



**Southern
Education
Trust**

Anti-Fraud, Bribery and Corruption Policy

Next Review: Oct 2025

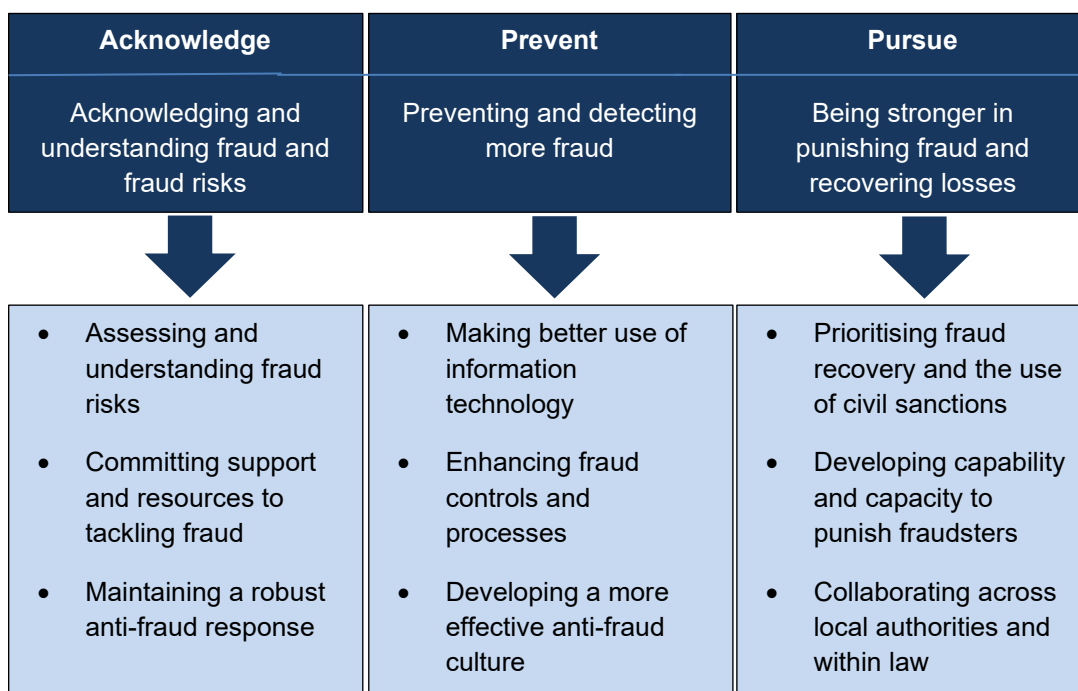
Contents

Anti-Fraud, Bribery And Corruption Policy	3
1. Introduction.....	3
2. Our aims	4
3. What are Fraud, Theft and Bribery?.....	5
4. Anti-Fraud, Bribery and Corruption Framework	7
5. Expectations	8
6. Responsibility for this Document	9
7. Review	9
Anti-Fraud, Bribery And Corruption Strategy.....	10
8. Introduction.....	10
9. Key elements - Govern	10
10. Key elements - Acknowledge	11
11. Key elements – Prevent	12
12. Key elements – Pursue.....	14
13. Roles and Responsibilities.....	15
Sanctions / Prosecution Policy.....	18
14. Policy Statement	18
Fraud Response Plan	19
15. Purpose	19
16. Objectives.....	19
17. Links with other policies.....	19
18. What to do if you suspect fraud.....	20
19. Assigning the investigation	21
20. Undertaking the investigation	21
21. Preserving evidence	22
22. Managing communications.....	22
23. Concluding investigations	23
Appendix 1 - The Wider Governance Framework	24

Anti-Fraud, Bribery And Corruption Policy

1. Introduction

- 1.1. Fraud and corruption are a constant threat to public services. An article in Schools Week reported that more than a third of councils (58) reported fraud involving day-to-day school funding between 2019 and 2021. The 185 fraud cases totalled £2.4 million. <https://schoolsweek.co.uk/maintained-school-finances-fraud-mismanagement-agnew-crusade/>
- 1.2. All those working in education must be committed to ensuring resources are used appropriately and efficiently and it follows that any misuse of resources must be identified and stopped.
- 1.3. Southern Education Trust (the Trust) is committed to maintaining honesty and integrity in all its activities. It is also committed to the prevention of fraud, bribery and corruption, to the rigorous investigation of any such allegations and pursuit of appropriate sanctions against those involved in fraudulent or corrupt activities.
- 1.4. Our approach to this is based on *Local Government Fraud Strategy: Fighting Fraud Locally* and is based on 3 key themes.



