



# **ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY DECEMBER 2018**



## Anti-Fraud, Bribery and Corruption Policy

<b>Date Policy Reviewed / Developed:</b>	December 2018	
<b>Title:</b>	Anti-Fraud, Bribery and Corruption Policy	
<b>Summary of Policy:</b>	<p>This policy reflects the commitment of the Esteem Multi-Academy Trust (EMAT) in preventing and detecting fraud, bribery and corruption.</p> <p>This policy applies to the workforce of all EMAT academies and covers both employees and volunteers including trustees and governors.</p>	
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<b>Policy Agreed By: Trust Board/CEO/Committee</b>	Agreed By: Audit and Finance Committee FD CEO	Date: 5 <sup>th</sup> December 2018
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<b>Additional documents/references related to this policy:</b>	Finance Handbook Fraud Act 2006 Bribery Act 2010	
<b>Academy Specific / MAT wide</b>	MAT wide policy	
<b>Review Period:</b>	3 years	
<b>Date Review Due:</b>	December 2021	

# **Anti-Fraud, Bribery and Corruption Policy**

## **Esteem Multi-Academy Trust**

### **1. Anti-Fraud Policy**

#### **Introduction**

- 1.1 Fraud, bribery, corruption, or other dishonesty would adversely affect the Esteem Multi-Academy Trust's (EMAT's) reputation and put at risk its ability to achieve its objectives by diverting resources from the provision of education for the students.
- 1.2 The purpose of this policy is to confirm the Trust's commitment to preventing and detecting fraud, bribery and corruption.
- 1.3 The Fraud Act 2006 came into force on 15th January 2007. The Act created a single offence of fraud and defined this in three classes:
  - i False representation.
  - ii Failure to disclose information where there is a legal duty to do so.
  - iii Abuse of position.
- 1.4 The Act also created four new offences of:
  - i Possession of articles for use in fraud.
  - ii Making or supplying articles for use in fraud.
  - iii Obtaining services dishonestly.
  - iv Participating in fraudulent business.

### 1.5 Fraud is:

The **Chartered Institute of Public Finance and Accountancy (CIPFA)** defines fraud as:

*"The intentional distortion of 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."*

Fraud is different to theft, which is defined in the **Theft Act 1968** as:

*"A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it."*

### 1.6 A bribe is:

*"A financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity" [CIPFA].*

There are various Bribery offences, including offering or accepting a bribe (Sections 1 and 2 of the Bribery Act 2010), bribing or attempting to bribe a foreign official (Section 6) and being a commercial organisation failing to prevent bribery (Section 7). While the Trust is not a 'commercial organisation' for its normal activities, it is still considered appropriate for it to have regard to Guidance relating to the Bribery Act.

### 1.7 Corruption is:

*"The offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the body, its members or officers."*

1.8 The term "fraud" is used throughout this policy. For the purposes of this document the term also includes theft, bribery and corruption.

- 1.9 This Policy applies to Trustees, Governors and all employees (full time, part time, temporary and casual) of the Trust and its academies.

## **2. Policy Statement**

- 2.1 The Trust expects all Trustees, Governors, employees and those acting as its agents to conduct themselves in accordance with the seven principles of public life defined by the Nolan Committee 1995. The seven principles are:

- Honesty - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest
- Integrity - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties
- Selflessness - Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends
- Objectivity - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit
- Openness - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands
- Accountability- Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office
- Leadership - Holders of public office should promote and support these principles by leadership and example.

## **3. Responsibility**

- 3.1 The Trust aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses.

- 3.2 The Local Governing Boards (LGBs) are responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the academy's interests are safeguarded, including its reputation.
- 3.3 Risk is managed through the existence and application of appropriate policies and procedures. A wide range of procedures and internal controls are in place to minimise the risk of fraud. These are designed to ensure the academies conduct its business properly and effectively and completes its transactions fully, accurately and properly.
- 3.4 The responsibility for anti-fraud arrangements is widely dispersed. Trustees must give clear support to the arrangements. The LGBs / Executive Team/CEO/FD must provide strong leadership by advocating the academy's arrangements and supporting strong action should these be ignored.
- 3.5 Our commitment to ensuring an embedded positive culture towards anti-fraud, bribery and corruption cannot be overstated. The effectiveness of the Trust's policy can be undermined by a culture that does not apply the public standards and supporting procedures routinely on a day to day basis. Maintaining appropriate arrangements, continually advocating them and taking robust action where they are not applied all help to build the right underpinning culture.

