



CORINIUM  
EDUCATION  
TRUST

## Anti-Fraud and Corruption Policy

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## Anti-Fraud and Corruption Policy

### 1. Policy statement

- 1.1 The Corinium Education Trust (the Trust) is committed to operating with the highest ethical standards and acting with integrity in all activities. Everyone involved with the Trust has a responsibility in respect of preventing and detecting fraud. All staff, Trustees and members of Local Governing Bodies 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 It is the duty of all employees, Trustees, and members of Local Governing Bodies (LGB) to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the internal control staff 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.
- 1.4 Any investigation carried out in relation to alleged irregularities is linked to the Trust's Disciplinary policy.
- 1.5 This policy sets out our responsibilities regarding the prevention of fraud and corruption, and the promotion of an ethical culture.

### 2. Legal framework

- 2.1 This policy has due regard to all relevant legislation and guidance including, but not limited to, the following:
  - Public Interest Disclosure Act 1998
  - Terrorism Act 2000
  - Proceeds of Crime Act 2002
  - Companies Act 2006
  - Fraud Act 2006
  - Bribery Act 2010
  - Charities Act 2011
  - ESFA (2022) 'Academy trust handbook 2022'
- 2.2 This policy operates in conjunction with the following Trust policies:
  - Cyber Security Policy
  - Disciplinary Policy
  - Finance Policy
  - Staff Code of Conduct
  - Trustee and Governor Code of Conduct
  - Whistleblowing Policy

### 3. Definitions

- 3.1 **Fraud** is a criminal offence, which is defined in 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.
- 3.2 **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.
- 3.3 **Theft** is dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.

- 3.4 **Bribery** is defined by the Bribery Act 2010 as inducement for action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards, or other advantages.
- 3.5 In this policy, 'fraud' will be used to refer to all the definitions outlined above in 3.1 to 3.4. 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 the Trust or any school within the Trust and its staff, Trustees, and members of LGBs.
- 3.6 Gifts and Hospitality
- Any gifts, rewards and benefits that are disproportionately generous (see Section 5 below for guidance as to what is disproportionate) or that could be seen as an inducement to affect a business decision should be declared.
  - The acceptance of gifts and hospitality can easily be misconstrued. Therefore, all Trustees and employees' actions should be such that they would not be embarrassed to explain them to anyone.
- 3.7 "Irregularities" fall within the following broad categories, the first three of which are criminal offences –
- Theft
  - Fraud;
  - Bribery and corruption
  - Failure to observe, or breaches of, the Scheme of Delegation, Financial Regulations and the Trust's financial procedures.
- 3.8 Theft, fraud and corruption may consist of but are not limited to -
- theft of cash;
  - non-receipt of income;
  - substitution of personal cheques for cash;
  - travelling and subsistence claims for non-existent journeys/events;
  - travelling and subsistence claims inflated;
  - manipulating documentation to increase salaries/wages payable, e.g. false overtime claims;
  - payment of invoices for goods received by an individual rather than the Trust;
  - failure to observe internal regulations and/or other associated procedures 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 gift or reward;
  - inappropriately influencing the award of a contract;
  - creation of false documents;
  - deception;
  - using position for personal reward.
- 3.9 The above list is not exhaustive, and theft, fraud and corruption can take many different forms. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the Director of Finance and Operations.

## **4. Creating an ethical culture**

- 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. 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.
- 4.2 Overarching anti-fraud awareness training will be held for all employees. Role-specific training will also be provided to employees with responsibility for the Trust's internal controls or financial procedures on induction or when a procedure changes.
- 4.3 Employees will be encouraged to report any concerns, and clear reporting mechanisms will be implemented and communicated. Victimisation or harassment of anyone who has made a report of a concern will not be tolerated.

