



# **Anti-Fraud and Corruption Policy**

**For Trust Academies  
Effective from March 2021**

Version 2; May 2021 approved

## ANTI FRAUD AND ANTI CORRUPTION POLICY

### Approval History

Approved By:	Date of Approval	Version Approved	Comments
Finance and Audit Committee	11/12/2019	V1	New Policy
Finance and Audit Committee	May 2021	V2	Review and Revision

### Revision History

Revision Date	Previous Revision Date	Rev	Summary of Changes	Changes Marked	Owner/Editor
March 2021	December 19	V2	Tracked changes and formatting with new branding	Yes	LMS

## **1. Purpose**

The Greater Manchester Learning Trust is committed to the highest ethical standards and acting with integrity in all business activities. This policy details the Trust's position on the prevention of fraud, bribery and corruption, and the promotion of an anti-fraud culture.

As such, it is opposed to corruption and seeks to eliminate fraud by the way it conducts business. This document sets out the Trust's policy and procedures for dealing with the risk of significant fraud or corruption, including bribery and theft.

In order to minimise the risk and impact of fraud and corruption, the Trust's objectives are to create a culture, which deters fraudulent and corruptive activity, encourages its prevention and promotes its detection and reporting.

### **The purpose of this policy is to:**

Establish the responsibilities of the governing body and staff members in observing and upholding our position on fraud, bribery and corruption.

- Provide information and guidance to Academy staff on how to recognise and deal with fraudulent activity concerns.
- Promote the early detection of fraudulent and corruptive behaviour.

This policy covers all individuals working for the Greater Manchester Learning Trust at all levels (whether permanent, fixed-term or temporary), and includes governors, volunteers, agents and any other person associated with the Trust.

### **Legal framework**

This policy has due regard to statutory legislation, including, but not limited to, the following:

- The Bribery Act 2010
- The Fraud Act 2006
- The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013

## **2. Scope**

This policy will be implemented in accordance with the following Trust policies and procedures and applies to all staff:

Whistleblowing Policy

Gifts and Hospitality Policy

- Business and Pecuniary Interests
- Disciplinary Policy and Procedure
- Staff Code of Conduct
- Governing Body Code of Conduct

### **Definitions**

Fraud is a criminal offence, which is defined by the Fraud Act 2006 as:

Deceiving through false representation.

Failing to disclose information where there is a legal duty to do so.

Abusing a position of trust.

Corruption is the offering, giving, soliciting or accepting of any inducement or reward, which may influence the actions taken by the body, its members or officers.

Theft is dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.

Bribery is defined by the Bribery Act 2010 as inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages.

2.3. Examples of what could constitute fraud and corruption include, but are not limited to, the following:

- Theft of cash
- Non-receipt of income
- Substitution of personal cheques for cash
- Travelling and subsistence claims for non-existent journeys or events, or inflating claims
- Manipulating documentation to increase salaries
- Payment of invoices for goods received by an individual rather than the school
- Unauthorised borrowing of equipment
- Failure to declare a conflict of interest
- Concealing a generous gift or reward
- Creation of false documentation
- Sending invoices for goods and services that weren't ordered or received
- Using the school's credit or debit card to make personal purchases

- Intercepting a school cheque and amending the name of the payee and/or the amount
  - Submitting false claims for sickness or expenses
- 2.4. Theft is dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.
- 2.5. Bribery is defined by the Bribery Act 2010 as inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages.

### **3. Our approach**

Our approach is to apply the policy to all staff in a fair and consistent manor.

### **4. Roles and Responsibility**

#### **The Executive Headteacher is responsible for:**

Developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud.

Ensuring that all employees are aware of the Trust's policy on fraudulent and corruptive behaviour, and understand the relevant procedures.

Ensuring that all relevant staff are adequately trained on internal controls and procedures that need to be complied with.

Implementing any changes to the internal controls and procedures that may have been identified as a result of a fraud or irregularity investigation, in order to prevent further instances of fraud or corruption.

Setting high examples of conduct in their day to day work, which are beyond reproach.

Publicising the Trust's commitment to fighting fraud and corruption.

Working with the Trust Board to establish recruitment procedures, ensuring that all candidates are thoroughly vetted prior to commencing their employment.

Ensuring and monitoring the Trust's compliance with internal controls and agreed policies and procedures related to fraud and corruption.

Investigating all allegations of fraud and commencing disciplinary action where appropriate.

Informing the Chair of Trustees or the internal audit of any indications of fraudulent activity and alleged financial irregularities.

