Cumbria Education Trust

RESPECT | RESPONSIBILITY | RESILIENCE

Anti-Fraud and Corruption Policy

DOCUMENT CONTROL

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Please note that a record of the changes made to the original issue of this document can be found at Schedule 1 after any Appendices to the Policy/Procedure.

1. Introduction

1.1 CET strives to act with integrity and expects high standards of personal conduct and 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.

1.2 It is the duty of all employees, Directors, and LAB members to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Accounting Officer, Chief Finance Officer and auditors to review the adequacy of the measures taken by the Trust to test compliance and to draw attention to any weaknesses or omissions.

1.3 Fraud is deception carried out in order to gain an unfair advantage or to disadvantage another. It may involve the misuse of funds or other resources, or the supply of false information. Although there are low levels of fraud within the academies sector, trusts should be vigilant to the risks. Trusts should be equally vigilant and proactive in relation to cybercrime and have cyber security arrangements in place.

1.4 Corruption is dishonest behaviour by those in positions of power. Corruption can entail a variety of actions, including giving or accepting bribes or inappropriate gifts, double-dealing, and defrauding investors.

1.5 **Appendix A** gives a wider definition and examples of fraud, corruption, and gifts and hospitality.

2. Policy Statement

2.1 This policy defines Anti-Fraud and Corruption and principles surrounding relevant practices which should be followed and offers guidance on decisions around accepting and recording Gifts and Hospitality.

2.2 This policy has been developed with reference to DFE guidance on reducing fraud and the expected practices detail in the Academy Trust Handbook to raise awareness of the risk of fraud, theft, and irregularity and how this should be addressed through proportionate controls and the appropriate actions taken if fraud, theft, or irregularity is suspected or identified.

2.3 This policy is relevant to all CET employees, trustees and LAB members, parents / carers, and any suppliers / contractors.

2.4 CET 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 or corruption. In order to minimise the risk and impact of fraud, the Trust's objectives are; firstly, to create a culture which deters fraudulent activity, pursues preventative measures, and actively promotes detection and reporting and, secondly, to identify and document its response to cases of fraud and corrupt practices.

2.5 This policy, in line with CET's corporate values of integrity, consistency, impartiality, fairness and best practice, provides mutually understood guidelines for the administration of this procedures.

3. Guidance on Accepting and Recording Gifts and Hospitality

3.1 Members and staff must not accept any gifts or hospitality from any of their employments which might, or might reasonably appear to, compromise their personal judgement or integrity, or place them under an improper obligation. Members and staff must never canvass or seek gifts and hospitality.

3.2 **Appendix B** provides guidance which builds upon those included within the CET Staff Code of Conduct and will help judge what sort of gift, and what level of hospitality is acceptable.

4. Roles and Responsibilities

4.1 Staff, Directors, and LAB members

CET has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- a requirement for all staff, Directors, and LAB members to declare prejudicial interests and not contribute to business related to that interest.
- a requirement for staff, Directors, and LAB members to disclose personal interests.
- all staff, Directors and LAB members are made aware of the understanding on the acceptance of gifts and hospitality.
- clear recruitment policies and procedures;
- anti-fraud awareness training to enable the business support function to identify potentially fraudulent activities;
- Developed procurement practices and procedures.
- Robust Internal controls which ensure segregation of duties wherever possible; and Whistleblowing policy and procedures.

4.2 Accounting Officer

The Accounting Officer, who is the CEO, has specific responsibility for overseeing the financial arrangements on behalf of the Directors.

The main duties of the Responsible Officer are to provide the Directors with on-going independent assurance that:

- the financial responsibilities of the Directors 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 considered in reaching decisions.

4.3 Chief Finance Officer

The Chief Finance Officer, who is the Director of Finance, has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of CET.

In respect of fraud, it is therefore the responsibility of the Director of Finance to ensure internal controls prevent and detect any frauds promptly. This includes:

- proper procedures and financial systems.
- robust banking arrangements.
- effective management of financial records.
- management of the Trust's financial position; and
- anti-fraud awareness training.

