



FRAUD POLICY

1. INTRODUCTION

- 1.1 The West Grantham Academies Trust is committed to ensuring that it acts with integrity. Everyone involved with the Trust has a responsibility in respect of preventing and detecting fraud. All staff and Directors 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.
- 1.2 It is the duty of all employees and Directors at The West Grantham Academies 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.
- 1.3 Any investigation carried out in relation to alleged irregularities is linked to the Trust's Disciplinary Procedure.

2. POLICY STATEMENT

- 2.1 This policy and procedure defines Fraud and offers guidance for all staff in the Trust.
- 2.2 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. 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.
- 2.3 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.
- 2.4 The scope of this procedure extends to all Trust employees, permanent, voluntary and fixed term.
- 2.5 Time limits specified in this document may be extended by mutual agreement.

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.

3.2 **Corruption**

The term 'corrupt practices' 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 West Grantham Academies Trust, its staff or Directors.

3.3 **Gifts and Hospitality**

Any gifts, rewards and benefits that are disproportionately generous or that could be seen as an inducement to affect a business decision should be declared. The acceptance of gifts up to the value of £25.00 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. All gifts received should be reported to the PA to the Executive Headteacher.

3.4 **Irregularities**

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

Examples of what could constitute fraud and corruption are:

- theft of cash;
- non-receipt of income;
- 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;
- 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 Bursary.

- 3.4 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 Bursar.

4. OBJECTIVES

- 4.1 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 (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 Trust (Confidential Reporting Code).

5. GIFTS & HOSPITALITY

5.1 These guidelines will help staff to judge what sort of gift, and what level of hospitality is acceptable.

5.2 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. Acceptance of small ‘thank you’ gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £25 in value is permissible. The Bursar should be notified 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 more 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 Bursar to be used for charity raffles.
- Staff have a responsibility to consult the Executive Head Teacher or Bursar regarding any doubts about the acceptability of any gift or offer of hospitality.

A gauge of what is acceptable in terms of hospitality is whether the 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 taken into account, it may be acceptable to join other company/organisation guests at:
 - a. sponsored cultural and sporting events, or other public performances, as a representative of the Trust;
 - b. Special events or celebrations.

The number of these events and likely public perception should always be taken into consideration.

- 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 Executive Head Teacher 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 a member of staff is visiting a company to view equipment that the Trust is considering buying, they 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 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 Chair of Directors. Where a 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.

6. ROLES AND RESPONSIBILITIES

6.1 Staff and Directors

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

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

6.2 The Trust employs an external firm to oversee the financial arrangements on behalf of the Directors. These provide the Directors with on-going independent assurance that:

- The financial responsibilities of the Directors 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.

6.3 Bursar

The Bursar has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of The West Grantham Academies Trust.

In respect of fraud it is therefore the responsibility of the Bursar 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.

6.4 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 for Schools.

7. REPORTING A SUSPECTED FRAUD

- 7.1 All allegations of suspected fraud and irregularities are to be brought to the attention of the Bursar and also referred to the Executive Head Teacher, unless this individual is involved in the irregularity in which case the Chair of Directors should be informed. In the case of the Chair of Directors being suspected of fraud, the Executive Head Teacher is to be notified. Please refer to the Trust's Confidential Reporting Code for further guidance.
- 7.2 All reported irregularities will be thoroughly investigated in accordance with the Trust's Disciplinary Procedures. In the case of the Executive Head Teacher being suspected of fraud the Chair of Directors would, in accordance with the Trust's Disciplinary Procedures, arrange the investigation.

8. CONFIDENTIALITY AND SAFEGUARDS

- 8.1 The West Grantham Academies 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 victimization and will do what it lawfully can to protect an individual when a concern is raised in good faith.
- 8.2 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.

9. LINKS WITH OTHER POLICIES:

- 9.1 The Board of Directors 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 Fraud Policy attempts to consolidate those in one document and should be read in conjunction with the following Trust policies:

- Confidential Reporting Code
- Financial Regulations Manual
- Code of Conduct
- Disciplinary Procedure
- Equal Opportunities Policy