



ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY

Reviewed: September 2018

Next Review: September 2021

SECTION A: INTRODUCTION

- 1 Introduction**
- 2 What are Fraud, Bribery and Corruption?**
- 3 Purpose of this Document**
- 4 Scope of this Document**
- 5 Anti-Fraud, Bribery and Corruption Framework**
- 6 Responsibility for this Document**
- 7 Review**
- 8 Where to find more information**

SECTION B: ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY STATEMENT

SECTION C: ANTI-FRAUD, BRIBERY AND CORRUPTION STRATEGY

- 1 Objectives of the Anti-Fraud, Bribery and Corruption Strategy**
- 2 How the Trust manages the risk of fraud, bribery and corruption**
- 3 Training**
- 4 Audit**
- 5 Working with others to prevent and fight fraud**
- 6 Culture**
- 7 Raising Concerns**
- 8 Referrals to the Police**
- 9 Sanctions and Redress**

APPENDICES

- 1 Anti-Fraud, Bribery and Corruption framework**
- 2 Contact Information**
- 3 Responsibilities**

Hull Collaborative Academy Trust

ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY

SECTION A: INTRODUCTION

1 Introduction

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

Hull Collaborative Academy Trust will not, therefore, tolerate fraud, bribery or corruption in any area of Trust activity.

2 What are Fraud, Bribery and Corruption?

Fraud

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)*¹ 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 1968 Theft Act 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'.

Bribery

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

¹ CIPFA is the professional accountancy organisation representing the public sector

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 Council 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

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 document. For the purposes of the document the term also includes theft, bribery and corruption.

Examples include 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 received – eg false overtime claims;
- Payment of invoices for goods received by an individual rather than the Trust;
- 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;
- Creating 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 Headteacher, Strategic Business Manager or Chief Financial Officer.

3 Purpose of this Document

The purpose of this document is to confirm the Trust's commitment to preventing and detecting fraud, bribery and corruption.

The Policy Statement identifies the Trust's overall stance relating to fraud and its expectations.

The Strategy describes the Trust's approach to minimising the risk of fraud. The key objectives of the Strategy are to enable the Trust to minimise risk and any losses it experiences through fraud, bribery and/or corruption and to embed the management of fraud risk within the culture of the organisation.

4 Scope of this Document

The Anti-Fraud, Bribery and Corruption Policy and Strategy document applies to Members, Trustees, Governors and all employees (full time, part time, temporary and casual) of the Trust as well as suppliers.

5 Anti-Fraud, Bribery and Corruption Framework

The Trust's Anti-Fraud, Bribery and Corruption Policy and Strategy form part of the Trust's Anti-Fraud, Bribery and Corruption Framework. The framework, at **Appendix 1**, is a series of inter-related actions and procedures designed to prevent and detect fraud, bribery or corruption and to take robust action where it is suspected.

The Trust is committed to the continuous development of the Framework to ensure that it remains up to date and valid in the light of the dynamic risk environment in which the Trust operates.

The Policy, Strategy and Framework all form part of the Trust's wider governance arrangements that are designed to ensure the Trust conducts its business effectively and properly, including safeguarding its resources and effectively meeting its responsibility for the safe stewardship of Public money.

6 Responsibility for this Document

The Governing Body has overall responsibility for the maintenance and operation of this Policy and Strategy.

7 Review

The Trust maintains a continuous overview of its arrangements for managing the risk of fraud. A regular review of the Policy and Strategy is carried out and the documents are revised as appropriate to reflect any key changes and to incorporate current best practice.

In assessing the effectiveness of its arrangements, the Trust will consider the extent to which:

- key personnel are trained in detecting and investigating fraud,
- identified incidents are investigated,
- perpetrators are robustly dealt with,
- the Trust responds to identified weaknesses in its systems and controls,
- there is any trend in incidents experienced,
- perpetrators are prosecuted,
- recovery of losses is sought.

8 Where to find more information

This document includes a diagram of the Trust's Anti-Fraud, Bribery and Corruption Framework (Appendix 1). The document specifically contains the Trust's Anti-Fraud, Bribery and Corruption Policy and Strategy, which is part of the Framework.