5. Audit Arrangements

5.1 **External Audit** - CET'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 for Education (DfE**).**

5.2 **Internal Audit -** The approved annual internal audit programme provides assurance on CET's system of internal controls and the adequacy of fraud considerations. The Internal Auditor is independent and reports directly to the Audit and Risk Committee on such matters.

6. Reporting a Suspected Fraud

6.1 If there is concern or doubt about any aspect of a matter which involves an irregularity, or an ongoing investigation into a suspected irregularity **within a school**, the best approach is to seek advice from the Headteacher or if it relates to them (the Headteacher), then the matter should be referred to the Chair of the LAB.

6.2 For concerns relating to **Trust Services** activity this should be referred in the first instance to the Director of Finance or if the irregularity relates to them (the Director of Finance), then this should be referred to the CE. Concerns relating to the CE should be referred to the Chair of the Trust Board.

6.3 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.

7. Responses to Allegations

7.1 The Headteacher and/or Director of Finance will have initial responsibility for co-ordinating the response. In doing this, he/she will consult with the Head of HR regarding potential employment issues. The Headteacher/Director of Finance may also seek legal advice from CET's solicitors on both employment and litigation issues before taking any further action.

7.2 The Headteacher/Director of Finance will ascertain whether the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, they will pass the matter on to the Chair of LAB or for CET the Audit and Risk Committee, respectively. Even if there is no evidence to support the allegation, the matter must be reported.

7.3 Any investigation carried out in relation to alleged irregularities is linked to the CET Disciplinary Procedure.

7.4 The LAB or Audit and Risk Committee will delegate the management of the investigation:

- They will, if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required.
- They will determine whether the findings, conclusions and any recommendations arising from the preliminary investigation should be reported to the CE.
- If further investigations are required, they will determine which outside agencies should be involved (police, auditors).

7.5 The Headteacher/Director of Finance is required to notify the LAB/Audit and Risk Committee of any serious financial irregularities. This action will be taken at the first opportunity following the completion of the initial investigations and will involve keeping the Chair of the LAB/Audit and Risk Committee fully informed between committee meetings of any developments relating to serious control weaknesses, fraud, or major accounting breakdowns.

7.6 If evidence of fraud is forthcoming, then the Trust Board/CE will inform the DfE and will consider whether or not to refer the matter to the police.

7.7 The Board of Trustees must notify ESFA, of all instances of fraud, theft or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year. Unusual or systematic fraud, regardless of value, must also be reported via email to allegations.mailbox@education.gov.uk providing:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken by the trust to prevent recurrence.
- whether the matter was referred to the police (and if not, why)
- whether insurance cover or the risk protection arrangement has offset any loss

8. Confidentiality and Safeguards

8.1 CET 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. The matter of confidential reporting is contained within the Trust's Whistleblowing Policy.

8.2 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. In these circumstances there is a need to ensure that the process is not misused. For further guidance on such matters the Trust's Disciplinary, Grievance and Capability policies should be referred to and HR advice sought.

8.3 All staff members, Directors, and LAB members also have a duty to report another member of staff, Director, or LAB member whose conduct is reasonably believed to represent a failure to comply with the above.

9. Links with other Policies

This Anti-Fraud should be read in conjunction with the following Academy policies:

- CET Disciplinary Procedure
- CET Equality Policy – Part 1
- CET Financial Handbook
- CET Staff Code of Conduct
- CET Whistleblowing Policy and Procedure

Further reading:

- Academy trust guide to reducing fraud - GOV.UK
- Academy Trust Handbook

Appendix A – Definitions

Irregularities fall within the following broad categories, the first three of which are criminal offences:

- **Fraud**

  Fraud is a general term covering theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these "others" are in ignorance of the fraud. Fraud is in fact intentional deceit and for this reason it cannot include negligence.

  Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices, and falsification of accounts.

  The term 'corrupt practices' is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by Trust staff, Directors, or LAB members.

- **Theft** - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession.

- **Bribery and corruption (Gifts & Hospitality – see Point 5)** – involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement.