## **5. Gifts and Hospitality**

- 5.1 These guidelines will help you to judge what sort of gift, and what level of hospitality is acceptable.
- 5.2 The following general rules apply and must guide decisions on receipt of gifts and hospitality as an employee of the Trust:
- Acceptance of gifts should be the exception. You may accept small 'thank you' gifts of token value, such as chocolates, a diary, a coffee mug or bunch of flowers, not over £50 in value. Acceptance of any gift or hospitality over this value should be notified to the Director of Finance and Operations for entry in the Trust's Gift Register and reporting to the Audit Committee on a regular basis.
  - 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, 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 Director of Finance and Operations to be used for the benefit of the Trust.
  - Employees in any doubt about the acceptability of any gift or offer of hospitality has a responsibility to consult the Director of Finance and Operations or Trust Lead (CEO) before any acceptance.
- 5.3 A gauge of what is acceptable in terms of hospitality is whether the Trust would offer a similar level of hospitality in similar circumstances.
- 5.4 Accordingly, and where the circumstances require it, 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.
- 5.5 Invitations to corporate hospitality events must each be judged individually. Provided the general rules have been taken into account, it may be acceptable to join other company/organisation guests at:
- sponsored cultural and sporting events, or other public performances, as a representative of the Trust or school;
  - special events or celebrations.
- 5.6 But, consider the number of these events, and always take into consideration what the public perception is likely to be if they knew you were attending.

- 5.7 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 cases of the kind referred to at paragraph 5.5 the Headteacher or Trust Lead (CEO) must be consulted.
- 5.8 Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.
- 5.9 If you are visiting a company to view equipment/services 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.
- 5.10 Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to your work are acceptable.
- 5.11 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. 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 by you personally.
- 5.12 Any invitation you accept should be made to you in your professional/working capacity as a representative of the Trust.

## **6. Roles and Responsibilities**

- 6.1 Overall responsibility for dealing with fraud lies with the accounting officer. Responsibilities of the accounting officer will include:
- Overseeing the development and implementation of a system of internal controls that aim to minimise the risk of fraud.
  - Overseeing the financial transactions and the development and implementation of effective financial regulations, policies, and procedures to prevent losses and misuse.
  - Ensuring bank accounts, financial systems and financial records are operated by more than one person.
  - Ensuring resources are being managed in an ethical, efficient, and economical manner.
  - Ensuring that rigorous investigations of potential fraud are carried out promptly.
  - Ensuring the appropriate legal and/or disciplinary action is taken where fraud is proven.
  - Ensuring that appropriate action is taken to recover assets and minimise loss.
  - Keeping full and accurate accounting records and producing the trust's annual accounts, including a statement on regularity, propriety, and compliance.
  - Advising the Board of Trustees in writing if action it is considering is incompatible with the Articles of Association, funding agreement, and notifying the ESFA's accounting officer if the Board proceeds with action considered to be in breach.
- 6.2 All employees (including volunteers and temporary staff) and third parties that work with the trust will be responsible for:
- Demonstrating the highest standards of honesty, probity, openness and integrity in the discharge of their duties.
  - Complying with the provisions outlined in this policy.
  - Being vigilant to the risks and indicators of fraud.
  - Promoting an ethical, anti-fraud culture.

- Reporting their concerns in relation to fraud to the Director of Finance and Operations and/or Trust Lead (CEO).
- Reporting any breach of this policy to the Director of Finance and Operations and/or Trust Lead (CEO).
- Providing information about any conflicts of interest and direct or indirect pecuniary interests to the headteacher.

### 6.3 Internal Control Review

- The Trust will procure external resources to undertake regular internal control reviews of all aspects of the Trust's operations on behalf of the Trustees. The main purpose of this role will be to provide the Trustees with on-going independent assurance that:
  - The financial responsibilities of the Trust 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.

A summary of internal control work and findings of internal control reviews must be published each year alongside the annual report and accounts.

### 6.4 Director of Finance and Operations

- The Director of Finance and Operations 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 the responsibility of the Director of Finance and Operations to ensure internal controls prevent and detect any frauds promptly. The Director of Finance and Operations will be responsible for:
  - assessing the areas of the Trust that are most vulnerable to fraud, in conjunction with the senior leadership team;
  - Conducting an initial investigation where a report of fraud is made, in conjunction with the Trust Lead (CEO);
  - Contacting the ESFA to request prior approval for any transactions beyond the Trust's delegation limits, and transactions that are novel, contentious or repercussive.