A full list of contacts can be found in **Appendix 2**.

SECTION B: ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY STATEMENT

Hull Collaborative Academy Trust expects all Members, Trustees, Governors, 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.

The Trust requires Members, Trustees, Governors and employees at all levels to lead by example in adhering to legal requirements, financial rules, contract procedure rules, codes of conduct, and prescribed procedures and practices.

The Trust requires Members, Trustees, Governors, Headteacher and other senior staff to design and operate systems and procedures that will minimise losses due to fraud, bribery, corruption and other dishonest action.

The Trust expects Members, Trustees, Governors, Headteacher and employees to be alert to the possibility of fraud, bribery and corruption in all their dealings.

The Trust will provide clear routes by which concerns can be raised internally by both Governors, Headteacher and employees, and externally by other stakeholders and the public.

The Trust will not tolerate fraud. Employees found to be defrauding the Trust face dismissal under the disciplinary process. Employees and any other parties defrauding

the Trust e.g. claimants or contractors will have their cases referred to the Police.

SECTION C: ANTI-FRAUD, BRIBERY AND CORRUPTION STRATEGY

1 Objectives of the Anti-Fraud, Bribery and Corruption Strategy

The Strategy describes the Trust's approach to minimising the risk of fraud. The key objectives of the Strategy are to enable the Trust to reduce the opportunity for fraud and to create a culture where fraud is unacceptable.

These objectives will be achieved by ongoing revision and implementation of an action plan based upon guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Audit Commission.

2 How the Trust manages the risk of fraud, bribery and corruption

The way in which the Trust manages the risk of fraud, bribery and corruption is shown diagrammatically in the Anti-Fraud, Bribery and Corruption Framework, which can be seen in Appendix 1.

Key components of the Framework are:

Roles and Responsibilities (Leadership and Management)

The responsibility for anti-fraud arrangements is widely dispersed. Trustees have to give clear support to the Trust's arrangements. The Trust Board and Headteacher must provide strong leadership by advocating the Trust's arrangements and supporting strong action when these are ignored.

The Trust Board are responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the Trust's interests are safeguarded, including its reputation. Risk is managed through the existence and application of appropriate policies and procedures.

Other parties have a range of responsibilities and actions to carry out. A full list of respective responsibilities can be found in **Appendix 3**.

Policy and Strategy

This document contains and explains the Trust's Policy and Strategy.

Procedures / deterring fraud

The wide range of procedures in place to minimise the risk of fraud constitute a major part of the Trust's 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 Trust aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with the Strategic Business Manager. Support is given by the Internal Audit Team, which provides an independent appraisal of the integrity of all internal control systems.

Key Procedures and Controls

The following key procedures and controls operate within the Trust:

- a. 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
- b. Trustees, Governors and employees comply with respective Codes of Conduct
- c. A Register of Interests is maintained to enable Members, Trustees, Governors and employees to record any financial or non-financial interests that may bring about conflict with the Trust's interests
- d. A Register of Gifts and Hospitality is maintained to enable Governors and employees to record gifts and hospitality either received, or offered and declined, from the Trust's contractors and suppliers
- e. Confidential Reporting (Whistle blowing) procedures are in place and operate effectively
- f. Suitable and enforced financial and contract procedure rules are in place
- g. There are robust recruitment and selection procedures
- h. There are clear and active disciplinary arrangements
- i. Sanctions are pursued against those who commit fraud, bribery and corruption through an agreed prosecutions and civil recovery policy.

The Trust is fully committed to ensuring that the examples of best practice indicated above are an integral part of its operations.

Deterring fraud

The Trust uses a number of ways to deter potential fraudsters from committing or attempting fraudulent or corrupt acts (including bribery) whether they are inside and / or outside of the Trust, including:

- Publicising at every opportunity the Trust's determination to prevent and detect fraud, bribery and corruption e.g. clause in contracts,
- Acting robustly and decisively when fraud, bribery and corruption are suspected and proven – e.g., the termination of contracts, dismissal, prosecution etc.
- Taking action to recover any losses through fraud – e.g. through agreement, Court action, penalties, insurance etc.
- Having sound internal control systems, which allow for innovation while limiting opportunities for fraud, bribery and corruption.

