud is the deliberate use of deception and dishonesty to deprive, disadvantage or cause loss or the risk of loss (usually financial) to another party.

Under the Fraud Act 2006, the offence of fraud can be committed in one of three ways:

- By false representation
- By failing to disclose information: or
- Abuse of position.

In each case:

- The perpetrator's conduct must be dishonest.
- Their intention must be to make a gain or cause a loss or the risk of a loss to another (no gain or loss needs actually to have been made).

There are other new offences introduced in the Fraud Act 2006 such as;

- Possessing, making or supplying articles for use in frauds
- Obtaining services dishonestly with intent to avoid payment.

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 terms ‘corrupt practices’ and ‘corruption’ is defined for the purpose of this policy as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by the Trust, its staff, local governors, trustees or members.

The acceptance of gifts and hospitality is covered in the Trust's Policy on Declaration of Interests.

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 - 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 or Trust's Procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

Examples of what could constitute fraud and corruption are -

- redirecting income to a non- Trust bank account;
- 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;
- theft/misappropriation of cash
- using position for personal reward.

The above list is not exhaustive and fraud and corruption can take many different forms. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the Head of Finance.

Similarly, if there is concern or doubt about any aspect of a matter which involves an irregularity, or an on-going investigation into a suspected irregularity, the best approach is to seek advice from the CEO.

3. POLICY STATEMENT

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

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 Trust's policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the Trust's 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.

This policy, in line with the Trust's corporate values of integrity, consistency, impartiality, fairness and best practice, provides both staff and management with mutually understood guidelines for the administration of this procedure.

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

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

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.

4. ROLES AND RESPONSIBILITIES

4.1 Staff, Local Governors and Trustees

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

- The Finance Committee meets regularly;
- A requirement for all staff, local governors and trustees to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for staff, local governors and trustees to disclose personal interests;
- All staff, governors and trustees are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures.

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

4.2 Independent Review

The Internal Audit Team has specific responsibility for overseeing the financial arrangements on behalf of the local governors.

The main duties of the Internal Audit Team are to provide the local governors with on-going independent assurance that:

- The financial responsibilities of the local governors 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.
- Segregation of duties as set out in the Finance & Premises Manual.

4.3 Head of Finance

The Head of Finance has 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 Head of Finance 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 Trust's financial position.

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.

5. REPORTING A SUSPECTED FRAUD

All allegations of suspected fraud and irregularities are to be brought to the attention of the Head of Finance and also referred to the CEO, unless this individual is involved in the irregularity in which case the Chair of the Local Governing Body should be informed.

Please refer to the Trust's Whistleblowing Policy which may be relevant in certain circumstances.

6. RESPONSE TO ALLEGATIONS

The CEO will have initial responsibility for co-ordinating the initial response. In doing this he/she will consult with the Human Resource advisors regarding potential employment issues. The CEO will also seek legal advice from the Trust's solicitors on both employment and litigation issues before taking any further action.

The Head of Finance and CEO will ascertain whether or not the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, they will inform the Finance Committee. Even if there is no evidence to support the allegation, the matter must be reported.

The Finance Committee will undertake the management of the investigation. They will, if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required. They will determine whether the findings, conclusions and any recommendations arising from the preliminary investigation should be reported to the Chair of the Local Governing Body. If further investigations are required, they will determine which outside agencies should be involved (police, auditors).

The CEO is required to notify the Local Governing Body 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 Local Governing Body fully informed between governor meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

If evidence of fraud is forthcoming then the Local Governing Body will inform the Department for Education as required by the Funding Agreement and will consider whether or not to refer the matter to the police.

7. CONFIDENTIALITY AND SAFEGUARDS

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.

This does not mean that if the person raising the concern is already the subject of a disciplinary, redundancy or other procedure, 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. For further guidance refer to the Trust Disciplinary and Dismissals Policy.

8. LINKS WITH OTHER POLICIES

The Local 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 Trust policies:

- Whistleblowing Policy
- Financial Regulations
- Disciplinary and Dismissal Policy
- Equal Opportunities Policy

Approved by the Trustees December 2022

Next Review: December 2023