



# **ANTI-FRAUD AND CORRUPTION POLICY**

## 1. Introduction

Furze Platt Senior school has a zero-tolerance policy towards fraud, bribery and corruption. All staff, trustees, local governors and volunteers are expected to act with honesty and integrity, according to the principles set out in the codes of conduct for their role. Furze Platt Senior School will thoroughly investigate any suspected or proven cases of fraud or attempted fraud. Disciplinary or legal action, or both, will be taken where appropriate.

Furze Platt Senior School will not pay ransoms for the restoration of systems following a cyber-attack.

This Strategy is part of Furze Platt Senior School's Anti-Fraud and Corruption Framework and sits alongside other policies and guidance including:

- Financial Policy and Procedures
- Gifts, Hospitality and Anti-bribery Policy
- Disciplinary Policy and Procedure
- Raising Concerns at Work (Whistleblowing) Policy

## 2. Legal Framework

This policy reflects the following legislation and guidance:

- Fraud Act 2006 – which sets out a definition of fraud
- Bribery Act 2010 – which sets out a definition of bribery
- Academy trust handbook – sections 6.9 to 6.13 provide information on the requirements on trusts for preventing and reporting fraud
- Schools resource management self-assessment checklist – which sets out the appropriate financial management and governance arrangements academy trusts should have in place
- Fraud awareness: good practice for education and training providers – guidance to help schools and trusts manage the risk of fraud
- Report fraud or financial irregularity to DfE – how to report suspected fraud or financial irregularity in academy trusts
- Our funding agreement

## 3. Definitions

These definitions are provided for guidance and are not intended to be exhaustive:

**Theft** is 'the dishonest taking of property belonging to another person with the intention of permanently depriving the owner of its possession'.

**Fraud** is 'the intentional distortion of the financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain.' This differs from "theft" where no attempt at concealment is made. It is also important to distinguish this from negligence and accidental error where no intent exists. This may involve:

- Falsification or alteration of accounting records or other documents

- Suppression or omission of the effects of transactions from records or documents
- Recording transactions which have no substance
- Wilful misrepresentation of transactions or of Furze Platt Senior School's state of affairs

**Corruption** is 'the offering, giving, soliciting or acceptance of an inducement or reward which may influence actions taken by the body, its members or officers'. Main areas of activity, which are susceptible to corruption may include:

- Contracts
- Asset Disposal
- Planning consents and licenses

**Bribery** is defined by the Bribery Act 2010 as inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards, or other advantages. In this policy, 'fraud' will be used to refer to all the definitions outlined above. Examples of what could constitute fraud include, but are not limited to, the following:

- Theft of cash
- Substitution of personal cheques for cash
- Travelling and subsistence claims for non-existent journeys or events, or inflating claims
- Manipulating documentation to increase salaries
- Payment of invoices for goods received by an individual rather than the trust
- Unauthorised borrowing of equipment
- Failure to declare a conflict of interest
- Concealing a generous gift or reward
- Creation of false documentation

#### 4. Roles and responsibilities

##### Trustees

- Act in accordance with the 7 principles of public life (the 'Nolan principles')
- Take full responsibility for the trust's financial affairs
- Make sure that the trust has an effective system of internal control to prevent and detect fraud
- Review the fraud policy (delegated to the Resources Committee)
- Take appropriate action if an executive leader or trustee is found guilty of fraud or attempted fraud

##### Resources Committee

- Review the effectiveness of internal controls
- Consider the outcomes of internal and external audit work related to fraud risks
- Review the trust's risk register and makes sure risks are being addressed appropriately
- Review this policy and monitor implementation

##### Accounting Officer

- Maintain oversight of the trust's financial transactions, including the implementation of robust internal controls
- Ensure compliance with the Academy Trust Handbook
- Ensure all staff, trustees, local governors and volunteers are aware of their responsibilities under this policy

##### Chief Financial Officer (CFO)

- Develop and maintain internal financial controls
- Ensure financial records are full and accurate
- Maintain the trust's risk register
- Provide advice and guidance on fraud prevention and detection
- Lead or coordinate fraud investigations as appropriate

#### **Senior Leadership Team**

- Implement this policy within the school
- Ensure all staff are aware of and adhere to financial regulations and controls
- Ensure all staff are aware of the whistleblowing process and procedures
- Report any suspected fraud immediately in accordance with this policy

#### **All school staff and volunteers**

- Act with honesty and integrity
- Comply with the trust's financial regulations, staff code of conduct, and all other relevant policies and procedures
- Are vigilant and report any suspicions of fraud, bribery, or corruption immediately, in accordance with the procedures outlined in this policy
- Cooperate fully with any formal investigation

## **5. Operating Culture**

Furze Platt Senior School is committed to the seven principles of public life.

