

DUDLEY ACADEMIESTRUST

Anti-Fraud Policy

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Our mission: Working together we will develop inspirational schools which instill ambition and desire in young learners, open their minds, widen their horizons and equip them to succeed in a challenging world.

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I. Introduction

Fraud, bribery, corruption, or other dishonesty, would adversely affect the Trust's reputation and put at risk its ability to achieve its objectives by diverting resources from the provision of education for the students.

The purpose of this policy is to confirm the academies commitment to preventing and detecting fraud, bribery and corruption.

[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:

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

The Act also created four new offences of:

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

[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'.

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.

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."

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

This Policy applies to Trustees, Local Advisory Committee members and all employees (full time, part time, temporary and casual) of the Trust and its academies.

2. Policy statement

The Trust expects all Trustees, Local Advisory Committee members, 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

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

Risk is managed through the existence and application of appropriate policies and procedures. The wide range of procedures in place to minimise the risk of fraud constitutes a major part of the system of internal control, which is designed to ensure the Trust conducts its business properly and effectively and completes its transactions fully, accurately and properly.

The responsibility for anti-fraud arrangements is widely dispersed. Trustees have to give clear support to the arrangements. The Chief Executive, central team and academy leadership teams must provide strong leadership by advocating the Trust's arrangements and supporting strong action when these are ignored.

The importance of a 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 Strategy, and maintains a culture that will not tolerate fraud, bribery or corruption;
- Trustees, Local Advisory Committee members and employees comply with respective Codes of Conduct;
- Risk Management procedures are in place;
- A Register of Interests is maintained to enable Members, Trustees, Local Advisory Committee members 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 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 (Whistleblowing) 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.

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.

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 the particular contract and will normally lead to prosecution.

5. Audit

The Business 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 Trust's identification and management of fraud risks. The Audit Team provides an independent appraisal of the integrity of all internal control systems.

6. Raising concerns

It is the duty of all members of staff, management, Trustees or local advisory committee members to notify the Chief Officer Finance & Resources immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety.

He or she will notify the CEO and the Business and Audit Committee (through its chair) of the suspected irregularity and shall take such steps as he or she considers necessary by way of investigation and report.

Any significant cases of fraud or irregularity shall be reported to the funding body in accordance with their requirements as set out in the Academies Financial Handbook.

The Business and Audit Committee shall commission such investigation as may be necessary of the suspected irregularity, by the internal audit service or others, as appropriate.

The internal audit service, or others commissioned to carry out an investigation, shall prepare a report for the Business and Audit Committee on the suspected irregularity. Such report shall include advice on preventative measures.

If the suspected fraud is thought to involve the Chief Officer Finance & Resources and/or the CEO, the member of staff shall notify the chair of the Business and Audit Committee direct of their concerns regarding irregularities and/or the Chair of the Board of Trustees.

7. Related documents

- Dudley Academies Trust Financial Regulations
- Whistleblowing Policy
- Academies Financial Handbook