Reporting to the Finance and Audit Committee on all aspects of fraud risk management.

Declaring any business and personal interest, as well as any interests or offers of gifts or hospitality, which are in any way related to the performance of their duties in relation to the Trust.

**All members of staff are responsible for:**

Upholding the anti-fraud and corruption culture within the Academy.

Adhering to the Trust's policies and procedures in relation to fraud and corruption, including acts of bribery and theft.

Familiarising themselves with the types of fraud and irregularity that might occur within the Trust and its schools.

Reporting any instances of suspected fraud or irregularity, no matter how trivial they may seem, to the Executive Headteacher and Chair of Trustees  
Declaring any business and personal interests held, as well as any offers of gifts or hospitality, which are in any way related to the performance of their duties in relation to the Trust and its schools.

Ensuring that the Trust's reputation and assets are protected against fraud.

**The Trust Board through the Finance and Audit Committee is responsible for:**

Ensuring that internal controls, procedures and policies are put in place that minimise the risk of fraud and corruption, including theft and bribery.

Developing, implementing and monitoring Trust procedures in relation to fraud.

Reviewing this policy on a biannual basis, ensuring that it remains adequate and appropriate for the needs of the Trust.

Working with the Executive Headteacher to establish recruitment procedures, ensuring that all candidates are thoroughly vetted prior to commencing their employment.

Promoting an anti-fraud and corruption culture within the Trust .

Setting the standards for the Trust and giving their full support to all systems and controls in place to assure probity.

Ensuring that any business and personal interests of all members of the governing body are declared.

Reporting any instances of suspected fraud or irregularity to the designated Internal Audit Officer.

**The Trust Director of Finance is responsible for:**

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

The Trust Finance Director is responsible for:

- Developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud.
- Ensuring that all relevant staff are adequately trained on internal controls and procedures that need to be complied with.
- Implementing any changes to the internal controls and procedures that may have been identified as a result of a fraud or irregularity investigation, to prevent further instances of fraud or corruption.
- Informing the Executive Headteacher or the Chair of Trustees, as appropriate, of any indications of fraudulent activity and alleged financial irregularities.
- Declaring to the Executive Headteacher any business and personal interests, as well as any interests or offers of gifts or hospitality, which are in any way related to the performance of their duties in relation to the Trust.
- Reviewing this policy on a biannual basis, in liaison with the Executive Headteacher, ensuring that it remains adequate and appropriate for the needs of the school.
- Maintaining an up-to-date gifts and hospitality register.

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

### **Internal Audit**

Internal Audit will regularly revisit the internal controls at the Academy and this will be placed on the annual cycle at least biennially.

Audit services is responsible for:

- Reporting concerns over inadequate fraud controls to the headteacher and governing board.
- Recommending necessary changes and improvements to address any inadequacies.

### **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 Dept. of Education.

## **Staff and Governors**

3.6. All trustees, governors and staff, including volunteers, temporary staff and third parties, are responsible for:

- Demonstrating the highest standards of honesty, probity, openness and integrity in the discharge of their duties. This includes:
  - Compliance with the provisions outlined in this policy.
  - Contributing to a framework within which counter-fraud arrangements will flourish.
  - Promoting an anti-fraud and corruption culture.
  - Reporting their concerns in relation to fraud.
  - Reporting any breach of this policy to the Executive Headteacher or chair of trustees.
  - Providing information about any conflicts of interest and direct or indirect pecuniary interests to the headteacher.

The Greater Manchester Learning Trust has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- Finance & Audit Committees meet regularly;
- A requirement for all trustees and governors to declare pecuniary interests and not contribute to business related to that interest;
- A requirement for staff, trustees and governors to disclose personal interests;
- All staff, trustees and governors are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures.

Staff, trustees and governors also have a duty to report another member of staff, trustee or governor whose conduct is reasonably believed to represent a failure to comply with the above.

## **Personal Conduct**

The Greater Manchester Learning Trust aims to promote a culture, which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct. To help ensure that all employees are fully aware of the Organisation's expectations regarding standards of personal conduct, appropriate guidance is provided by the following key statements:

- These regulations are binding on all officers, members of staff, students and constituent parts of the Organisation. Refusal to observe them will be grounds for disciplinary action.
- In disbursing and accounting for all funds, the Organisation must demonstrate that it is adopting high standards of financial probity. Implicit within this regime is the requirement that officers and employees of the Organisation must at all time conduct financial affairs in an ethical manner.



