



# Cherry Tree Trust Anti Fraud & Corruption Policy

<b>Document Control</b>	
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Related Policies/Guidance	<ul style="list-style-type: none"> <li>• Gifts, Hospitality and Bribery Policy</li> <li>• Staff Code of Conduct</li> <li>• Whistle blowing</li> <li>• School Financial Procedures and Scheme of Financial Delegation</li> <li>• Disciplinary, Grievance and Capability Policies</li> <li>• Equal Opportunities Policy</li> </ul>
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## **1. Introduction:**

**1.1** This policy and procedure has been written by the Trustees of the Cherry Tree Trust to define the expected conduct of all staff engaged at a School within the Cherry Tree Trust, whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption, and who to report it to.

**1.2** The members of the Cherry Tree Trust are committed to ensuring that all staff act with integrity and have high standards of personal conduct. Everyone involved with any School in the Trust has a responsibility in respect of preventing and detecting fraud. All staff and governors have a role to play. The Trustees also recognises the role of others in alerting them to areas where there is suspicion of fraud.

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

**1.4** It is the duty of all employees and Governors at the School to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the internal and external auditors to review the adequacy of the measures taken by the School to test compliance and to draw attention to any weaknesses or omissions.

**1.5** Any investigation carried out in relation to alleged irregularities is governed by the School's Disciplinary procedure.

## **2. Aims and Scope of the Policy:**

**2.1** This policy and procedure defines Anti-Fraud & Corruption and offers guidance for all staff in the School. Section 8 of this document outlines the other policies that this one is linked to.

**2.2** The School 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 School business. This document sets out the School'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 School'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.

**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 School employees, permanent, voluntary and fixed term and all School Governors.

**2.5** The School has taken the following steps to communicate expectations to staff:

- The development and publication of a formal statement of its expectations on standards of personal conduct, propriety and accountability, (see Code of Conduct);

- The development and publication of a formal statement of the procedures to be followed by employees who have a suspicion of, or concern about, possible or actual malpractice within the School.

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

**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. Definitions:**

#### **3.1 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.

#### **3.2 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 School, its staff or Governors. Reference should also be made to the Gifts, Hospitality and Bribery Policy in this regard.

#### **3.3 Examples of what could constitute fraud and corruption are:**

- theft of cash;
- non-receipt of income;
- 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 School;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the School;
- 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

Headteacher or School Business Manager. Similarly, 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 from the Headteacher or School Business Manager.

#### **4. Roles and Responsibilities:**

##### **4.1 Staff and Governors:**

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

- All staff are made aware of the School's policies for Employees;
- Finance & Audit Committees meets regularly;
- A requirement for all staff and governors to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for staff and governors to disclose personal interests;
- All staff and governors are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures.

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

##### **4.3 Accounting Officer ( Headteacher):**

The Accounting Officer has specific responsibility for overseeing the financial arrangements on behalf of the governors. The main duties of the Accounting Officer are to provide the governors with on-going independent assurance that:

- The financial responsibilities of the 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.

##### **4.4 School Business Manager:**

The School Business Manager has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of the School. In respect of fraud, it is therefore the responsibility of the School Business Manager 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 School's financial position.

##### **4.5 External Audit:**

The Governors believe that it is important for the school to work closely with internal audit to monitor the systems to ensure clear and accurate accounting. The report from internal audit 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 School 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.

#### **4.6 NGPS Audit systems:**

The School's internal audit programme will be determined by the Audit Committee and will focus on key areas of risk/potential fraud. The Audit Committee will receive a regular report from the internal audit function informing them of the compliance with procedures and policies to minimise the risk of fraud within the financial systems.

#### **5. Reporting a Suspected Fraud:**

**5.1** All allegations of suspected fraud and irregularities are to be brought to the attention of the School Business Manager and also referred to the Headteacher, unless both of these individuals are involved in the irregularity in which case the Chair of Governors/Trust Board should be informed. Please refer to the School Policy on Whistle blowing for further guidance.

#### **6. Response to Allegations:**

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

**6.2** The School Business Manager and Headteacher will ascertain whether the suspicions aroused have substance. Where it is believed that the allegations can be substantiated any individuals involved will be dealt with through the School's agreed Disciplinary Policy. In every case, and as soon as possible after the initial investigation, they will notify the Chair of the Finance Committee. Even if there is no evidence to support the allegation, the matter must be reported.

**6.3** Once any Disciplinary Process has been completed, or at an appropriate point in the Disciplinary procedure the Audit Committee will oversee a procedural investigation into the matter to determine if existing procedures can be modified to eliminate the possibility of a similar incident being repeated in the future. The findings of this investigation must be reported to the Chair of Governors.

**6.4** The Headteacher is required to notify the Governing Body/ Trust 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 Governing Body/Trust Board fully informed between governor meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns. In addition, any instances of fraud or theft committed against the school, whether by employees or governors or third parties, above £5,000 must be reported to the Education Funding Agency (EFA).

**6.5** If evidence of fraud is forthcoming then the Governing Body will consider whether to refer the matter to the police.

#### **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 School 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. Any such disclosure will be dealt with under the School's Whistleblowing Policy.

**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 school's Disciplinary, Grievance and Capability policies.

### **8. Links with other Policies:**

8.1 The school 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 Corruption policy attempts to consolidate those in one document and should be read in conjunction with the following School policies:

- Gifts, Hospitality and Bribery Policy
- Staff Code of Conduct
- Whistle blowing
- School Financial Procedures and Scheme of Financial Delegation
- Disciplinary, Grievance and Capability Policies
- Equal Opportunities Policy