- 1.5. EFSA has produced an Anti-Fraud Checklist for Academy Trusts. An assessment of compliance with this code is to be undertaken and, when complete, an appropriate action plan will be drafted highlighting any areas for improvement. Where necessary, elements of the checklist that affect this policy and strategy will be incorporated during the update of this document.

2. Our aims

- 2.1. This Anti-Fraud, Bribery and Corruption Policy and accompanying documents is intended to set out the Trust's stance on fraud, corruption or other dishonest acts and reinforce an open and honest culture. The Trust is committed to the highest possible standards of openness, probity and accountability. The Trust expects that Members, Trustees, governors, officers and staff at all levels will protect the Trust and its resources and lead by example, ensuring high standards of conduct and adherence to the Trust's policies, procedures and rules.
- 2.2. In addition, the Trust expects the same level of honesty from its partners, agents, contractors, suppliers and stakeholders.
- 2.3. This framework contains:
 - **The Policy Statement** identifies the Trust's overall stance and expectations relating to fraud and defines fraud and corruption.
 - **The Strategy** describes the Trust's approach to minimising the risk of fraud. The key objectives of the Strategy are to enable the Trust to minimise risk and any losses it experiences through fraud, bribery and/or corruption and to embed the management of fraud risk within the culture of the organisation.
 - **The Fraud Response Plan** outlines the Trust's approach to dealing with detected or reported instances of fraud or corruption and how this interacts with other Trust policies and procedures.
 - **The Prosecution Policy** outlines the Trust's commitment to seek remedy and take action/prosecute those responsible for fraudulent or corrupt acts.
- 2.4. Specifically, this framework and its elements aim to:
 - promote a culture of honesty - an anti-fraud culture;
 - define and explain the roles of key parties to this framework;
 - promote the prevention of fraud, bribery and corruption;
 - aid the detection of fraud, bribery and corruption;
 - ensure that fraud, bribery and corruption are recognised and reported;
 - ensure effective investigation in all cases where suspected fraud, bribery or corruption have occurred.
 - explain what we will do if we identify any cases of fraud, bribery or corruption.
- 2.5. This framework specifically applies to:

- Members and Trustees;
- Governors;
- employees;
- agency staff;
- volunteers;
- contractors;
- consultants;
- suppliers;
- service users.

3. What are Fraud, Theft and Bribery?

Fraud

3.1. The Fraud Act 2006 came into force on 15 January, 2007. The Act created a single offence of fraud and defined this in three classes:

- False representation;
- Failure to disclose information where there is a legal duty to do so;
- Abuse of position.

3.2. Each of the above (3.1) has a slightly different definition of fraud. The 3 main definitions are given below as defined by the Fraud Act 2006.

Fraud by False Representation is defined by Section 2 of the Act as:

'A person is guilty of fraud by false representation if they dishonestly make a false representation and intend, by making the representation, to make a gain for himself or another or to cause loss to another, or to expose another to the risk of a loss.'

Fraud by Failing to Disclose Information is defined by Section 3 of the Act as:

'A person is guilty of fraud by failing to disclose information if he dishonestly fails to disclose to another person information which he is under a legal duty to disclose and intends by failing to disclose the information to make a gain for himself or another, or to cause loss to another, or expose another to a risk of loss.'

Fraud by Abuse of Position is defined by Section 3 of the Act as:

'A person is guilty of fraud by abuse of position if he occupies a position in which he is expected to safeguard, or not act against, the financial interest of another'

person, dishonestly abuses that position and intends by doing so to make a gain for himself or another, or to cause loss to another, or to expose another to a risk of a loss.'

- 3.3. Put simply, fraud offences are a dishonest act (or a failure to act) made with the intention of making a financial gain or causing a financial loss (or risk of loss).
- 3.4. The dishonest act does not need to be successful for fraud to be committed, as long as the intention exists. Neither does the financial gain have to be personal, but can be for the benefit of another. Where the intent is to cause a loss to the Trust, no gain by the perpetrator needs to be shown.
- 3.5. Benefits of fraud can include cash, the avoidance of a fine or penalty or the receipt of goods and services.
- 3.6. Some examples of fraud include:
 - Dishonest completion of application form, such as failing to disclose required information or declaring something that is untrue;
 - Dishonest completion of expense or mileage claim forms;
 - Collusion with a contractor when awarding a contract in return for a bribe or favours;
 - Presenting as sick and receiving payment for work elsewhere;
 - Dishonest manipulation of performance information or targets to award pay increments or other incentives.