Detection and Investigation

It is the responsibility of Members, trustees, governors, Headteacher and employees to prevent and help detect fraud, bribery and corruption. In high risk areas, the Governing Body and Headteacher will specifically apply controls aimed at preventing and detecting frauds.

It is often the alertness of employees and the Public that enables frauds to be detected. The Trust has a fraud response plan which provides detailed fraud-response arrangements to enable any information gained or allegations made to be properly and effectively dealt with. The Plan explains what to do and not do when suspecting fraud:

DO:

- ✓ Make an immediate note of all relevant details. Include date and time of the event, record of conversations (including telephone), names of persons present

(or description if the name is not known), vehicle details where appropriate e.g. type, colour, registration etc.

- ✓ Report your suspicions as rapidly as possible together with the relevant details to an appropriate level of authority and experience. This can either be your line manager, your Headteacher, the Strategic Business Manager, the Chief Financial Officer, Vice CEO or the Chief Executive.

The Trust would prefer you not to provide information anonymously as it may be necessary for you to provide further information. However, all anonymous information that is received will be investigated.

All reported suspicions will be dealt with sensitively and confidentially.

DO NOT:

- × Confront or accuse anyone directly.
- × Try to investigate the matter yourself.
- × Discuss your suspicions with anyone else than the appropriate level of authority.
- × Be afraid to report a matter on the basis that your suspicions may be groundless; all reports will be treated on the basis that they are made in good faith.

Reporting and Monitoring

Members, trustees, governors and the Headteacher have a duty to inform Internal Audit of any potential fraud, bribes, corruption or other suspected irregularities.

The Headteacher will ensure that a log is maintained of all reported incidents at the Trust.

A decision will then be made as to who is best placed to investigate any concerns raised. The investigating officer also has the responsibility to report all findings to Internal Audit

Details of all reported frauds, bribery, corruption and other irregularities throughout the Trust are to be recorded by Internal Audit.

3 Training

The Trust recognises that the success of its Anti-Fraud, Bribery and Corruption Strategy and its general credibility depends significantly on the effectiveness of training, communication, and the responsiveness of employees throughout the Trust. The Trust provides suitable induction and training programmes that ensure Members, trustees, governors and staff are kept up to date on the Trust's arrangements for managing the risk of fraud. These training programmes also ensure casual, temporary and agency staff are aware of the high standards of probity required by the Trust.

The investigation of small scale fraud, bribery and corruption rests on a day to day basis with the Headteacher, and may include support from Internal Audit.

4 Audit

Internal Audit is a key element of the Trust's internal 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 service is also heavily involved in

investigations into any irregularities.

5 Working with others to prevent and fight fraud

The Trust exchanges information with other local and national agencies in order to identify and prevent fraud. Any employee found to be perpetrating fraud on another local or national agency is liable to face disciplinary action where this has implications for the Trust's trust and confidence in the employee. With the rapid increase in frauds committed against multiple organisations, the necessity for liaison with other organisations is important. Consequently, the Trust works with other bodies to prevent and detect fraud, bribery and corruption. Other bodies include:

- The ESFA
- The Police
- The National Fraud Authority
- National Anti - Fraud Network
- The Trust's External Auditor
- The Student Loans Company
- The Department for Works and Pensions
- HM Revenues and Customs
- Other Public and Investigatory Bodies.

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.

6 Culture

The importance of a positive culture towards anti-fraud, bribery and corruption cannot be overstated. The effectiveness of the Trust's arrangements can be undermined by a culture that does not apply the public standards and supporting policies and 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.

The Trust will continue to assess the culture and ensure its actions to promote its arrangements provide a positive influence on the culture.

7 Raising Concerns

In accordance with the Trust's Whistleblowing Policy, anyone with any concerns about the Trust's activities should normally raise concerns through their immediate manager or senior management. However, it is recognised that this may not be possible or in the Trust's best interests in certain circumstances. In these cases, contact should be made with the Chief Executive, the Company Secretary, or the Chief Financial Officer. Concerns may also be raised with the Trust's External Auditor.

