



# Anti-Fraud Policy & Fraud Response Plan

**Approved by:** FINANCE, AUDIT & RISK COMMITTEE      **Date:** 8<sup>TH</sup> OCTOBER 2018

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**Next review due by:** MARCH 2025

# ANTI-FRAUD POLICY & RESPONSE PLAN

## 1.0 Introduction

1.1 Greensand Multi-Academy Trust (“the Trust”) is required by law to protect the public funds it administers. In delivering its objectives, the Trust has no tolerance to fraud and corruption, whether it is attempted from outside the Trust (the public, clients, partners, contractors, suppliers or other organisations) or within (employees). It is committed to the Strategy against Fraud and Corruption, which:

- Acknowledges the threat of fraud
- Encourages prevention
- Promotes detection
- Identifies a clear pathway for investigation
- Sets out the appropriate sanctions, including the recovery of losses.

1.2 The Audit Commission’s ‘Protecting the Public Purse’ defines fraud as an intentional false representation, including failure to declare information, or an abuse of position carried out to make gain, cause loss or expose another to the risk of loss.

1.3 Corruption is the offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person or the misuse of entrusted power for personal gain. The Bribery Act 2010 makes it an offence to offer, promise or give a bribe and to request, agree to receive or accept a bribe. In addition, it is a corporate offence for an organisation to fail to prevent bribery in the course of its business.

## 2.0 Expectation

2.1 The Trust promotes a culture of openness with the core values of trust, respect and responsibility.

2.2 The Trust’s expectation on propriety and accountability is that staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices. The Trust also expects that individuals and organisations (the public, partners, suppliers, contractors and other service providers) with whom it deals will act towards the Trust with integrity and without thought or actions involving fraud and corruption. All would be expected and encouraged to tell the Trust about any fraud or corruption they suspect.

2.3 The Trust will ensure that all allegations received are taken seriously and investigated in an appropriate manner. Anonymous allegations will be considered within the limitations of the information available. Investigations will be subject to the requirements of the Human Rights Act 1998 and the Regulation of Investigatory Powers Act 2000.

2.4 Senior management is expected to deal swiftly and firmly with those who defraud or seek to defraud the Trust, or who are corrupt. The Trust will always

be robust in dealing with financial malpractice or those who breach statutory and legal obligations and its code of conduct. A Fraud Response Plan is included as Appendix A, and a Fraud Reporting Form as Appendix B.

### **3.0 Roles and Responsibilities**

#### The Role of Members/Trustees

- 3.1 All Members/Trustees of the Trust have a duty to act in the public interest and do whatever they can to ensure that the Trust uses its resources in accordance with statute.
- 3.2 This is achieved through Members/Trustees operating with regard to the Trust's Funding Agreement, Academy Trust Handbook, Academies Accounts Direction, Companies Act 2006, appropriate Charities SORP and the Trust's Finance Policy.
- 3.3 The Academy Trust Handbook requires Members/Trustees to declare and register disclosable pecuniary interests to the Trust's Lead Governance Professional as these may cause potential areas of conflict between Members/Trustees duties and responsibilities and any other areas of their personal or professional lives.

#### The Role of Employees

- 3.4 The Trust expects and encourages staff to be alert to the possibility of fraud and corruption and to report any suspected cases.
- 3.5 Employees, especially those with financial and IT network responsibilities, should familiarise themselves with the type of fraud that might affect the Trust. This includes their responsibility to protect against cybercrime through use of their school devices and e-mail.
- 3.6 Employees are expected to comply with the Staff Code of Conduct, which forms part of each employee's contract of employment. Employees should also follow standards of conduct laid down by their own professional body or institute (where applicable).
- 3.7 Employees are responsible for ensuring that they follow the instructions given to them by management and comply with the procedures and rules laid down by the School/Trust. They are under a statutory duty to account for money and property committed to their charge.
- 3.8 All senior employees are required to comply with the Academy Trust Handbook. This requires a written declaration of any pecuniary or close personal interests in contracts that have been, or it is proposed will be, entered into by the School/Trust. The legislation also prohibits the acceptance of fees or rewards other than by means of proper remuneration. Guidance regarding this is available in the Staff Code of Conduct (Gifts & Hospitality). Failure to disclose an interest or the acceptance of an inappropriate reward may result in disciplinary action or criminal liability.