Theft

- 3.7. Fraud is different to theft, which is defined in the 1968 Theft Act 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'.
- 3.8. Put simply, theft offences are where an individual deliberately and dishonestly takes something (this can be something physical such as cash or an item or an intellectual property item such as an idea or design), that is not theirs to take and uses it for their own purposes without permission.
- 3.9. Examples of theft include stealing assets, goods or stock, misuse of funds for purposes other than for which they were made available or theft of cash or equipment.

Bribery

- 3.10. Bribery is defined, broadly, in the Bribery Act 2010 as *'giving or receiving a financial or other advantage in connection with the "improper performance" of a position of trust, or a function that is expected to be performed impartially or in good faith'*.
- 3.11. Put simply, bribery is the offering or acceptance of an incentive in order to do something that you know that you shouldn't or not do something that you know you should. Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.
- 3.12. The act created 4 main bribery offences
- Bribing another person;
 - Requesting or accepting a bribe;
 - Bribing a foreign official;
 - Failure of a commercial organisation to prevent bribery.
- 3.13. Whilst the Trust is not normally considered to be a “commercial organisation”, the term is used to describe any organisation in the UK that engages in commercial activities regardless of whether it pursues charitable, education aims or purely public functions. For the purposes of applying the Bribery Act 2010, the Trust is treated as a commercial organisation and, therefore, needs to take appropriate steps, including the provision of appropriate procedures, to prevent bribery taking place.
- 3.14. Examples of bribery would include: the offering or acceptance, by any Trust official or representative, of any incentive for them to do something that they should not, such as; making a decision contrary to policies or procedures, disclosing information that they should not or providing or denying services contrary to policies or entitlements. This could be offering tickets to a football match to gain advantage or information on the awarding of a contract, but there are many other possibilities.
- 3.15. Prior to the Fraud and Bribery Acts, the term ‘corruption’ was used to describe fraudulent acts and bribes. This term is now used collectively to refer to dishonest acts covered by the outlined acts.

4. Anti-Fraud, Bribery and Corruption Framework

- 4.1. The Trust's Anti-Fraud, Bribery and Corruption Policy, Strategy Fraud Response Plan and Prosecution Policy form the Trust's Anti-Fraud, Bribery and Corruption Framework. The Framework is a series of inter-related actions and procedures designed to prevent and detect fraud, bribery or corruption and to take robust action where it is suspected.

- 4.2. The Trust is committed to the continuous development of the Framework to ensure that it remains up to date and valid in the light of the dynamic risk environment in which the Trust operates.
- 4.3. The Policy, Strategy and Framework all form part of the Trust's wider governance arrangements that are designed to ensure the Trust conducts its business effectively and properly, including safeguarding its resources and effectively meeting its responsibility for the safe stewardship of public money. More details on the Governance arrangements can be found on the Trust's Intranet site for employees, or on the Trust's website under Trust Policies. A visual representation of the wider governance framework is available at Appendix 1.

5. Expectations

- Southern Education Trust expects all Members, Trustees, governors, employees and those acting as its agents to conduct themselves in accordance with the seven principles of public life. These are defined by the Committee for Standards on Public Life, first published by the Nolan Committee in 1995 and revised in January 2013.
- 5.1. The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally or locally, and all people appointed to work in the civil service, local government, the police, courts and probation services, non-departmental public bodies, in health, education and social and care services. All public office holders are both servants of the public and stewards of public resources. These principles also apply to those in other services delivering public services. These principles are as follows:
- Selflessness -
Holders of public office should act solely in terms of the public interest
 - Integrity -
Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests and relationships.
 - Objectivity -
Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination of bias.
 - Accountability -
Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

- Openness –
Holder of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
 - Leadership -
Holders of public office should exhibit these principals in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.
- 5.2. The Trust requires Members, Trustees, governors and employees at all levels to lead by example in adhering to legal requirements, financial rules, contract procedure rules, codes of conduct, and prescribed procedures and practices.
 - 5.3. The Trust requires directors and other senior managers to design and operate systems and procedures that will minimise losses due to fraud, bribery, and other dishonest action.
 - 5.4. The Trust expects Members, Trustees, governors and employees to be alert to the possibility of fraud, bribery and corruption in all their dealings and report suspicious activity via the Whistle-blowing Procedures.
 - 5.5. The Trust will not tolerate fraud. Employees found to be defrauding the Trust face dismissal under the disciplinary process. Employees and any other parties defrauding the Trust, e.g. claimants or contractors, will have their cases referred to the Police wherever this is in the public interest.