- **Failure to observe**, or breaches of, Scheme of Delegation and Financial Regulations; Trust Procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

Examples of what could constitute fraud and corruption are:

- theft of cash.
- non-receipt of income;
- substitution of personal cheques for cash
- travelling and subsistence claims inflated or for non- existent journeys/events.
- manipulating documentation to increase salaries/wages received, e.g. false overtime claims.
- payment of invoices for goods received by an individual rather than the Academy.
    - failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Trust.
    - unauthorised borrowing of equipment.
    - breaches of confidentiality regarding information.
    - failure to declare a direct pecuniary or otherwise conflicting interest.
    - concealing a generous gift or reward.
    - unfairly influencing the award of a contract.
    - creation of false documents.
    - deception.
    - using position for personal reward.

The above list is not exhaustive, and fraud and corruption can take many different paths. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the Director of Finance or Headteacher.

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. See appendix B for further guidance.

Appendix B - Guidance on Gifts and Hospitality

The following guidance supports decisions on receipt of gifts and hospitality as an employee, director, or LAB member of the Trust:

- To accept gifts should be the exception. You may accept small ‘thank you’ gifts of a reasonable value, such as a diary, a coffee mug or bunch of flowers, not over £25 in value. You should notify the Clerk to the Trust Board of any gift or hospitality over this value for entry in the Register of Business Interests.
- Always say “no” if you think the giver has an ulterior motive. Be sensitive to the possibility that the giver may think that even small gifts or simple hospitality will elicit a prompter service or preferential treatment.
- Never accept a gift or hospitality from anyone who is, or may be in the foreseeable future, tendering for any contract with the Trust or Academy, seeking employment with the Trust or is in dispute with the Trust, even if you are not directly involved in that service area.
- Where items purchased for the Trust include a ‘free gift,’ such a gift should either be used for Trust business or handed to the School Administrator or Director of Finance to be used for charity raffles.
- If you are in doubt about the acceptability of any gift or offer of hospitality, it is your responsibility to consult the Headteacher or the Director of Finance.
- Any gift must be recorded in the corporate gift log held within each school.

A gauge of what is acceptable in terms of hospitality is whether CET would offer a similar level of hospitality in similar circumstances.

- Occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business provided, they are not to an unreasonable level or cost.
- Invitations to corporate hospitality events must each be judged on their merit. Provided the general rules have been taken into account, it may be acceptable to join other company/organisation guests at:
  a) sponsored cultural and sporting events, or other public performances, as a representative of the Trust.
  b) special events or celebrations.

  Consider the number of these events and always take into consideration what public perception is likely to be if they knew you were attending.
- Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited employee. In all such cases, the Headteacher or Director of Finance must be consulted.
- Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.
- If you are visiting a company to view equipment that the Trust is considering buying, you should ensure that expenses of the trip are paid by the Trust. Acceptance of refreshments and/or a working lunch may be acceptable, but care must be taken to ensure that the Trust’s purchasing and/or tender procedures are not compromised.
- Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to your work are acceptable.

- Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent the Trust must be agreed in advance with a Headteacher or Director of Finance or CE Where your spouse or partner is included in the invitation, and approval has been given for you to attend, it will be acceptable for your spouse or partner to attend as well, but if expenses are incurred, these will be met personally.
- Any invitation you accept should be made to you in your professional/working capacity as a representative of CET.

SCHEDULE 1

DOCUMENT CONTROL – RECORD OF CHANGES

Version Number:	**Publication Date:**	**Nature of, and Reason for, Change(s)**
001	October 2020	Original.
002	December 2021	Reviewed with minor updates.
003	November 2023	Reviewed with minor updates.
004	December 2024	Policy undergone reformatting to make it a smoother read; also • Reviewed to reflect updated DFE fraud guidance and reference to Academy Trust Handbook requirements and updated DFE reporting arrangements. • Updated responsibilities of posts – Director of Finance replaces Operations Director for reporting matters . • Clearer definitions on types of irregularities • Clearer guidance on accepting gifts and hospitality shown as separate Appendix B • Additions to internal controls on which reliance is placed to prevent and detect fraud. • Addition of role of Internal Audit in counter fud measures
---	November 2025	Reviewed and no changes required.