- 3.9 Managers at all levels are responsible for the communication and implementation of this Strategy in their work area. They are also responsible for ensuring that their employees are aware of the arrangements to secure corporate governance, and that the requirements are being met in their work activities.
- 3.10 Managers are expected to create an environment in which their members of staff feel able to approach them with any concerns that they may have about suspected irregularities. Staff should feel comfortable to “whistle blow”.

#### Others

- 3.11 The Trust expects the public, clients, partners, contractors, suppliers and any other organisations to act honestly in their dealings with it and will check contractors’ and suppliers’ references, as well as carrying out suitable financial checks.

### **4.0 Greensand Multi-Academy Trust’s Commitment**

- 4.1 Theft, fraud and corruption are serious offences against the Trust and employees and members will face disciplinary action if there is evidence that they have been involved in these activities. Where appropriate, cases will be referred to the Police.
- 4.2 A key measure in the prevention of fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees in terms of their propriety and integrity. Employee recruitment should therefore be in accordance with the procedures laid down in the Trust’s Recruitment and Selection Policy which include:
- obtaining references and checking qualifications;
  - confirming the right to work in the United Kingdom; and
  - checks by the Disclosure and Barring Service.

The recruitment of temporary and permanent employees is dealt with in a similar manner.

- 4.3 In all cases where financial loss to the Trust has occurred, the Trust will take appropriate action to recover the loss.
- 4.4 Updates on counter fraud and corruption activity, including updates to this Strategy, will be publicised in order to make employees aware of the Trust’s continuing commitment to taking action on fraud and corruption when it occurs.

### **5.0 Detection and Investigation**

- 5.1 It is the responsibility of management to maintain an adequate internal control environment to prevent and detect fraud and corruption. It is often the alertness of staff that enables detection and appropriate action to be taken. The investigation of fraud and corruption is undertaken by Headteachers and, in

some cases, by the Trust's Finance and Operations Director (FOD) or Chief Executive Officer (CEO).

- 5.2 The Trust's Whistleblowing Policy requires all suspected financial irregularities to be reported (orally or in writing) to the Headteacher of each member School as appropriate so that an internal investigation of the allegations can be undertaken in line with the attached Fraud Response Plan. This is essential to the Strategy to ensure consistency of treatment, adequate investigation and protection of the School/Trust's interests.
- 5.3 The FOD/CEO will ensure that the individual reporting any suspected irregularity is appropriately supported throughout this process, taking particular account of the likely sensitive nature of such an investigation.
- 5.4 The Trust expects the Police to be made aware of any impropriety which constitutes a criminal offence. Any decision to refer a matter to the Police will be made by the Headteacher following consultation with the FOD and/or the CEO.
- 5.5 The Trust's Disciplinary and Capability Procedure will be used where the outcome of an investigation indicates improper behaviour by a member of staff. Referral to the Police will not prohibit disciplinary action under the Disciplinary and Capability Procedure.
- 5.6 In the case of allegations against Trustees being in breach of the Academy Trust Handbook requirements, these are reported to the FOD & CEO and will be investigated by the FOD or a person appointed by them.

## **6.0 Awareness and Training**

- 6.1 The Trust recognises that the continuing success of this Strategy and its general credibility will depend partly on the effectiveness of training and the responsiveness of employees throughout the organisation.
- 6.2 The Trust supports induction training, staff appraisal and development. It supports governance and fraud-awareness training. All staff, Governors, Trustees and Members, especially those involved in internal control systems, need to understand their responsibilities and duties in regard to the prevention and reporting of suspected fraud and corruption. It is important to regularly highlight and reinforce this.

## **7.0 Cybercrime**

- 7.1 The Trust schools are encouraged to ensure that processes, network safety and staff training provide risk mitigation for this increasing aspect of crime. IT support throughout each school is responsible for ensuring that back-ups and firewalls are sufficient. Multi Factor Authentication should be standard where employees are working from home. All staff, Governors and Trustees must receive appropriate training through the National Cyber Security Centre (NCSC) concerning cyber safety. All schools are required to meet the standards

for cyber insurance cover so that assistance will be available in the event of an attack.

- 7.2 Trusts must obtain permission from the Education & Skills Funding Agency (ESFA) to pay cyber ransom demands. The ESFA supports the National Crime Agency's recommendation not to encourage, endorse or condone the payment of ransom demands.

## **8.0 Fraud Risk Assessment**

This is compiled by the FOD and presented annually to the Trust's Finance, Audit & Risk Committee (FARC).