6. Responsibility for this Document

- 6.1. The Chief Executive Officer has overall responsibility for the maintenance and operation of this framework. The Chief Executive Officer is supported in this by the Senior Management Team.

7. Review

- 7.1. Fraud arrangements are continually reviewed. An annual review of this framework is carried out and the documents are revised as appropriate to reflect any key changes and to incorporate current best practice.
- 7.2. In assessing the effectiveness of its arrangements, the Trust will consider the extent to which:
 - key personnel are trained in detecting and investigating fraud;
 - fraud risks and new areas of fraud – fraud is an ever-developing risk and arrangements need to continually evolve in order to maintain a robust response;

- there are identified incidents of fraud and corruption;
- action is taken against perpetrators and attempts to recover losses are made;
- the Trust responds to identified weaknesses in its systems and controls;
- developments in technology affect the Trust's ability to prevent and to detect fraud;
- data sharing and joint working initiatives are used to prevent and detect fraud.

7.3. In order to keep abreast of key changes, ongoing reviews of national issues and developments will be undertaken. Information from a range of sources is obtained and used in keeping our plans up to date, including from HM Treasury, DfE, and the National Fraud Authority.

Anti-Fraud, Bribery And Corruption Strategy

8. Introduction

- 8.1. The Strategy describes the Trust's approach to minimising the risk of fraud and dealing with any identified or suspected instances of fraud and corruption. The key objectives of the Strategy are to reduce the opportunities for fraud and to create a culture where fraud is unacceptable.
- 8.2. This strategy takes into account the 2014 CIPFA Code of Practice for Managing the Risk of Fraud and Corruption. An assessment of compliance with this code is underway. Where appropriate, an action plan will be created and monitored to ensure any identified improvements are taken forward.
- 8.3. This strategy is based on the Local Government Fraud Strategy, "Fighting Fraud Locally" – summarised as *Govern, Acknowledge, Prevent, Pursue*.

9. Key elements - Govern

This policy is reviewed, challenged and approved by the Trustees. It sets out the Trust's commitment to maintaining an appropriate culture and it is supported by senior management. The policy is part of the wider governance framework which includes related elements such as whistleblowing, gifts and hospitality, procurement and conflicts of interest.

10. Key elements - Acknowledge

- 10.1. The way in which the Trust manages the risk of fraud, bribery and corruption is shown in diagram form in the Anti-Fraud, Bribery and Corruption Framework, which can be seen in Appendix 1. The Anti-Fraud, Bribery and Corruption Policy and Strategy are just part of the wider governance framework which includes other key policies such as the Code of Conduct, financial and contract procedure rules, whistle-blowing policies etc.
- 10.2. Recognising that fraud exists is key to tackling fraud and corruption in any organisation. Fraud is an ever-evolving problem. It can range from a simple theft to complex fraud affecting financial statements involving many companies and transactions. Fraudulent acts now make more and more use of new technologies and technological changes are always at risk of being exploited by fraudsters.
- 10.3. The Trust acknowledges its responsibility for combatting fraud and corruption from both within and without the organisation. The responsibility for anti-fraud arrangements is widely dispersed. The Trust's senior management team must provide strong leadership by advocating the Trust's arrangements and supporting strong action when these are ignored. There is a strong relationship between good governance and good counter-fraud operations.
- 10.4. The Chief Executive Officer and Chief Finance Officer are responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the Trust's interests, including its reputation, are safeguarded.
- 10.5. Fraud risk is managed through the existence, and application, of appropriate policies and procedures and through the introduction of relevant control systems. These systems are the overall responsibility of managers throughout the Trust. Consideration of fraud risks must be an integral part of everyday business decisions, project and change management and overall strategy.
- 10.6. Trust managers have overall responsibility for acknowledging, assessing and managing the individual fraud risks relevant to their service areas. Assistance with this is available from Internal Audit where requested.
- 10.7. Internal Audit will acknowledge and seek to include the review of fraud risks on any internal audit work carried out.
- 10.8. It is the responsibility of the Chief Executive Officer in conjunction with the Chief Finance Officer to determine, and provide for, an appropriate level of resources to counter the risk of fraud and corruption identified for the Trust. In practice, this is informed by the level of detected fraud, identified fraud or corruption risks and the assessment of counter fraud measures made by the Internal Auditors.
- 10.9. Counter-fraud resources for the Trust are primarily the Internal Auditors.