Employees are expected and positively encouraged to raise any concerns relating to fraud and corruption, which they become aware of. These can be raised in a number of ways including with the employee's line manager or the Headteacher. For concerns relating to the Headteacher, employees should contact the Chair of Governors. See the 'Raising Concerns at Work (Whistleblowing)' policy.

Furze Platt Senior School expects members and employees to lead by example in ensuring opposition to fraud and corruption, and in ensuring adherence to rules and regulations, and to the relevant Codes of Conduct, and that all procedures and practices are beyond reproach. The responsibility of senior managers is to ensure that all employees are aware of what is expected of them.

Furze Platt Senior School requires all individuals and organisations with whom it deals in any capacity to behave towards it with integrity and without intent or actions involving fraud and corruption.

Furze Platt Senior School employees and members of the public are important elements in the stance against fraud and corruption and are positively encouraged to raise any concerns they may have on these issues which may impact on Furze Platt Senior School activities using the Whistleblowing Policy and Complaints Procedures.

As part of their remit, the Resources committee are required to investigate activities suspected of involving fraud and corruption, and to review processes and procedures designed to prevent such activities.

Where appropriate, Furze Platt Senior School operates with local authorities and public sector bodies in the prevention, detection and investigation of fraud and corruption.

Although Furze Platt Senior School encourages its employees to report concerns acting in good faith, any maliciously motivated and unfounded allegations may be dealt with through its

disciplinary procedures.

Furze Platt Senior School supports induction and work-related training, particularly for employees involved in financial control to ensure that their responsibilities and duties are regularly highlighted, and reinforced, and best practice is followed.

## 6. Preventing fraud

Robust internal controls will be put in place to manage the risk of fraud – these will cover areas including the following:

- Process of authorising transactions
- Access restrictions and transaction controls
- Account reconciliations
- Physical security of assets
- Segregation of responsibilities
- Pre-employment checks

All employees that are involved in the implementation of these controls will be provided with relevant training.

Testing - internal systems are regularly tested to assess robustness against fraud and error. Testing is carried out as part of internal scrutiny reviews as well as by the external auditors at a higher level.

All employees will be required to declare any business or pecuniary interests, or other conflicts of interest, to the headteacher. Trustees will be required to declare conflicts of interest to the chair of trustees.

Following a case of fraud, the risk management strategy will be reviewed to ensure it considers all relevant risks and that the internal controls are effective.

## 7. Record keeping

Financial records will be kept, along with evidence for the business reasons for making payments to third parties.

All invoices, accounts and related documents will be prepared and maintained with the highest accuracy and completeness. No accounts will be kept “off-book” and any reports of fraud, and subsequent investigations, will be recorded.

The academy trusts will submit an ‘Academies budget forecast return’ to the DfE by the end of August.

## 8. Reporting suspected fraud

### How to report

Staff are encouraged to report any concerns under the trust’s whistleblowing procedures as follows:.

- School-based staff, volunteers and Governors should report their concern to the Headteacher

- If the concern is about the Headteacher, or it is believed they may be involved in the wrongdoing in some way, the staff member should report their concern to the Chair of Governors

### **Confidentiality**

All reports will be treated with the utmost confidentiality, consistent with the need to conduct a thorough investigation. The identity of the person(s) making the report will be protected, as far practically possible.

## **9. Investigating reports**

Reports will be initially investigated by the Headteacher and CFO, who will ascertain the facts of the report, seeking HR and legal advice as necessary. The Headteacher will notify the Chair of Governors of any serious financial irregularities at the first opportunity following the completion of an initial investigation.

The CFO will lead the investigation, or delegate as appropriate to internal or external auditors. If the CFO is implicated, the Accounting Officer and/or Chair of the Resources Committee will take this decision.