- All members of staff and lay members of Organisation committees are responsible for disclosing any personal, financial or beneficial interest in any transaction with respect to the Organisation or its related companies, minority interest companies and trading areas.
- Any person who is responsible for placing an order with a supplier (whether a contractor or not) with whom he has a personal interest must disclose this to the Executive Headteacher, Trust Finance Director and to the Finance Manager.
- Officers or employees of the Organisation shall never use their office or employment for personal gain and must at all times act in good faith with regard to the Organisation's interests.
- Heads of Faculty/Department/Budget Holders are expected to adhere to the Financial Regulations at all times and to use their best efforts to prevent misuse or misappropriation of funds and other Organisation property.

Taken together, these represent a statement of the framework within which officers and employees are expected to conduct themselves. These requirements will also be stated within the Staff Handbook which will be issued to all members of staff and which will also include a statement of the disciplinary consequences if they are not complied with.

### **Creating an ethical culture**

- The creation of an ethical, anti-fraud culture underpins all the work done by the Trust to counter fraud and other irregularities.
- All employees are expected to act with high levels of integrity and to adhere to the rules outlined in this policy.
- All individuals and organisations that work with the school must act with integrity.
- Anti-fraud awareness training is held for all employees on an annual basis, to ensure employees understand the risk of fraud faced by the Trust.
- Specific training is also provided to employees with responsibility for each school's internal controls.
- There are clear reporting mechanisms in place and all employees are aware of, and follow, these procedures.

### **Preventing fraud and corruption**

- Fraud and corruption are minimised through effectively designed and consistently implemented management procedures which deny opportunities for fraud and corruption.
- Fraud risks are identified for all areas and processes of the Trust schools and are assessed in terms of impact (including monetary and non-monetary) and the likelihood of occurrence.

- Robust internal controls are in place to manage the risk of fraud, these cover the following areas:
- **Approval and authorisation process of transactions**
- **Access restrictions and transaction controls**
- **Account reconciliations**
- **Physical security of assets**
- **Segregation of responsibilities**
- **Pre-employment checks**
- Internal controls are reviewed on an annual basis by the Trust Director of Finance to ensure they remain effective and are being consistently applied.
- Financial procedures and systems reflect the need for internal checks and internal controls. All employees that are involved in the implementation of these controls are provided with training.
- Robust IT procedures are put in place, including restricting access to certain systems. Other steps taken towards ensuring IT security are outlined in section 13 of this policy.
- All employees will follow the Staff Code of Conduct.
- Recruitment is conducted in line with the Recruitment Policy and all new employees are required to declare any business or pecuniary interests, and any other conflicts of interest.
- Following a case of fraud or irregularity, the risk management strategy is reviewed to ensure it considers all relevant risks and is effective.

## **5. Indicators of fraudulent activity**

Some actions and behaviours may give cause for concern, arouse suspicion and possibly indicate fraudulent activity, including, but not limited to, the following:

- Changes in behaviour, such as appearing under stress without excessive workload
- Lifestyle changes, such as new cars, exotic holidays and expensive belongings
- Ready supply of excuses for errors
- Refusal to take holidays
- First to arrive and last to leave
- Does not allow anyone else to undertake his or her work
- Refuses promotion
- Suppliers will only deal with one person
- New staff leaving quickly

- It is important to note that any one of these on its own may be perfectly innocent and a function of carrying out normal duties; however, a combination of the factors may give cause for concern as this type of unusual behaviour within the profession give reason for suspicion.

## **6. Reporting suspected fraud**

Concerns in regards to fraudulent activity will be reported to the Executive Headteacher or Chair of the Trustees.

Any concerns will be reported immediately in the knowledge that such concerns will be treated in confidence and properly investigated.

Procedures outlined in the Whistleblowing Policy will be followed to report concerns where the normal reporting procedure is not appropriate.

Any matter, which might constitute as fraud will be brought to the attention of the Board of Trustees or Executive Headteacher. Claims will, in the first instance, be investigated by the Executive Headteacher to ascertain the basic facts.

Subject to the findings, the matter will be reported to Internal Audit, which may result in a full internal investigation by External Audit.

No information concerning suspicions of fraud or corruption are reported to the press, media or any other third party. Such disclosures may damage the investigation and any subsequent actions to be taken.

Internal Audit and External Audit has full right of access to examine any documents or contents of school property, including the examination of computers and related equipment, as well as to undertake interviews with staff members.

### **The investigation process will include:**

- Gauging the credibility of the allegation.
- Securing evidence, ensuring it is retained in the original format.
- Interviewing witnesses.
- Taking statements.
- Interviewing potential suspects.
- Liaising with the Executive Headteacher and Trust Board, as well as external agencies where necessary.