10.10. A list of potential fraud areas is included below. Please note that this list is not exhaustive.

- Insurance claims.
- Procurement;
- Pensions;
- Creditor payments;
- Payroll claims and payments;
- Recruitment;
- Misuse of, misappropriation or theft of assets;
- Cash collection and payment systems.

11. Key elements – Prevent

- 11.1. The responsibility for anti-fraud arrangements is widely dispersed. Members and Trustees, in particular through the Trust Board and its committees, must give clear support to the Trust's arrangements. The Trust's senior management team must provide strong leadership by advocating the Trust's arrangements and supporting strong action when these are ignored.
- 11.2. The Chief Executive Officer and Chief Finance Officer are responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the Trust's interests are safeguarded, including its reputation.
- 11.3. The Trust is committed to following the DfE Academy Trust Handbook. All Members, Trustees, governors and officers are required to act in accordance with its rules and recommendations.
- 11.4. The Trust aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with managers. Support is given by the Trust's Internal Auditor, which provides an independent appraisal of the integrity of all internal control systems.
- 11.5. Key internal procedural and control initiatives in place within the Trust to prevent fraud include:
- an effective Anti-Fraud, Bribery and Corruption Policy and Strategy, that maintains a culture in which we will not tolerate fraud, bribery or corruption;
 - a high-level scheme of delegation;

- compliance by officers, Members and Trustees, and governors with respective codes of conduct;
- a Register of Interests to enable Members, Trustees, governors and employees to record any financial or non-financial interests that may bring about conflict with the Trust's interests;
- a Register of Gifts and Hospitality to enable employees, Members and Trustees, and governors to record gifts and hospitality either received, or offered and declined, from the Trust's contractors and suppliers;
- a Risk Management strategy and procedures;
- suitable and enforced Financial and Contract Procedure Rules;
- robust recruitment and selection procedures;
- DBS (Disclosure and Barring Service checks) and employee vetting procedures (where applicable);
- robust internal control environments designed and implemented by service managers and challenged through Internal Audit arrangements.

11.6. Deterring fraud is a large part of fraud prevention. The Trust is committed to taking all viable steps to prevent, deter, detect and remedy instances of fraud and corruption, whether the threat is internal to the organisation or external to it. Key to this is the development and maintenance of an anti-fraud culture. Key anti-fraud / deterrent measures include:

- clear and active disciplinary and grievance arrangements;
- publicising the anti-fraud message on claim forms, the website and on other interactions with the staff and public;
- a commitment to pursue sanctions against those who commit fraud, bribery and corruption through an agreed prosecutions and civil recovery policy and use of internal disciplinary arrangements;
- anti-fraud and corruption training;
- awareness of fraud risks by managers;
- confidential reporting (Whistle-blowing) procedures.

11.7. In addition to the above, proactive fraud detection and assurance activities both increase fraud awareness and overall fraud detection levels. Responsibility for internal control activities lies with all managers. However, there are other proactive initiatives that help to control these risks. Examples include:

- internal Audit-led internal data matching initiatives (matching data between Trust systems to detect fraud and error).
- periodic checks on systems, processes and areas by Internal Audit as part of their statutory role.

12. Key elements – Pursue

Investigate

- 12.1. Pursuing suspected fraud and error is also a key factor in the success of counter fraud activities across any organisation. The Trust has a Fraud Response Plan which provides detailed fraud-response arrangements to enable any information gained or allegations made to be properly and effectively dealt with. The plan explains how any fraud allegations will be dealt with and who is responsible for their investigation. Generally speaking, low level fraud cases will be investigated by managers. Larger scale concerns may be investigated internally or using a contracted service provider where there are employees involved. Each case however, will be assessed on its own merits and an appropriate person assigned to investigate it.
- 12.2. Details on how to refer suspected frauds for investigation can be found in the Whistle-blowing Policy and Procedures. These are available on the Trust's website. Wherever allegations of fraud or corruption are made, the Trust Board will be informed.
- 12.3. In addition to the above, it is recognised that the Trust's Complaints Procedures also have a part to play. Often, the complaints process is the first port of call for non-employees wishing to raise a concern about a process or event. It is important that concerns being raised through this route are dealt with properly and that it is recognised that where concerns are about fraud and corruption, that they are dealt with through the Whistle-blowing Policy and the Anti-Fraud and Corruption Framework rather than the complaints procedure.
- 12.4. It is important that any frauds are investigated by suitable individuals. The Trust does not employ its own financial investigator as the role is specialist and is not needed full time. Where the Trust needs such a specialist role, it will either liaise with Police or will seek to contract such services as necessary.
- 12.5. During any investigation, it is important to consider whether the Police need to be involved in any investigation and at what stage this involvement should start. The Trust will work in partnership with the Police to investigate and prosecute detected fraud and corruption. The extent of the involvement by the Police will be different in each case and will depend on what is being investigated, its size and complexity. The Trust will work with the Police to investigate all cases that are referred to them. Specific roles and responsibilities will be determined on a case-by-case basis.