The investigation will be conducted thoroughly, professionally, and confidentially. The aim of the investigation is to:

- Establish the facts
- If fraud or an attempt to defraud has been made, determine the extent of this
- Identify all those involved
- Quantify any losses
- Identify any weaknesses in controls that allowed the fraud, or attempt to defraud, to occur

All relevant evidence will be gathered and preserved, including financial records, electronic data and witness statements. If a member of staff is suspected of fraud, we will follow the investigation procedure set out in our disciplinary procedures.

## **10. Reporting to the DfE**

The board of trustees must [notify the DfE](#) as soon as possible of all instances of fraud, theft 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 should be included, where possible:

- Full details of the events 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 risk protection arrangement have offset any loss

The DfE will not disclose the identity of any individual making a report without permission, unless there is a legal requirement to do so. If a report is made anonymously, it may not be able to investigate.

## 11. Reporting to the police

If there is evidence of criminal activity, the Accounting Officer will submit a report to Action Fraud on 0300 123 2040, or via the [Action Fraud website](#).

This decision will be taken by the Accounting Officer in consultation with the Chair of Governors (or if the Accounting Officer is implicated, the Chair of Governors in consultation with the Resources Committee).

## 12. Additional reporting requirements

It is also important to report a fraud to organisations that might be related to how the fraud has been committed. Examples might include:

- An attempt to take money – inform the trust's bank or credit card provider
- An attempt to steal the identity of an individual or the credentials of the trust – inform relevant government departments or public bodies such as HMRC, the Department for Work and Pensions (DWP) or the Department for Business and Trade (DBT)
- An internet or phishing scam – you can report as a cyber incident [here](#). You can forward suspicious emails to: [report@phishing.gov.uk](mailto:report@phishing.gov.uk) and forward texts to: 7726.
- A data breach – may need to be reported to the Information Commissioner's Office ([ICO](#))
- Using a particular online platform – inform the provider of the platform, e.g. the social media company
- An impact on an insurance policy – inform the insurance company
- Misuse of certificates – inform the relevant awarding body

## 13. Following an investigation

### Suspension

If there is a reasonable suspicion that an employee has committed fraud, they may be suspended in accordance with the trust's disciplinary policy. This is not an assumption of guilt.

Individuals running the trust (which includes but is not limited to trustees) who are suspected of fraud, may be suspended by the Charity Commission (note: it is not necessary for trusts to report directly to the Charity Commission, but the case may be referred if regularity action is needed).

### Disciplinary action

If the investigation concludes that fraud has occurred, we will take disciplinary action in accordance with the trust's disciplinary policy.

Fraud is a serious offence and will typically lead to gross misconduct proceedings, which may result in dismissal.

Any disciplinary action will be separate from, but may run in parallel with, any criminal investigation.

Trustees who are found guilty of fraud will be removed in accordance with the trust's articles of association.

### Recovery of losses

The trust will take all reasonable steps to recover any funds or assets lost due to fraud. This may include:

- Seeking restitution from the individual(s) involved
- Pursuing civil legal action
- Claiming on the trust's insurance policies (if applicable)

## 14. Cyber-crime and cyber-security

The trust's cybersecurity measures meet the Department for Education's cyber security standards for schools and colleges.

The trust enforces strong password policies, and any employee who leaves has their account(s) disabled and permissions immediately removed from the trust's digital IT systems.

The trust will be vigilant to cyber-crime and clear cyber-security measures and proportionate controls will be implemented. Appropriate action will be taken where a cyber-security incident occurs, in line with the trust's Cyber Response and Recovery Plan.

The following measures will be implemented specifically relating to addressing the risk of fraud:

- Firewalls, anti-virus software and strong passwords will be used
- Data will be routinely and securely backed up
- A restricted number of devices will be used to access financial or other sensitive data

All new starters receive cybersecurity training and all staff, at all levels, attend regular up-to-date 'refresher' training to ensure they:

- Check the sender of an email is genuine before, for example, sending payment data or passwords.
- Make direct contact with the sender where an email requests a payment – this will be done in person where possible, but at a minimum staff must use another method other than the direct reply function, such as a phone call.
- Understand the risks of using public WiFi.
- Understand the risks of not following payment checks and measures.

The trust will not pay ransom demands.

## 15. Monitoring and Review

This policy will be reviewed on an biennially by the CFO and Headteacher or whenever there are significant changes to relevant legislation or the trust's financial practices or following an incident of fraud or attempted fraud.

Lessons learned from any fraud incident will be used to strengthen controls and update this plan.