



# *An Daras Multi-Academy Trust* **Anti-Fraud and Anti-Corruption Policy (Incorporating Gifts and Hospitality)**

The An Daras Multi Academy Trust (ADMAT) Company

An Exempt Charity Limited by Guarantee

Company Number/08156955

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Advisory Committee	ADMAT Audit
Linked Documents and Policies	Academy Trust Handbook ADMAT Pecuniary Interests Policy ADMAT Financial Delegation Scheme ESFA Fraud Updates ADMAT Finance Policy ADMAY Payroll Policy ADMAT Cyber Security Suite of Policies

This policy and procedure defines the expected conduct of all staff engaged at An Daras Trust (termed The Trust in the remainder of this policy), whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption, and who to report it to. It includes clear guidelines on what is acceptable in terms of gifts and hospitality and how these matters are declared. Also, reference is made to other Trust policies where appropriate.

## 1. Introduction

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

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 Providing the public with the highest quality of service possible not only involves being responsive, helpful and polite, but above all, it requires integrity and honesty always.

1.4 It is the duty of all employees, directors and local governors of the Trust to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of Auditors to review the adequacy of the measures taken by the Trust to test compliance and to draw attention to any weaknesses or omissions.

1.5 Any investigation carried out in relation to alleged irregularities is linked to the Disciplinary & Dismissals procedures of the Trust.

## 2 Definitions

2.1 *Fraud*. Fraud is a general term covering theft, deliberate misuse or misappropriation of assets, cyber fraud 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.

2.2 *Corruption*. The term “corrupt practices” is defined for this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by any of the Academies in the Trust, their staff, directors or local governors.

2.3 *Gifts and Hospitality*. Any gifts, rewards and benefits that are disproportionately generous or that could be 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. Much of what is acceptable practice in the private sector is not acceptable in public sector employment. Unlike private industry, actions of employees are totally open to public scrutiny. Therefore, employees’ actions should be such that they would not be embarrassed to explain them to anyone.

2.4 *Irregularities*. Fall within the following broad categories, the first three of which are criminal offences:

**Theft** - the dishonest taking of property (including cyber or intellectual assets) 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 6.)**- 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, Trust Scheme of Delegation and Financial Regulations;

**Failure to observe**, or breaches of Trust procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

2.5 *Examples.* Of what could constitute fraud and corruption are:

- Theft of cash or Trust assets;
- Non-receipt of income;
- Substitution of personal cheques for cash;
- Travelling and subsistence claims for non-existent journeys/events;
- Travelling and subsistence claims inflated;
- Deliberate falsification of official records for financial gain, 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 valuable 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;
- Deception;
- Using position for personal reward.
- Cyber related crime, theft, fraud, falsification or ransom demands
- Failure to seek relevant ESFA approval as required by the current Academies Trust Handbook

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 Trust Finance and Procurement Officer.

The DfE publish regular guidance on how to identify and mitigate fraud and corruption through internal scrutiny effectiveness.

2.6 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 Chair of Directors/CEO or the school Executive Head Teacher.

2.7 Due to the increasing frequency of cyber-crime as a vehicle for fraud and corruption the Trust will ensure that effective mitigation and control of IT safeguarding is maintained. The following two 'must' statements from the latest Academy Trust Financial Handbook must be followed by the Trust in any case of cyber related fraud or crime:

### **ATFH Clause 6.12**

The board of trustees (Directors) 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 financial year. Unusual or systematic fraud, regardless of value, must also be reported. The following information is required:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken to prevent recurrence
- whether it was referred to the police (and if not why)
- whether insurance or the RPA have offset any loss.

### **ATFH Clause 6.17**

Trusts must obtain permission from ESFA to pay any cyber ransom demands. 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.

## **3. Policy Statement**

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

3.2 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 Trust's policy and procedures for dealing with the risk of significant fraud or corruption. 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.

3.3 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.

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

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

3.6 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. Equal Opportunities statement**

4.1. *Equality and Respect.* The Trust is committed to equality of opportunity, and to promoting an ethos of dignity, courtesy and respect throughout the organisation. *For further information, please refer to the Equality and Diversity Policy for each member school.*

## **5. Objectives**

5.1 *Communication*. The Trust 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;
- 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 (including cyber related) within the Trust.

## 6. Gifts & Hospitality

6.1 *Guidance*. These guidelines below will help you to judge what sort of gift, and what level of hospitality is acceptable.