Referrals to the Police will be made at a suitable point in the case by the Chief Executive Officer.

- 12.6. Where a case referred to the Police involves an employee, it will be pursued on a parallel basis (a criminal case progressed alongside an internal disciplinary or civil case) wherever possible.
- 12.7. After any investigation, changes to the control environment are always considered to limit any further fraud exposures or to improve detection measures. These actions / changes will be reported on in Audit and Risk reports to the Trust Board.

Prosecution / Sanctions

- 12.8. The final stage in the *pursue* element is to take action against those where fraud has been confirmed. Action will be taken against those responsible for fraudulent acts wherever it is in the Trust's interest to do so. Where the Police have been involved in any case and there is sufficient evidence to proceed, the Trust will work with the Police to prosecute instances of fraud and corruption. Where the Police have not been involved and it is in the Trust's interest, civil actions will be considered and taken wherever there is a legal route to do so.
- 12.9. Where employees have committed a fraudulent or corrupt act, the Disciplinary Policy and associated procedures are also an important element. Consideration will be given in each case, to determine whether any internal disciplinary processes are undertaken. So called "parallel sanctions" will be undertaken wherever possible and in the Trust's interest.
- 12.10. The Trust seeks to work with its partner agencies and government agencies to take action against those that commit fraudulent acts. The Trust will share information as appropriate with partner agencies wherever there is a clear and legal path for doing so. Generally, information required for the prevention and detection of fraud is exempt from the requirements of the Data Protection Act although any information requested must always be proportionate to the issue being investigated. The Trust will comply with the requirements of the Data Protection Act, the General Data Protection Regulation in all its fraud investigations.

13. Roles and Responsibilities

- 13.1. Throughout this framework, reference has been made to the various roles and responsibilities of individuals or services. For reference, these responsibilities are summarised below.
- 13.2. General responsibilities (all persons)
 - To report suspected concerns or irregularities through the arrangements in the Whistleblowing Policy;

- To uphold a positive anti-fraud, bribery and corruption culture;
- To undertake anti-fraud training as adopted by the Trust;
- To comply with the Trust's Codes of Conduct together with any additional code relating to their professional qualifications;
- To act in accordance with Financial and Contract Procedure Rules;
- To declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the Trust;
- To make annual declarations of interest to enable their managers to effectively manage situations where a conflict of interest may occur.

13.3. Manager responsibilities

- To design and apply controls in their area as appropriate to prevent and detect fraud and corruption;
- To deal with conflicts of interest raised by their staff in an appropriate and responsible way;
- To ensure all their staff are adequately trained on procedures and controls to be complied with;
- To ensure proper procedures are being followed;
- To follow prescribed recruitment procedures aimed at recruiting high quality and honest staff;
- To assist those charged with the investigation of a concern and provide evidence to support any investigation or to investigate concerns, where agreed, using the Trust's disciplinary procedures where the outcome of an investigation indicates improper behaviour;
- To ensure that all suspected financial irregularities or financial impropriety brought to their attention are reported to the Chief Finance Officer.

13.4. Chief Executive Officer responsibilities

- To be responsible for the overall management arrangements of the Trust;
- To promote an organisational culture that accords with the principles of public life;
- Develop and maintain an Anti-Fraud, Bribery and Corruption Framework.
- To refer cases to the Police for investigation / prosecution;

13.5. Chief Finance Officer responsibilities

- To maintain adequate and effective internal control arrangements;
- To ensure that all suspected financial irregularities are reported to the Trust Board;
- To ensure that sufficient resources and that sufficiently trained staff are provided to fulfil the Trust's anti-fraud aims and properly investigate suspicions of fraud and corruption.

13.6. Trust Board responsibilities

- To review the risk management arrangements for the Trust and the effectiveness of the Internal Audit function;
- To monitor, via reports from Internal Auditors, the implementation of agreed management actions to improve the control environment and take action where these actions are not being implemented.
- In a case of fraud involving the Chief Executive Officer, to consider referral to the Police for investigation/prosecution.

13.7. Auditor responsibilities

- To carry out specific reviews that are designed to test (amongst other things) the adequacy of internal financial and other controls and arrangements for preventing and detecting fraud and irregularity;
- To review the Trust's accounts to ensure they are free from significant fraud and error.