#### **4. Key Procedures and Controls**

The following key procedures and controls operate within the Trust:

- ✓ The Trust has an effective Anti-Fraud, Bribery and Corruption Policy, and maintains a culture that will not tolerate fraud, bribery or corruption;
- ✓ Trustee, Governors and employees comply with respective Codes of Conduct;
- ✓ Risk Management procedures are in place;
- ✓ A Register of Interests is maintained to enable Trustees, Governors and employees to record any financial or non-financial interests that may bring about conflict with the school's interests;
- ✓ A Register of Gifts and Hospitality is maintained to enable Trustees, Governors and employees to record gifts and hospitality either received, or offered and declined, from contractors and suppliers;

- ✓ Confidential Reporting (Whistle blowing) procedures are in place and operate effectively;
- ✓ Suitable and enforced financial and contract procedure rules are in place;
- ✓ There are robust recruitment and selection procedures
- ✓ There are clear and active disciplinary arrangements;
- ✓ Sanctions are pursued against those who commit fraud, bribery and corruption.

4.2 The Trust maintains a continuous overview of its arrangements for managing the risk of fraud. A regular review of the Policy is carried out and the documents are revised as appropriate to reflect any key changes and to incorporate current best practice.

4.3 The Trust expects that the individuals and organisations with which it deals (e.g. partners, suppliers, contractors, and service providers) will act with integrity and without thought or actions involving fraud, bribery and corruption. Where relevant, the Trust will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption. Evidence of such acts is most likely to lead to a termination of contract and will normally lead to prosecution.

4.4 In assessing the effectiveness of its arrangements, the Trust will monitor the extent to which:

- key personnel are trained in detecting and investigating fraud,
- identified incidents are investigated
- perpetrators are robustly dealt with
- the school responds to identified weaknesses in its systems and controls
- there is any trend in incidents experienced
- perpetrators are prosecuted
- recovery of losses is sought

## **5. Audit**

5.1 The Trust Board's Finance and Audit Committee and internal audit procedures are a key element of the Trust's control system. Internal audit carries out a risk-based series of audits designed to assess the school's identification and management of fraud risks. The external Audit Team provides an independent appraisal of the integrity of all internal control systems.

## **6. Raising concerns**

- 6.1 It is the responsibility of the Trustees, LGB, CEO, Executive Team, FD and employees to prevent and help detect fraud, bribery and corruption. In high risk areas specific controls aimed at preventing and detecting frauds will be in place.
- 6.2 Governors, CEO and FD have a duty to inform the Board of Trustees and the Finance and Audit Committee of any potential fraud, bribes, corruption or other suspected irregularities.
- 6.3 The FD will ensure that a log is maintained of all reported incidents at the school which will be reported to the Trustees. Any incidents above £5000 (£5,000 individually or £5,000 cumulatively in any academy financial year) will be reported to the ESFA as soon as is operationally practical. Any unusual or systematic fraud, regardless of value, must also be reported with the following information: full details of the event(s) with dates; the financial value of the loss; measures taken by the trust to prevent recurrence; whether the matter was referred to the police (and if not, why); whether insurance cover or the risk protection arrangement have offset any loss. (Academies Financial Handbook 2018)
- 6.4 A decision will then be made as to who is best placed to investigate any concerns raised. The investigating officer also has the responsibility to report all findings to the Finance and Audit Committee.
- 6.5 It is often the alertness of employees and the Public that enables frauds to be detected. In accordance with the Whistleblowing Policy, any member of staff with any concerns about the Trust or its academies' activities should normally raise concerns through their immediate manager or senior management. However, it is recognised that this may not be possible in certain circumstances. In these cases, contact should be made with the Chair of the Trust Board or the Finance and Audit Committee; the CEO or the FD as appropriate.
- 6.6 All concerns, reported by whatever method, will be treated in confidence and will be reviewed and investigated by the person deemed to be appropriate and best placed to do so. This may mean that, depending on the level, type and details of the matters raised, that concerns are investigated by the Trust, or ,in the case of any report of a potential criminal concern, the police.