### 6.5 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 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.

## **7. Reporting concerns and making allegations**

7.1 All allegations of suspected fraud and irregularities are to be brought to the attention of the Director of Finance and Operations and referred to the Trust Lead (CEO) or relevant Headteacher, unless this individual is involved in the irregularity in which case the Chair of Trustees should be informed. Allegations involving trustees or governors are to be made to the Trust Lead (CEO) in their capacity as Accounting Officer.

7.2 Third parties who have dealings with the trust will be expected to report any concerns to the Trust Lead (CEO) or the Chair of Trustees, depending on what the allegation involves. Any person with a concern or allegation will not investigate the matter themselves. Refer to the Trust's Whistleblowing Policy for further guidance.

## **8. Investigating reports of Irregularities.**

- 8.1 The Trust Lead (CEO) and/or the Director of Finance and Operations will have initial responsibility for co-ordinating the initial response. In doing this he/she will ascertain the facts relevant to the report and consult with the Human Resource advisors regarding potential employment issues. They may also seek legal advice from the Trust's solicitors on both employment and litigation issues before taking any further action.
- 8.2 The Director of Finance and/or Trust Lead (CEO) will ascertain whether or not the report appears to have any substance. In every case, and as soon as possible after the initial investigation, they will pass the matter on to the Chair of the Audit and Risk Committee. Even if there is no evidence to support the allegation, the fact of the report of the matter must be reported.
- 8.3 The Audit and Risk Committee will undertake 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 collect relevant evidence, interview all relevant people, and analyse any related documentation.
  - They will decide if the evidence suggests that the allegation or concern is proven.
  - They will recommend any changes to the internal controls following the findings.
  - They will determine whether the findings, conclusions and any recommendations arising from the preliminary investigation should be reported to the Chair of Trustees.
  - If further investigations are required, they will determine which outside agencies should be involved (police, auditors etc.).
- 8.4 The Trust Lead (CEO) is required to notify the Trustees 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 Trustees fully informed between meetings of any developments relating to significant control weaknesses, fraud or significant accounting breakdowns.
- 8.5 The Audit and Risk Committee will, where possible, quantify any potential or actual financial loss and ensure steps are taken at an early stage to prevent further loss occurring. The audit and risk committee will notify the trust's external auditor of any cases it is investigating, and of the outcome of these cases.
- 8.6 All concerns and reports will be taken seriously and investigated in line with the process outlined above. Reporters will be asked to provide any evidence they have to support their allegations. Any person who makes a report will be reassured that they will not suffer recrimination because of raising any reasonably held suspicion.
- 8.7 Reports will be investigated objectively; the facts will be considered as they appear, based on the information to hand. Individuals about which a report is made will not be challenged or approached directly prior to an investigation.

## **9. Reporting to the ESFA**

- 9.1 The Chair of Trustees will report any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year, to the ESFA as soon as possible. Systematic fraud, regardless of value, will also be reported, as well any frauds deemed of note to the ESFA. When making a report to the ESFA, the Accounting Officer will provide the following information:
- Full details of the event(s) with dates;
  - The financial value of the loss;
  - Measures that have been taken to prevent recurrence;
  - Whether the matter was referred to the police, and, if not, the reasoning behind this; and
  - Whether insurance or the risk protection arrangement (RPA) have offset any loss.
- 9.2 Following a report, the ESFA may conduct or commission its own investigation into actual or potential fraud, theft or irregularity in the trust, either as a result of a notification from the trust or from other information the ESFA has received. Other authorities, including the police, may be involved in the investigation.

## **10. Following an investigation**

- 10.1 The Trust will seek to apply appropriate criminal, civil and disciplinary sanctions to all cases of proven fraud and corruption. Where fraud involving an employee is proven, this constitutes gross misconduct and cases will be dealt with accordingly in line with the Disciplinary Policy.
- 10.2 The Trust may terminate the contracts of any third party or other associated person acting on behalf of the Trust where they are found to have breached this policy. Disciplinary action may be taken against employees that make malicious reports of fraud.
- 10.3 Where appropriate, cases will be referred to the police in order for them to consider taking criminal action.
- 10.4 Following any incident of fraud, a 'lessons learned' exercise will be conducted. All individuals involved in the investigation of the case will be involved in the activity, which will aim to identify areas of internal controls or other procedures that should be improved to prevent further cases occurring.