Sanctions / Prosecution Policy

14. Policy Statement

- 14.1. After any investigation, sanctions should be applied where fraud has been found to have been committed. The Trust will pursue criminal and civil action in a robust, consistent and proportionate manner wherever this is in the public interest.
- 14.2. The Trust will pursue a range of options, as appropriate to each case, including:
- Pursuit of civil or criminal sanctions through the courts (either in conjunction with the Police or directly as determined by the Anti-Fraud, Bribery and Corruption Strategy);
 - Internal disciplinary action against any employee committing fraud using the Trust's Disciplinary Policy;
 - Recovery of losses by all practicable means;
 - Recovery from any current salaries or by way of an attachment of earnings';
 - Referral of any detected frauds through to the relevant professional bodies as appropriate.
- 14.3. The Trust condemns any breaches and abuses of its financial systems and procedures and is committed to deterring all such intentional breaches and abuses. In all cases where it is in the Trust's interest, criminal or civil action will be taken either by the Trust or in collaboration with the Police. Any cases where prosecutions are successful will be published in order to act as a further fraud deterrent.
- 14.4. The Trust will, if satisfied that it has suitable grounds for doing so, seek to recover from any person or member of staff who has abused its financial systems and procedures, any losses incurred to the public purse.
- 14.5. In implementing this policy, the Trust will rely on the advice of the Chief Executive Officer.

Fraud Response Plan

15. Purpose

- 15.1. This document provides guidance and a framework for the investigation of suspected instances of fraud and corruption. It gives guidance, whether to those raising concerns or those investigating concerns, as to how any fraud investigation will proceed.
- 15.2. This document sets out, in simple terms, how a fraud investigation will be conducted. Each investigation will be different as each will have different elements and will require different actions but will follow the same overall principles.

16. Objectives

- 16.1. This plan aims to ensure timely and effective action can be taken to:
 - minimise the risk of inappropriate investigative action by employees or managers;
 - minimise the risk that someone will inappropriately disclose information about a concern or investigation that could compromise it;
 - ensure that there is a clear understanding about who will lead on any investigation and ensure local managers and other departments are involved as appropriate;
 - secure evidence relating to any investigation and ensure that such evidence is adequately protected;
 - prevent further losses of funds or other assets where fraud has occurred and maximise the chances to recover any losses;
 - ensure that there is sufficient evidence to support any allegation before civil, criminal or internal disciplinary action is started;
 - minimise any adverse publicity for the Trust as caused by dishonest fraudulent acts.

17. Links with other policies

- 17.1. This policy directly links to both the Complaints and Whistle-blowing Policies. Concerns of fraud or misconduct are often received through these channels.
- 17.2. It is important that fraud concerns raised through the Complaints process are dealt with as fraud referrals and not as complaints. This is because:

- the timescales involved in acknowledging and responding to complaints is not appropriate for fraud investigations. Whilst every attempt is made to deal with all investigations in a timely and prompt way, it is not possible to set a definitive deadline in which to complete it. The gathering and interpretation of evidence is a key element in the success of any investigation and it is this that drives the length of any investigation;
- whilst it is important to maintain communication with anyone raising a concern, consideration needs to be given as to how much information can be disclosed without breaching the Data Protection Act/General Data Protection Regulations or putting the investigation itself at risk. The information that can be released needs to be carefully considered and will always be in line with the guidance in the Whistle-blowing Policy.

17.3. Complaints that are received through the Whistle-blowing Policy and fraud or wrong-doing concerns that are raised through the Complaints Policy will be dealt with under the most appropriate policy. Any individuals making such a referral will be told under which policy the concerns are to be investigated.

18. What to do if you suspect fraud

18.1. If you suspect fraud or wrong-doing, you should raise your concerns immediately with the Headteacher of your academy, the CEO of the Trust or the Chair of Trustees. After the concern is raised, a decision will be made about who is best placed and has the right skills to investigate any concern. This is discussed in more detail in the next section of this plan.

18.2. It is important that you don't:

- try to investigate any concerns yourself;
- discuss your concerns outside of the routes in the Whistle-blowing Policy;
- ignore your concerns.

18.3. This is because:

- you may alert those you suspect to a potential investigation;
- evidence could be destroyed;
- evidence could be compromised and may not be usable in any investigation or prosecution if it has been interfered with;
- Trust relationships between employees, suppliers or partner agencies could be damaged;
- the Trust's reputation could be damaged unnecessarily.