Internal and External Audit will work closely with the Executive Headteacher and governing body in fraud related cases involving disciplinary investigation.

Cases of fraud can also be reported to the Action Fraud, ***National Fraud and Cyber Crime Reporting Centre via the Action Fraud website or by speaking to a fraud adviser on 0300 123 2040.***

Where fraud is proven, this constitutes as gross misconduct and cases will be dealt with appropriately, in accordance with the Trust's disciplinary procedures.

Where appropriate, the Trust will refer the case to the police in order for them to consider taking criminal action.

The Greater Manchester Learning Trust will seek to apply appropriate criminal, civil and disciplinary sanctions to all cases of proven fraud and corruption.

### **Recovery of losses**

Where practicable, the Trust seeks to recover any losses incurred as a result of fraud or corruption.

The Trust board is immediately informed of any potential loss and provided with details of the case and any recovery action being undertaken.

If an individual under investigation offers money in settlement of losses to the Trust, the monies are accepted without prejudice to any other action the Trust may wish to take.

Money will only be accepted in respect of losses to date and the Trust will reserve the right to seek the recovery of further losses that may come to light in the future.

The Trust will only claim under insurance arrangements once all other avenues of recovery have been exhausted.

### **Gifts and hospitality**

All employees must act in line with the Gifts, Hospitality and Ant-bribery Policy.

It is not acceptable for employees to:

- Give, promise or offer a payment, gift or hospitality with the expectation or hope that an advantage for the Trust will be received, or to reward an advantage already received.
- Give, promise or offer a payment, gift or hospitality to a government official, agent or representative to facilitate or expedite a routine procedure.
- Accept payment from a third party if they know or suspect that it is offered with the expectation of a business advantage in return.
- Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns regarding bribery.
- Engage in any activity that may lead to a breach of the Gifts, Hospitality.
- The Trust does not prohibit normal and appropriate hospitality or gifts (both given and received) if the following requirements are met:

- It is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in exchange for favours or benefits
- It is given in the Trust/school's name, not an individual's name
- It complies with local law
- It does not include cash or a cash equivalent, e.g. vouchers or gift certificate
- It is appropriate in the circumstances, e.g. the giving of small gifts at Christmas time
- The type and value of the gift is reasonable given the reason the gift is offered
- It is given openly, not secretly
- Gifts should not be offered to, or accepted from, government officials or representatives without the prior approval of the Executive Headteacher

Gifts of a value of £25 or less can be accepted from parents and pupils without approval from the Executive headteacher (providing that these gifts do not satisfy the conditions outlined above). These gifts do not need to be recorded in the Gifts and Hospitality Register.

Any gifts and hospitality given or received are recorded on the Gifts and Hospitality Register.

The advice of the school is to, in all circumstances, consider whether the gift or hospitality is reasonable and justified, and to consider the intention behind the gift.

### **Unacceptable practice**

Bribery is a fraudulent and corruptive act, and therefore it is not acceptable for employees to:

- Give, promise or offer a payment, gift or hospitality, with the expectation or hope that an advantage for the Greater Manchester Learning Trust will be received, or to reward an advantage already received.
- Give, promise or offer a payment, gift or hospitality to a government official, agent or representative to facilitate or expedite a routine procedure.
- Accept payment from a third party if they know or suspect that it is offered with an expectation of a business advantage in return.
- Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy.
- Engage in any activity that may lead to a breach of this policy.

## **Charitable donations**

Charitable donations are considered part of the Trust's wider purpose. The Trust supports a number of carefully selected charities. The Trust may also support fundraising events involving employees. The Trust and its schools only makes charitable donations that are legal and ethical. No donation must be offered or made in the Trust or school's name without the prior approval of the Trust Director of Finance.

## **7. Reporting suspected bribery**

Employees are encouraged to raise concerns about any suspicion of bribery or corruption at the earliest possible opportunity. Issues that should be reported include:

- Any suspected or actual attempts at bribery.
- Any concerns that an employee may be in receipt of bribes.
- Any concerns that an employee may be offering or delivering bribes.

All concerns should be reported following the procedure set out in the Trust's Whistleblowing Policy.

All reports of bribery will be investigated thoroughly, and in a timely manner, by the appropriate member of the senior leadership team and in the strictest confidence. Employees are required to assist in any investigation into possible or suspected bribery.

