



**COLLABORATIVE  
LEARNING TRUST**

Working Together to Secure Success

# **ANTI-FRAUD AND CORRUPTION POLICY**

Approved by Collaborative Learning Trust Audit Committee in October 2019

To be approved by Collaborative Learning Trust Audit Committee in October 2020

## Summary

This policy and procedures document defines the expected conduct of all staff engaged by the Collaborative Learning Trust and its member schools, whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption, and who to report it to.

Reference is made to other Trust policies where appropriate.

### 1. Introduction:

- 1.1 The Collaborative Learning Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. The Trust aims to be an honest and ethical institution. As such, it is opposed to fraud and corruption and seeks to eliminate these by the way it conducts its business. This document sets out the policy and procedures for dealing with the risk of significant fraud or corruption, and provides a defined set of guidelines to be followed in the event of any suspected instances.
- 1.2 Everyone involved with the Trust has a responsibility in respect of preventing and detecting fraud. In particular, all employees, trustees and local governing bodies have an important role to play. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.
- 1.3 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.
- 1.4 Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.
- 1.5 The Trust's Risk Register captures the current assessment of the risk of Fraud and outlines all actions and controls in place to mitigate this risk, however it is the duty of all employees, trustees and local governing bodies to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Auditors to review the adequacy of the measures taken by the trust to test compliance and to draw attention to any weaknesses or omissions.
- 1.6 Any investigation carried out in relation to alleged irregularities is linked to the Trust's Disciplinary policy.

### 2. Definitions:

#### 2.1 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.

#### 2.2 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 Collaborative Learning Trust, its staff, trustees or member of the local governing bodies.

2.3 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 school, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- **Bribery and corruption (Gifts & Hospitality – see Reimbursement of Expenses policy.)**- 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 significant breaches of, Scheme of Delegation, Financial Regulations and other trust-wide or school procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

2.4 Examples of what could constitute fraud and corruption are -

- theft of cash;
- non-receipt of income;
- substitution of personal cheques for cash;
- Inflated travelling and subsistence claims, or claims for non-existent journeys/events;
- 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;
- intentional breaches of confidential 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 Director of Business and Finance, the Headteacher of member schools, or the Trust's CEO.

### 3. Roles and Responsibilities:

3.1 Staff, Trustees and Governors

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

- Audit and Finance Committees meets on a regular basis and has oversight of both internal and external audit processes;
- A requirement for trustees, governors and budget holding staff to disclose personal interests and act in accordance with the seven principles of public life, set out as an appendix to this document;
- All staff, trustees and governors are made aware of the understanding on the acceptance of gifts and hospitality (see Reimbursement of Expenses Policy);

- Clear recruitment policies and procedures.

In addition, every member of staff must ensure that they:

- Are aware of the Trust's fraud policy and remain compliant at all times;
- Act with propriety in the use of school resources and public funds;
- Are aware of the possibility of fraud in their day-to-day roles and immediately report any suspicions following the procedures laid out in this document

Everyone has a duty to report other staff, trustees or governors whose conduct is reasonably believed to represent a failure to comply with the above.

### 3.2 Audit and Finance Committee

The Audit and Finance Committee are appointed by the Trust Board to provide assurance over the suitability of, and compliance with the Trust's financial systems and controls.

The Audit and Finance Committee provide the Trust with on-going independent assurance of:

- The sound management and control of Trust and member school finances and other resources;
- Ensuring regularity and propriety, best value for money and ongoing financial health;
- Ensuring there is a framework for Accountability and for examining and reviewing all systems and methods of financial control, including risk analysis and risk management;
- Ensuring the Trust is complying with all aspects of applicable law, relevant ESFA requirements, accounting and reporting regulations and statements of recommended practice;
- Management of the investigation and resolution of any alleged fraud, see section 5.3.

### 3.3 Director of Business and Finance

The Director of Business and Finance has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of Collaborative Learning Trust.

In respect of fraud it is therefore the responsibility of the Director of Business and Finance to ensure internal controls prevent and detect any frauds promptly. This includes:

- Ensuring an effective control environment exists within the Trust to prevent fraud and ensuring that this is tested regularly through the internal and external audit process;
- Establishing and maintaining an effective Fraud Policy and ensuring staff are aware of their responsibilities under the policy;
- Liaison with the Audit and Finance Committee regarding fraud prevention, detection and management;
- Effective management of financial records
- Ensuring the Risk Register is regularly updated and captures the risks of Fraud and documents the actions taken to mitigate this risk;
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

### 3.4 All Headteachers are responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- Preventing and detecting fraud;

- Assessing the types of risk involved in the operations for which they are responsible
- Regularly reviewing and testing the control systems for which they are responsible;
- Ensuring that controls are being complied with and their systems continue to operate effectively;
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

### 3.5 External Audit

The 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 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 ESFA.

## 4. Reporting a Suspected Fraud:

- 4.1 All allegations of suspected fraud and irregularities within a member school are to be brought to the attention of the school's Headteacher, unless this individual is involved in the irregularity in which case the Chair of Local Governing Body should be informed. The Headteacher or Chair should then refer this to the Director of Business and Finance and the CEO, unless any individual is involved in the irregularity, in which case the Chair of Trust Board should be informed.

Any other allegations of suspected fraud and irregularities within the Trust are to be brought to the attention of the Director of Business and Finance and the CEO, unless any individual is involved in the irregularity, in which case the Chair of Trust Board should be informed.

Please refer to the Whistleblowing Policy for further guidance.

## 5. Response to Allegations

- 5.1 The CEO will have responsibility for co-ordinating the initial response. In doing this he/she will consult with the Headteacher if appropriate and Human Resource advisors regarding potential employment issues. The CEO may also seek legal advice on both employment and litigation issues before taking any further action.
- 5.2 The 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 pass the matter on to the Chair of the Audit and Finance Committee. Even if there is no evidence to support the allegation, the matter must be reported.
- 5.3 The Audit and 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 Trust Board and chair of the local governing body.
  - If further investigations are required, they will determine whether outside agencies should be involved, including but not limited to, the ESFA, Police and external Auditors.
- 5.4 The CEO is required to notify the Trust Board of any allegations. This action will be taken at the first opportunity following the completion of the initial investigations and will involve

keeping the Chair of Trustees fully informed between trust meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

- 5.5 If evidence of fraud is forthcoming then the Trust Board will inform the Department for Education if required by the Funding Agreement and will again consider whether to refer the matter to the police or other external agencies.

## **6. Confidentiality and Safeguards**

- 6.1 Collaborative Learning 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.
- 6.2 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.
- 6.3 There is a need to ensure that the process is not misused. For further guidance refer to the Disciplinary, Grievance and Capability policies.

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

- 7.1 The Trust Board 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 Trust policies:
- Whistle-Blowing Policy
  - Expenses Policy
  - Financial Regulations
  - Disciplinary, Grievance and Capability Policies
  - Equalities Policy