## **11. Cybercrime and cyber security**

- 11.1 The Trust will be vigilant to cybercrime and clear cyber security measures and proportionate controls will be implemented, as outlined in the Cyber Security Policy. Appropriate action will be taken where a cyber security incident occurs, in line with the Trust's Cyber Response and Recovery Plan.
- 11.2 The following measures will be implemented specifically relating to addressing the risk of fraud:
- Firewalls, anti-virus software and strong passwords will be used;
  - Data will be routinely and securely backed up; and
  - A restricted number of devices will be used to access financial or other sensitive data.
- 11.3 Staff will receive training to ensure they:
- Check the sender of an email is genuine before, for example, sending payment, data, or passwords.
  - Make direct contact with the sender where an email requests a payment – this will be done in person where possible, but at a minimum staff must use another method other than the direct reply function, such as a phone call.
  - Understand the risks of using public WiFi.
  - Understand the risks of not following payment checks and measures.



- 11.4 Any suspected incidents of fraud relating to cybersecurity will be reported and investigated as outlined above.
- 11.5 The trust will follow the National Crime Agency's (NCA) recommendation to not pay cyber ransom demands. Any decision to pay a cyber ransom demand will only be made if permission has been obtained from the ESFA.

## **12. Anti-Money laundering**

- 12.1 "Money laundering" relates to offences concerning the possession, concealment, conversion, transfer or making of arrangements relating to the proceeds of crime. This is not limited to money or cash.
- 12.2 Trustees will take appropriate and reasonable steps to ascertain where funds received by the Trust come from. This includes:
- Identifying who they are dealing with.
  - Verifying identities and whether those verified pose any form of risk to the Trust.
  - Checking the nature of the organisation's or individual's business to be assured that this is appropriate for the trust to be involved with.
  - Watching out for unusual, complex or suspicious activities, conducts or requests.
  - Ensuring that any conditions attached to receiving the funds are appropriate and can be accepted and there is reasonable assurance that the funds are not from any illegal or inappropriate source.
- 12.3 All decisions by Trustees to accept or refuse donations will be recorded in writing to demonstrate that decisions were taken responsibly, with due consideration given to any risks.
- 12.4 Payments by cash will only be accepted by the Trust up to a value of £500 from known individuals and organisations.
- 12.5 Any concerns held by staff relating to money laundering will be raised with the Accounting Officer. Where the Trust knows or suspects that an individual or organisation is engaged in money laundering or dealing in criminal property, the accounting officer will submit a suspicious activity report (SAR) to the NCA. The individual or organisation the report concerns will not be informed of the suspicion. Careful consideration will be given to the trust's relationship with the individual or organisation once the report has been submitted.

## **13. Confidentiality and Safeguards**

- 13.1 The 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.
- 13.2 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 because of the concern being reported.
- 13.3 Where possible, the identity of the person who made the report will be kept confidential; their identity will only be shared on a need-to-know basis. The identity of the individual(s) about whom an allegation is made will also be kept confidential, and only shared on a need-to-know basis. Where an allegation is shown to be unfounded or malicious, the individual about whom the allegation was made will be provided with appropriate support.

## Document History

<b>Creation Date</b>	March 2018
<b>Trust Lead</b>	Director of Finance and Operations
<b>Approved by</b>	Trustees
<b>First approval date</b>	April 2018
<b>Review frequency</b>	2 years
<b>Last review/approval date</b>	March 2023

<b>Review date</b>	<b>Significant amendments</b>	<b>Made by</b>	<b>Next review</b>
5/5/2020	Added requirement for Internal Control report as part of Annual Report	MD	May 2020
Nov 2022	Reviewed for reasonableness	JW	Nov 2024
March 2023	“House” policy style applied, removal of summary. Comparison to The School Bus model policy. Observations from Anti-Fraud internal audit incorporated.	TJR	March 2024