## **9.0 Availability**

This Policy is available to all employees, Governors, Trustees and Members. Copies can also be obtained through the School/Trust's external website.

## **10.0 Conclusion**

- 10.1 The Trust has in place systems and procedures to assist in the fight against fraud and corruption. The FOD will monitor the success of these measures to ensure that all opportunities for preventing and detecting fraudulent or corrupt activity are maximised.

This strategy will be subject to regular review and approval by the Trust's Finance, Audit & Risk Committee.

# Appendix A

## FRAUD RESPONSE PLAN

### 1.0 Introduction

1.1 This Fraud Response Plan forms part of each School's overall Strategy against Fraud and Corruption and covers the School's response to suspected or apparent irregularities affecting resources belonging to or administered by the School, or fraud perpetrated by contractors and suppliers against the School.

1.2 It is important that line managers know what to do in the event of fraud so that they can act without delay. The Fraud Response Plan provides such guidance to ensure effective and timely action is taken. Other documents that should be referred to when reading the Plan include:

- Staff Behaviour Policy (Code of Conduct)
- Greensand MAT's Disciplinary and Capability Procedure
- Greensand MAT's Finance Policy and Financial Procedures Manual

### 2.0 Objective of the Fraud Response Plan

2.1 To ensure that prompt and effective action can be taken to:

- Prevent losses of funds or other assets where fraud has occurred and to maximise recovery of losses
- Identify the perpetrator and maximise the success of any disciplinary or legal action taken
- Reduce adverse impacts on the business of the School
- Minimise the occurrence of fraud by taking prompt action at the first sign of a problem
- Minimise any adverse publicity for the organisation suffered as a result of fraud
- Identify any remedial action that may result from the incident

### 3.0 How to respond to an allegation of theft, fraud or corruption

#### Initial Response

3.1 Listen to the concerns of staff and treat every report seriously and sensitively.

3.2 Obtain as much information as possible from the member of staff, including any notes or evidence to support the allegation. Do not interfere with this evidence and ensure it is kept securely.

3.3 Contact the Headteacher of the School to discuss the allegation and agree any proposed action. The Headteacher should, in all cases, report to the FOD. An evaluation of the case should include the following details:

- Outline of allegations
- Officers involved, including job role and line manager
- Amount involved / materiality / impact
- Involvement of any other parties
- Timescales – one off or ongoing
- Evidence – where held and access

3.4 Where it is appropriate to do so (i.e. without alerting the alleged perpetrator), initial enquiries may be made by the line manager or Headteacher to determine if there actually does appear to be an issue of fraud or other irregularity.

3.5 During the initial enquiries, the line manager/Headteacher should:

- Determine the factors that gave rise to the suspicion
- Examine the factors to determine whether a genuine mistake had been made or whether a fraud or irregularity has occurred
- Where necessary, carry out discreet enquiries with staff and/or review documents

3.6 The Headteacher (if not undertaking the initial enquiries) & FOD should be informed of the results of the initial enquiries so that the case can be closed or a more detailed investigation organised. The FOD has the power to access documents, obtain information and explanations from any officer for the purpose of audit.

3.7 Where the initial enquiries appear to indicate misconduct by a School employee, the Headteacher & FOD should consider:

- All the evidence gathered; and
- The actions proposed with regard to the employee (e.g. suspension or redeployment) or any other action taken to prevent further loss.

3.8 If action is required with respect to the employee, the Headteacher will liaise with the School Business Manager (SBM), the FOD and the Trust's HR Manager. Any action will comply with the School's requirements regarding the disciplinary process. If suspension is necessary, prior approval will be required in accordance with the Trust's Scheme of Delegation.

#### **4.0 Internal Investigation**

4.1 Depending on the size of the fraud or the circumstances of its perpetration, the FOD, in consultation with the Headteacher, will consider whether an internal investigation is required and, if so, which member(s) of staff should undertake the investigation. If appropriate, advice and guidance will be provided to enable an investigation to be undertaken by an appropriate officer in their service, or the investigation might be outsourced to a specialist.



