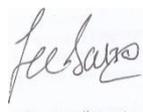


Epping Forest Schools Partnership Trust

*Unlocking the Potential of Collaboration*

# Anti-Fraud, Corruption and Bribery Policy

This policy was ratified by the Board of Trustees on:	17 <sup>th</sup> October 2019
Signed by the Chair of Trustees:	
This policy will be reviewed by the Trust on an annual basis. Next review date:	October 2020

## **Fraud Policy Statement**

The Epping Forest Schools Partnership Trust (EFSPT) has a duty to its stakeholders to take all responsible steps to prevent fraud occurring, whether perpetrated by staff, students, contractors, suppliers or any member of the public.

The Trust will maintain robust control mechanisms to both prevent and detect fraud. All managers have a responsibility for maintaining agreed, documented control systems and must be seen to be setting an example by complying fully with procedures and controls. The effectiveness of controls is subject to cyclical review by the internal audit system.

All members of staff have a responsibility to protect the assets and reputation of the Trust and are expected to be alert to the potential for fraud.

Confidential mechanisms have been established to report concerns.

## **Introduction**

The EFSPT is determined to demonstrate that it will not tolerate fraud, corruption or abuse of position for personal gain, wherever it may be found, in any area of the Trust's activities.

The Trust considers that all instances of fraud, corruption and other dishonesty endanger the achievement of the Trust's policies and objectives, diverting its limited resources from the provision of education. There is a clear recognition that the abuse of the Trust's resources, assets and services undermines the Trust's reputation and also threatens its sound financial standing.

The purpose of this policy is to set out the Trust's main objectives for countering fraud and corruption. This policy:

- Defines fraud, corruption and bribery.
- Identifies the scope of the applicability of the policy.
- Sets out the Trust's intended culture and stance against fraud, corruption and bribery.
- Identifies how to raise concerns and to report malpractice.

## **Definitions**

### **1. Fraud**

Fraud is a range of abuse and malpractice that is covered by the Fraud Act 2006.

Fraud can be defined as an abuse of knowledge or position or deception that is done deliberately to create an unfair gain for the perpetrator or for a related person or entity and / or cause a disadvantage to another. It can take place in many ways: withholding information, deliberately misleading, misrepresenting a situation to others or by abuse of position. Irrespective of the definition applied, fraud is always deceitful, immoral and intentional and creates an unfair gain for one party and / or a disadvantage for another.

This issue: October 2019  
Last issue: December 2018

Gains and losses do not have to be direct. A gain to a related party or company through intentional abuse of position, albeit not directly to the officer involved, is still fraudulent. In the same way, using the Academy's name to procure personal goods and services is also fraudulent; where there is deliberate abuse of position to make a gain in the form of goods and services at a discount price or to get the Academy to pay for them.

## **2. Corruption**

Corruption will normally involve the above with some bribe, threat or reward being involved.

## **3. Bribery**

There are four key offences under the Bribery Act 2010:

1. bribery of another person
2. accepting a bribe
3. bribing a foreign official
4. failing to prevent bribery

Bribery is not tolerated. It is unacceptable to:

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give, 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 that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy;

## **4. Facilitation Payments**

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

### **Scope of Policy**

The Policy Statement applies to all members of the Trust, its Local Governing Bodies, and all employees (full time, part time, temporary and casual).

The Trust expects that individuals and organisations (e.g. partners, suppliers, contractors, and service providers) with which it deals will act with integrity and without thought or actions involving fraud 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.

The Trust recognises the importance of the seven principles of public life defined by the Nolan Committee 1995, and expects all Trustees, Members, governors, employees and those acting as its agents to conduct themselves according to them. The seven principles are worthy of being read by all; ·

- **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.

Through observance of these principles the Trust requires the Trustees, Members, governors, employees and its agents to be alert to the possibility of fraud, corruption and dishonesty in all their dealings.

The Trust also requires that those employees responsible for its systems and procedures should design and operate systems and procedures which endeavour to minimise losses due to fraud, corruption, and other dishonest action and abuse.

### **Culture & stance against fraud & corruption**

The EFSPT is determined that the culture and tone of the organisation will be one of honesty and opposition to fraud and corruption of any kind. The Trust expects that the Trustees, Members, governors and employees at all levels will lead by example in ensuring adherence to approved policies, financial regulations, codes of conduct and prescribed procedures and practices.