6.2 *General Rules*. The following general rules apply and must guide decisions on receipt of gifts and hospitality as an employee of the Trust:

- To accept gifts should be the exception. You may accept small 'thank you' gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £25 in value. You should notify the Trust Finance & Procurement Officer of any gift or hospitality over this value for entry in the Register of Business Interests.
- Always say no if you think the giver has an ulterior motive. Be sensitive to the possibility that the giver may think that even small gifts or simple hospitality will elicit a prompt service or preferential treatment.
- Never accept a gift or hospitality from anyone who is, or may be in the foreseeable future, tendering for any contract with the Trust, seeking employment with the Trust or is in dispute with the Trust, even if you are not directly involved in that service area.
- Where items purchased for the Trust include a 'free gift', such a gift should either be used for Trust business or handed to the Trust Finance & Procurement Officer to be used for charity raffles.
- If you are in doubt about the acceptability of any gift or offer of hospitality it is your responsibility to consult with the CEO, Executive Head teacher and/or the Trust Finance & Procurement Officer.

6.3 *Acceptable Hospitality*. A gauge of what is acceptable in terms of hospitality is whether this Trust would offer a similar level of hospitality in similar circumstances.

- Occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business provided they are not to an unreasonable level or cost.
- Invitations to corporate hospitality events must each be judged on their merit. Provided the general rules have been considered, it may be acceptable to join other company or organisation guests at: sponsored cultural and sporting events, or other public performances, as a representative of the Trust at special events or celebrations. Consider the number of these events, and always take into consideration what public perception is likely to be if they knew you were attending.
- Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited employee. In all such cases the CEO or Trust Finance Officer must be consulted.
- Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.
- If you are visiting a company to view equipment that the Trust is considering buying, you should ensure that expenses of the trip are paid by the Trust. Acceptance of refreshments and/or a working lunch may be acceptable, but care must be taken to ensure that the Trust's purchasing and/or tender procedures are not compromised.

- Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to your work are acceptable.
- Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent the Trust must be agreed in advance with the CEO or Trust Finance Officer. Where your spouse or partner is included in the invitation, and approval has been given for you to attend, it will be acceptable for your spouse or partner to attend as well, but if expenses are incurred, these will be met personally.
- Any invitation you accept should be made to you in your professional/working capacity as a representative of the Trust.
- An individual Trust school is permitted to pay to provide a free of charge “duty” meal for teaching staff completing lunch-time pupil supervision in the dinner hall.

## 7. Roles and Responsibilities

*7.1 Staff, Directors and Local Governors.* The Trust has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- All staff are made aware of the Trust Code of Conduct for Employees;
- A director’s committee meets regularly to consider finance matters;
- A requirement for all staff, directors and local governors to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for staff, directors and local governors to disclose personal interests;
- All staff, directors and local governors are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures are effectively operated across the Trust and its schools
- All staff are aware of cyber security controls and are robust in following the arrangements established by the Trust

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

*7.2 Responsible Officer or internal scrutiny function equivalent.* The Responsible Officer or internal auditor appointed to complete internal checks in-year has specific responsibility for overseeing the financial arrangements on behalf of the Board. The main duties of this function are to provide the Board with on-going independent assurance that:

- The financial responsibilities of the Board are being properly discharged;
- The resources are being managed in an efficient, economic and effective manner;
- Sound systems of financial control are being maintained;
- Financial considerations are fully considered in reaching decisions.
- Risk management is regular, effective and dynamic in response to identified risks – including the fast paced and ever-changing risks related to cybercrime.

*7.3 Trust Finance and Procurement Officer.* The Chief Finance Officer 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 Trust Finance and Procurement 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 Trusts financial position.

**7.4 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 through 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 for Education or Education and Skills Funding Agency.

## **8. Reporting a Suspected Fraud**

**8.1 Allegations.** All allegations of suspected fraud and irregularities are to be brought to the attention of the Trust Finance and Procurement Officer and referred to the CEO, unless this individual is allegedly involved in the irregularity, in which case the Chair of Directors should be informed. Refer to the Trust Whistle Blowing Policy for further guidance.

**8.2 Investigation.** All reported alleged fraud will be fully investigated.

## **9. Confidentiality and Safeguards**

**9.1 Reporting a Concern.** The Trust recognises that the decision to report alleged fraud or 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.

**9.2 Procedures.** This does not mean that if the person raising the concern is already the subject of a disciplinary, redundancy or other procedures, that those procedures will be halted because of the concern being reported.

**9.3 Misuse of Process.** There is a need to ensure that the process is not misused. For further guidance refer to Trust Disciplinary Policies.

## **10. Links with Other Policies**

**10.1** The Local Governing Bodies and Board of Directors 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
- Financial Regulation
- Staff Code of Conduct and Discipline
- Governance Code of Conduct
- Equal Opportunities Policy
- Pecuniary Interests Policy
- Payroll Policy
- Trust Schemes of Delegation including financial
- Cyber Security Suite of Policies

In addition the latest version of the Academies Trust Handbook published by the ESFA must be regularly reviewed with an emphasis on ensuring 'must' statements are followed to ensure fraud and corruption mitigation controls are securely established across the Trust.