Employees who raise concerns in good faith will be supported by the Trust and the Trust will ensure that they are not subjected to any detrimental treatment as a consequence of their report. Any instances of detrimental treatment against an employee for reporting a suspicion will be treated as a disciplinary offence.

## **8. Systems of Internal Control**

The next line of defence against fraud is the establishment of operational systems, which incorporate adequate and effective internal controls designed to minimise the incidence of fraud, limit its impact and ensure its prompt detection. These controls include high-level management controls such as budgetary control (designed to identify fraud, which results in shortfalls in income or overspendings against expenditure) and organisational controls such as separation of duties, internal check and staff supervision. Personnel policies are also a key part of setting the culture and deterring fraud. This includes seeking to reduce the risk of employing dishonest staff by checking information supplied by employees and references obtained during the course of the recruitment process, including DBS checks.

The general framework of responsibilities for financial management and the policies relating to the broad control and management of the

Organisations are documented in the Scheme of Financial Delegation. The Scheme of Financial Delegation is issued and updated periodically by the Finance Director following approval by the Finance and Audit Committee on behalf of the Trust Board. They are binding on all officers, members of staff, students and constituent parts of the Organisation and are distributed to the Executive Headteacher, Senior Leadership Team and Financial Staff. The Trust Director of Finance has, in addition, issued a manual of Financial Procedures, which sets out in detail the expected controls, which should operate within the key operational system on a day to day basis.

The Organisation has also established a Finance and Audit Committee and an independent internal audit function which provides advice to management in respect of control matters and which conducts a cyclical programme of reviews of the adequacy and effectiveness of the systems which have been put in place (including those intended to minimise the potential exposure to fraud and corruption).

## **9. Fraud Response**

The Greater Manchester Learning Trust policies and procedures for ensuring that all allegations and reports of fraud or dishonesty are properly followed-up are considered in a consistent and fair manner and that prompt and effective action is taken to:

- minimise the risk of any subsequent losses;
- reduce any adverse operational effects;
- improve the likelihood and scale of recoveries;
- demonstrate that the Organisation retains control of its affairs in a crisis; and
- make a clear statement to employees and others that it is not a soft target for attempted fraud.

This includes both statements of general policy and specific steps to be taken when circumstances dictate and is necessary in order to reduce the following risks:

- inadequate communication so that action is late or inappropriate;
- lack of leadership and control so that investigators are not properly directed and waste time and effort;
- failure to react fast enough so that further losses are incurred or the evidence required for successful recovery or prosecution is lost;
- adverse publicity which could affect confidence in the Organisation; and
- creation of an environment, which, because it is perceived as being ill prepared, increases the risk of fraud.

The main responses to fraud at the Academy are as follows:

1. All officers, members of staff, students and constituent parts of The Greater Manchester Learning Trust are required to notify immediately the Trust Director of Finance of any financial irregularity, or any circumstance suggesting the possibility of irregularity, affecting the financial procedures, cash, stores or other property of the Organisation.
2. The Trust Finance Director/Finance Manager will ascertain whether or not the suspicions aroused have substance and if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required. The findings, conclusions and any recommendations arising from the preliminary investigation will be reported to the Executive Headteacher.
3. The Executive Headteacher will have the initial responsibility for coordinating the Organisation's response. In doing this he will liaise with the Human Resources Manager regarding potential employment issues. The Executive Headteacher will also seek expert legal advice from The Greater Manchester Learning Trust Solicitors on both employment and litigation issues before taking any further action.
4. The Executive Headteacher is required to notify the Chair of Trustees /Directors of any serious financial irregularity. This action will be taken at the first opportunity following the completion of the initial investigations and will involve keeping Internal Audit and Chair of Trustees fully informed between committee meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

If evidence of a fraud is forthcoming then the Chair of Trustees/Directors will inform the Education and Skills Funding Agency as required by the Funding Agreement and will consider whether or not to refer the matter to the police

## **10. Confidentiality and Safeguards**

The Greater Manchester Learning 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 victimisation and will do what it lawfully can to protect an individual when a concern is raised in good faith.

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.

Victimisation or harassment of anyone who has made a report is never tolerated.



Where possible, the identity of the person who made the report is kept confidential – their identity is only shared on a need-to-know basis.

There is a need to ensure that the process is not misused.

## **11. Related Documents**

The Trust Board 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 Anti-Fraud and Anti-Corruption policy attempts to consolidate those in one document and should be read in conjunction with the following Trust policies:

- Whistle-Blowing Policy
- Financial Regulations and Protocols
- Disciplinary Policy
- Equal Opportunities Policy