The Trust implements and maintains systems of accountability and controls to ensure that its resources are properly applied in the way it intended. These systems include, as far as is practical, adequate internal controls to detect not only significant errors but also importantly, fraud and corruption.

The Trust's Finance and Audit Committee is responsible for overseeing internal controls, financial regularity and rigorous risk management.

## **Reporting Concerns**

All actual or suspected incidents of fraud, corruption or bribery in a school should be reported without delay to the Headteacher who must report immediately to the Trust Finance Manager (TFM) of the Trust. Any other actual or suspected incidents of fraud, corruption or bribery in the Trust must be reported immediately directly to the Trust Finance Manager.

In either instance, if the TFM is not available on the day the incident is reported, or if there are concerns about reporting to the TFM, the incident should be reported immediately to the CEO of the Trust. If the CEO is not available on the day or there are concerns about reporting to the person holding that role, the incident should be immediately reported to the Chair of Trustees.

When staff report suspected fraud, it is important that their suspicions are treated seriously and that all details provided by the reporting employee are recorded accurately and in a timely manner. They should be signed by the reporting employee to confirm understanding. It is essential that staff are put at ease, since the decision to report the suspected fraud may be traumatic for the individual concerned. Those reporting fraud should be assured that all information will be dealt with in the strictest confidence and that anonymity will be preserved if requested in the first instance; however, anonymity may not be able to be preserved if it is incompatible with a full and fair investigation.

Once the TFM has received recorded details of the case, he or she should, within 24 hours, hold a meeting of the fraud investigation group, comprising the TFM, CEO and HR Manager to decide on the initial response. The fraud investigation group should report the incident and their response to the Board of Trustees within 24 hours and keep him or her informed about progress in dealing with the incident.

The fraud investigation group will follow the guidance provided by CIPFA's 'model set of financial regulations' for Academies 2013 – 'procedure for fraud prevention, detection and investigation' and 'fraud response plan'.

Staff adhering to procedures, and who are not inhibited to challenge matters which do not appear to be correct, provide the best protection against fraud and corruption. It is essential, therefore, that this policy is fully communicated to staff. The policy must be published to staff. Regular staff notices regarding financial procedures must be communicated to staff.

## **Monitoring and Review**

The CEO, in conjunction with the TFM and HR Officer, has overall responsibility for the maintenance and operation of this policy. This policy will be reviewed on an annual basis by the Trust's Finance and Audit Committee.

## **APPENDIX**

### **EFA anti-fraud checklist for academy trusts**

The EFA have published an anti-fraud checklist for academy trusts. It is noted that fraud occurs in every sector and although the level of identified fraud in academies is low, trusts must be aware of the potential for it to occur. The ten questions included in the checklist are intended to help governors, accounting officers and heads of finance to review their arrangements for preventing, detecting and dealing with fraud should it occur.

The risk of fraud is considered on an ongoing basis through the BWCAT risk register which is discussed at the Trust's Finance and Audit Committee; the schedule for internal audit; the annually updated financial procedures handbook; the annually updated delegated levels of authority and the overall compliance with the 'EFA Financial Handbook for Academies', driven by the staff in the central Trust office through their own independent checks and training update sessions. A summary of the Finance Handbook 'musts' is discussed and circulated to all of the Headteachers in the Trust annually in September.

The 10 questions that we must always be aware of are:

1. Are directors and the accounting officer aware of the risk of fraud and their responsibilities regarding fraud?
2. Is fraud included within the remit of the Trust's Finance and Audit committee?
3. Has the role of the external auditor and responsible officer or equivalent regarding fraud been established and is it understood?
4. Is fraud risk considered within the Trust's risk management process?
5. Does the Trust have a fraud strategy or policy and is there a 'zero tolerance' culture to fraud in the Trust?
6. Is the strategy, policy and 'zero tolerance' culture promoted within the Trust, for example through financial regulations, disciplinary procedures, checks on new staff, induction process, staff training and the vetting of contractors?
7. Does the Trust have policies on whistleblowing, declaration of interests and the receipt of gifts and hospitality?
8. Does the Trust have appropriate segregation of duties?
9. Is it clear to whom suspicions of fraud in the Trust should be reported?
10. If there has been any fraud in the Trust, has a 'lessons learned' exercise been undertaken?