

The **co-operative** academies trust

**The Co-operative Academies Trust  
Anti-Fraud and Anti-Bribery Policy**

Approved by the Trust Board on 21 April 2016  
Implementation from 22 April 2016

**April 2016**

## Anti-Fraud and Anti-Bribery Policy

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## Summary

This policy and procedure define the expected conduct of all staff engaged at the Trust, whether in paid or voluntary employment, including (sub)contractors & supply/agency staff, and also Board members & governors, in relation to deterring and/or detecting fraud and bribery, and who to report it to.

Also, reference is made to other Trust policies where appropriate.

### 1. Introduction

- 1.1 The Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Trust has a responsibility in respect of preventing and detecting fraud. All staff, Board members and governors have a role to play. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.
- 1.2 Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.
- 1.3 The Bribery Act is designed to address bribery and corruption in the public and private sectors and means that any incorporated organisation could be liable to severe penalties if they fail to implement adequate procedures to prevent bribes being paid or received on their behalf.
- 1.4 It is the duty of all employees, Board members and Governors at the Trust to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the internal auditor where directed by the Audit and Risk Committee to review the adequacy of the measures taken by the Trust, to test compliance and to draw attention to any weaknesses or omissions.
- 1.5 Any investigation carried out in relation to alleged irregularities is linked to the Trust's code of conduct and disciplinary procedures.

### 2. Definitions

#### 2.1 Fraud

The Fraud Act 2006 identifies a single offence of fraud which can be committed in three separate ways:

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

The Act also created four further offences of:

- Possession of articles for use in fraud
- Making or supplying articles for use in fraud
- Obtaining services dishonestly
- Participating in fraudulent business

Whilst the act does not provide a single definition of fraud, it may be described as,

*"Making dishonestly a false representation with the intention to make a gain for oneself or another, or, to cause loss to another or expose him to a risk of loss."*

or

*“Dishonest conduct with the intention to make gain, or cause a loss or the risk of a loss to another”*

## 2.2 Theft

Theft is defined in the 1968 Theft Act:

*“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”.*

## 2.3 Bribery

Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.

## 2.4 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 and hospitality is a sensitive area where actions can easily be misconstrued. Therefore, employees' actions should be such that they would not be embarrassed to explain them to anyone. Refer to the Gifts and Hospitality Policy for guidance.

# 3. Policy Statement

3.1 This policy and procedure defines Anti-Fraud & Anti-Bribery guidance for all staff, Board members and governors in the Trust.

3.2 The scope of this procedure extends to all Board members, governors and employees (permanent, voluntary and fixed term).

3.3 Time limits specified in this document may be extended by mutual agreement.

## 3.4 Fraud

3.4.1 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. 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, including cases of theft.

## 3.5 Bribery

3.5.1 The policy also provides a coherent and consistent approach to ensuring compliance with the Bribery Act. It will enable all employees and any person who performs services for and on behalf of CAT or one of its academies (this could include contractors and subcontractors) to understand their responsibilities and allow them to take the necessary action, for example reporting any potential breaches of the policy.

3.5.2 CAT and its academies are committed to countering bribery and corruption in all forms and will not tolerate it in any of its activities. It is a requirement that all staff and all working or performing any service on behalf of CAT or its academies do not seek, accept nor give bribes.

3.6 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.

3.7 If requested, employees may be accompanied by a recognised trade union representative or work colleague, not involved in any part of the process, at any interviews.

#### **4. Gifts & Hospitality**

4.1 Guidelines for the acceptance of gifts and hospitality are included within the Gifts & Hospitality Policy.

#### **5. Roles and Responsibilities**

5.1 Staff, Board members and governors

The Trust has adopted the following measures to demonstrate its commitment to anti-fraud and anti-bribery:

- A governance structure which involves regular meetings of the Audit and Risk Committee;
- A requirement for all staff, board members and governors to declare potential conflicts of interest and not contribute to business related to that interest;
- Clear recruitment policies and procedures.

Staff, Board members and governors also have a duty to report another person whose conduct is reasonably believed to represent a failure to comply with the above.