## Investigating Officer

### 4.3 The Investigating Officer will:

- Deal promptly with the matter;
- Record all evidence that has been received;
- Ensure that evidence is sound and adequately supported;
- Secure all of the evidence that has been collected;
- Where directed by the Headteacher or FOD, contact other agencies (e.g. Police, Serious Fraud Office);
- Where directed by the Headteacher or FOD, arrange for the notification of the School's insurers (RPA). Internal auditors should also be informed;
- Direct appropriate action, such as freezing bank accounts or suspending payments;
- Report to the FOD and Headteacher and, where appropriate, recommend that the Headteacher take disciplinary and/or criminal action in accordance with this Strategy and the School's Disciplinary and Capability Procedures;
- Seek legal advice if criminal acts are being investigated to ensure any interview of potential suspects is in line with the guidance of the Police and Criminal Evidence Act 1984 (PACE); and
- Not employ surveillance techniques without seeking advice on the Regulation of Investigatory Powers Act 2000 (RIPA), as modified by the Protection of Freedoms Act 2012, to ensure actions are compliant with RIPA and appropriate authorisation is obtained.

4.4 Where circumstances merit, close liaison will take place between the Investigating Officer, FOD, CEO, Headteacher, HR Manager/SBM and relevant outside agencies as appropriate.

4.5 The FOD and CEO will review the outcome of the investigation to ensure that appropriate action is taken to help disclose similar frauds and make recommendations to strengthen control systems.

## **5.0 Sanctions and Recovery of Losses**

### Disciplinary Action

5.1 The Headteacher is responsible for taking the appropriate disciplinary action as set out in the School's Disciplinary and Capability Procedures.

5.2 If a criminal offence is discovered, it may be appropriate to pursue a criminal prosecution. This could be instigated by the School under S222 of the Local Government Act 1972 or by referring the evidence to the police.

5.3 If it is found that an allegation has been made frivolously, disciplinary action may be taken against the person making the allegation. If it is found that an allegation has been made maliciously, or for personal gain, then disciplinary action should be taken against the person making the allegation.

## Police

- 5.3 The Headteacher or FOD will determine whether the police need to be involved either from the start, or at a later stage in the investigation. If the police are involved, the FOD will support the police investigation as necessary.

## **6.0 Recovery of Losses**

- 6.1. Prompt action is likely to be important in maximising recovery of any funds which have been lost or are thought to be vulnerable as a result of the fraud.
- 6.2 Where the School/Trust has suffered a loss, restitution will be sought of any benefit or advantage obtained and the recovery of costs will be sought from individual(s) or organisations responsible.
- 6.3 Where an employee who has committed fraud is a member of the Greensand Pension Scheme through Teachers Pensions or LGPS, the Trust may be able to recover the loss from the capital value of the individual's accrued benefits in the scheme, which are then reduced as advised by the actuary.
- 6.4 The Trust will also take civil action, as appropriate, to recover the loss.

## **7.0 Reporting to the ESFA**

Any instances of fraud or theft above £5,000 against the Trust whether by employees, Trustees or third parties, or where fraud is unusual or systematic in nature, must be reported to the Education Skills and Funding Agency (ESFA).

The ESFA will not tolerate fraud. It reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any academy trust, either as the result of a formal notification from the trust itself or as the result of other information received. ESFA may involve other authorities, including the police, as appropriate. ESFA will publish reports about its investigations and about financial management and governance reviews at academy trusts in line with its own policy on publishing information. (Academy Trust Handbook 2022)

The CEO and FOD are responsible for reporting to the ESFA. They will also inform the Trustees and Trust's Auditors, Wise & Co., of any fraud.

# Appendix B

## Fraud Reporting Form

If you have any concerns about fraud please contact: the FOD, Wendy Hill, Email: [w.hill@reigate-school.surrey.sch.uk](mailto:w.hill@reigate-school.surrey.sch.uk) or the CEO, Sue Wardlow, Email: [s.wardlow@reigate-school.surrey.sch.uk](mailto:s.wardlow@reigate-school.surrey.sch.uk)

**You do not need to give your name. All the information provided will be treated in confidence.**

Name of the person(s) or organisation you suspect:

Address: (if known)

Place of work / department / job title: (if known)

Please provide details of your suspicions. You should include as much information as possible. For example, what was said in telephone or other conversations, dates, times and places, vehicles used, as well as the names of any other parties involved: (Continue on a separate page if necessary and attach any additional evidence you may have).

Your details: **(please leave blank if you wish to remain anonymous)**

Name:

Telephone number or contact address:

Please return this form in an envelope marked Private & Confidential to:

Mrs Wendy Hill, Finance & Operations Director or Mrs S Wardlow, Chief Executive Officer,  
Greensand Multi-Academy Trust c/o Reigate School, Pendleton Road, Reigate, Surrey RH2 7NT.