19. Assigning the investigation

- 19.1. When a referral for a suspected fraud is received, it is common practice for background work to be undertaken in order to determine whether the concerns are valid. This ensures that employee / supplier / contractor or other party relationships are not unnecessarily damaged by a formal investigation.
- 19.2. If initial background work suggests that the concern is valid and requires further detailed investigation, a case strategy meeting will be held. The meeting will consist of a senior manager within the affected area, a representative from the Trust leadership and, where the concerns relate to an employee, a Human Resources specialist. The situation will be discussed and a decision made as to who will conduct the investigation.
- 19.3. Where fraud concerns are relatively simple in nature, these will be assigned to a relevant manager to undertake with guidance as appropriate. Where the concerns are more serious, more complex or require specialist knowledge or training or are likely to result in criminal or civil proceedings, these will be investigated by a third-party contractor.

20. Undertaking the investigation

- 20.1. There are no set timescales for the investigation of any fraud. The timescale for any fraud investigation will be driven by the complexity of the allegations and the number of years any activity is suspected to have gone on for. In all cases however, investigations should be carried out as quickly as possible whilst maintaining investigative standards.
- 20.2. Evidence should be secured as early as possible in any investigation to ensure that it is not destroyed or lost. It is important that any such documentation is securely stored and is retained both during and after the investigation.
- 20.3. The securing of electronic data, surveillance or CCTV footage, computers or equivalent equipment is a specialised procedure. The collection of such information can, inadvertently, damage the evidence being secured and can damage any potential prosecution if allegations are proved correct. Specialist advice must be sought before attempting to collect such information.
- 20.4. Any interviews of any potential suspect or witness need to be arranged when suitable evidence has been gathered. It is important that any interview is conducted fairly and impartially. A failure to do so can damage any sanctions (internal or external) and bring the reputation of the Trust into disrepute. All interviews must be recorded, either electronically or by the creation of adequate supporting interview notes and a statement. It is always best practice to get the person interviewed to sign-off any statement provided.

- 20.5. Where any investigation suggests criminal activity, a decision will be made as to whether to involve the Police.
- 20.6. Referrals to the Police will be made by the Chief Executive Officer. Trust leadership will liaise with the Police throughout the investigation to ensure that any prosecution has the highest likelihood of success.

21. Preserving evidence

21.1. In gathering any evidence care must be taken to:

- avoid any changes to the evidence (original documents must be preserved and not written on or damaged);
- avoid any unnecessary or unjustifiable breaches of an individual's human rights;
- collect computers and electronic information in a way that does not compromise the information. On no account should any computer thought to contain evidence relating to a fraud investigation be handled, turned on or shut down. Only those persons trained to do so should secure computer-based evidence;
- prevent access by any suspended employee to any files or computer system. Where an employee is suspended, access to the building, records and computer systems should be temporarily suspended to prevent any tampering with any available evidence. Where an employee requires access to files or electronic systems for their own defence, this should be supervised or the employee should access a copy of the relevant files to prevent tampering.

22. Managing communications

- 22.1. Anyone reporting fraud or related wrongdoing in the context of this policy will be kept informed about the progress of an investigation as prescribed in the Whistle-blowing Policy. However, detailed information on progress or detailed findings will not be released where there is a concern that it may damage an investigation. In releasing any information, those investigating must be aware of the requirements of the Data Protection Act/ General Data Protection Regulations and must not release any information relating to action being taken against an individual.
- 22.2. The Chief Executive Officer will deal with any press or publicity in connection with any investigated case. Where appropriate the details of all successful prosecutions will be released to the media by the Chief Executive Officer. Staff and managers must not disclose any information to the media.

- 22.3. The aim of any press release is to deter further fraud and corruption and show the Trust's commitment to preventing, detecting and prosecuting those who commit fraud against the Trust.

23. Concluding investigations

- 23.1. At the conclusion of any investigation, a decision needs to be made as to whether the investigation and its evidence warrants action being taken against any individual or individuals as outlined in the Sanctions / Prosecution Policy. Any decision will be based on the quality of the evidence available, the size of any fraud or issue and the likelihood of success of any sanction attempted. This decision will be made with input from all relevant parties. Advice will also be taken from the Police where applicable.
- 23.2. A log of all referred fraud and corruption is required, in order to report the outcome of any investigations and the values of any fraud detected. In addition, the results of any investigations that were deemed to result from a Whistle-blow are also recorded for reporting purposes.
- 23.3. When cases of fraud are investigated, these will be reported in the Audit and Risk Report to the Trust Board.

Appendix 1 - The Wider Governance Framework