Reporting should be to a person's line manager (for staff), or the Chair of Governors / Chair of the Trust Board (for governors or Board members). If that person is suspected of involvement in the alleged event/action, the report should be made to one of the Director of the Trust, the Trust Finance Director or, ultimately the Chair of the Audit and Risk Committee.

In each case the person receiving the report has a duty to themselves report to the Director of the Trust or the Trust Finance Director to ensure that this policy is followed.

Further guidance can be found in the Whistle-blowing policy.

5.2 Trust Finance Director

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

In respect of fraud it is therefore the responsibility of the Finance Director 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.

The Trust Finance Director is responsible for ensuring that this policy is communicated throughout the Trust.

5.3 Internal auditor

The Audit and Risk Committee directs the work of and considers reports from the Trust's internal auditor.

The main duties of the internal auditor are to undertake a rolling programme of control reviews which provide the Committee with on-going independent assurance that:

- The financial responsibilities of the Trust Board, governors and senior leaders 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.

#### 5.4 External Auditor

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 of Education.

## 6. Response to Allegations

6.1 All allegations of fraud, loss (including theft), financial irregularity, bribery or corruption involving the Trust's finances and/or assets will be reported to the Education Finance Authority in line with the requirements of the Academies Financial Handbook by the Trust Finance Director. Academy staff have a duty to report such instances to the Headteacher/Principal who has a duty to report such instances to the Trust Finance Director.

#### 6.2 Academy

Staff: unless directly involved in the allegation the Headteacher/Principal is responsible for investigating allegations of fraud or corruption. In the case of an allegation against the Headteacher/Principal, the Director of the Trust will be responsible for appointing an investigating officer which may be a member of the local Governing Body or another suitable person.

Governors: unless directly involved in the allegation, the Director of the Trust is responsible for investigating allegations of fraud or corruption. In the case of an allegation which also directly involves the Director of the Trust, an independent person appointed by the Chair of the Trust Board (likely to be the Chair of the Audit and Risk Committee) will lead the investigation.

#### 6.3 Central Trust

Staff: unless directly involved in the allegation an independent person appointed by the Director of the Trust will be responsible for investigating allegations of fraud or corruption. In the case of an allegation against the Director of the Trust, an independent person appointed by the Chair of the Trust Board (likely to be the Chair of the Audit and Risk Committee) will lead the investigation.

Board members: unless directly involved in the allegation an independent person appointed by the Chair of the Trust Board will be responsible for investigating allegations of fraud or corruption. In the case of an allegation against the Chair of the Trust Board, an independent person appointed by the Chair of the Audit and Risk Committee will lead the investigation.

6.4 Where offences are suspected, investigations are carried out to establish the **facts** in a fair and objective manner. Where allegations involve staff, investigations will be carried out in line with the Trust's disciplinary policy.

6.5 The investigation process will include the:

- Screening of the allegations or information to gauge their credibility;
- Securing of all evidence which must be retained in its original format i.e. not written on or marked in anyway and stored securely;
- Interviewing of witnesses;
- Taking of statements;
- Interviewing of people suspected of being involved;
- Liaison with departments or other agencies (including the police)

6.6 The investigation will be conducted in accordance with legislation and in conjunction with guidance from the Education Finance Authority and/or the currently contracted Human Resources and / or Legal support organisation, as decided by the lead investigator.

6.7 Where evidence of fraud or irregularities is found, the Trust will consider taking further action. This may include:

- Implementing Disciplinary Procedures where an employee is involved;
- Referral to the Police, where appropriate, in order for them to consider taking criminal action;
- Reporting the control weakness identified during the investigation to the Trust Audit and Risk Committee and advising them how these weakness have been addressed to prevent future irregularities;
- Seeking compensation for all losses incurred.

Further guidance can be obtained in the Whistle-blowing Policy

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

7.1 The Trust is committed to preventing fraud, bribery 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 Anti-Bribery policy should be read in conjunction with the following Trust policies:

- Staff Code of Conduct
- Whistle-blowing Policy
- Financial Regulations
- Gifts and Hospitality Policy
- Disciplinary Procedure
- Equality, Diversity and Inclusion Policy

## **8. Review**

8.1 This procedure will be reviewed to respond to any changes in legislation, and at least every three years.