If the individual concerned is one of those mentioned above, then the concern should be raised to the Chair or Governors or the Chair of the Trust.

All concerns, reported by whatever method, will be treated in confidence and will be

reviewed and investigated by the person deemed to be appropriate and best placed to do so. This may mean that, depending on the level, type and details of the concerns you raise, that your concerns are investigated by the Trust, Internal Audit Staff or in the case of very serious concerns, the External Auditor or the Police.

8 Referrals to the Police

Any referrals to the Police should be made only by or after consultation with the Chief Executive, the Company Secretary, or the Chief Financial Officer. In accordance with this Strategy, any matters should be first raised with (one of) these officers prior to any referral to the Police.

9 Sanctions and Redress

After any investigation, sanctions should be applied where fraud has been found to have been committed. The Trust will pursue criminal and civil action in a robust, consistent and proportionate manner. The Trust will pursue a range of options, as appropriate to each case, including:

- Recovery of pension contributions from employees who are members of the Pension Fund.
- Recovery from assets owned by an employee or third party found guilty of committing fraud.
- Filing for Bankruptcy where an individual has a poor history of paying.
- Recovery from any current salaries or by way of 'attachment of earnings'.

10 Links with other policies

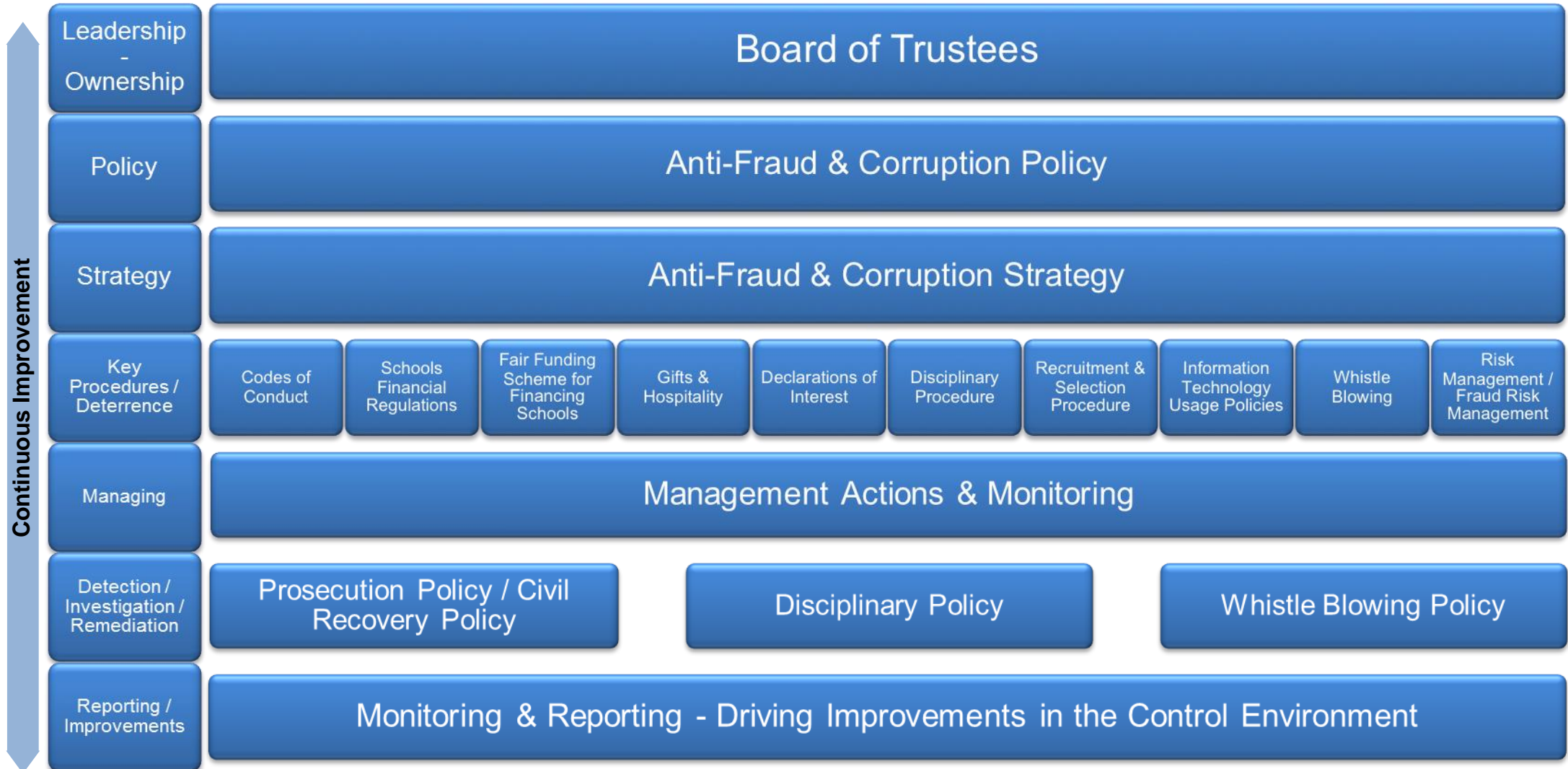
The Trust is committed to preventing fraud and corruption. To help achieve this objective there is a clear network of systems and procedures in place for the prevention, detection and investigation of fraud and corruption. This policy attempts to consolidate those in one document and should be read in conjunction with the following Trust policies:

- Whistleblowing policy
- Financial Regulations
- Disciplinary policy

HULL COLLABORATIVE ACADEMY TRUST

ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY

APPENDIX 1: ANTI-FRAUD, BRIBERY AND CORRUPTION FRAMEWORK



**HULL COLLABORATIVE ACADEMY TRUST
ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY**

APPENDIX 2: CONTACT INFORMATION

Chair of the Trust

Graham Wilson gwilson@hcat.org.uk

Chief Executive Officer

Estelle Macdonald – ceo@hcat.org.uk

Internal audit

Email to tony@southgates.co.uk

Telephone – 01964 614426

Whistleblowing

Company Secretary – Tim Horne – 01482 375248

Email: thorne@hcat.org.uk

Chief Financial Officer

Vanessa Nolan – 01482 717471

Email: vnolan@hcat.org.uk

External Auditor

Mike Beckett

Forrester Boyd Robson

01482 889400

m.beckett@forrester-boyd.co.uk

ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY

APPENDIX 3: RESPONSIBILITIES

Roles and Responsibilities

The Trust Board – will:

- ✓ be responsible for the overall management arrangements of the Trust
- ✓ promote an organisational culture that accords with the Nolan Committee's 7 principles of public life
- ✓ ensure controls are put in place that minimise the risk of fraud
- ✓ develop and maintain an Anti-Fraud, Bribery and Corruption Policy.
- ✓ Promote and maintain high standards of conduct.

The Company Secretary - will:

- ✓ maintain adequate and effective internal control arrangements
- ✓ ensure that all suspected financial irregularities are reported to the Head of Internal Audit
- ✓ advise the Police where sufficient evidence exists to believe that a criminal offence may have been committed
- ✓ advise on legal proceedings where there have been legal breaches
- ✓ advise on the recovery of assets and losses in appropriate cases.

Senior Staff - will:

- ✓ ensure that all suspected financial irregularities or financial impropriety brought to their attention are reported to the Headteacher and/or the Head of Internal Audit
- ✓ instigate the Trust's disciplinary procedures where the outcome of an investigation indicates improper behaviour.
- ✓ Implement and maintain effective control systems designed to prevent and detect fraud within their responsibility
- ✓ ensure all their staff are adequately trained on procedures and controls to be complied with
- ✓ ensure proper procedures are being followed
- ✓ follow prescribed recruitment procedures aimed at recruiting high quality and honest staff.

The Human Resources Officer - will:

- ✓ develop vetting and barring procedures which are intended to deliver high quality personnel with suitable levels of integrity into the Trust's employment
- ✓ provide advice to employees wishing to raise concerns
- ✓ advise departmental managers required to make decisions with regards to suspension and disciplinary proceedings.

The Chief Financial Officer - will:

- ✓ support managers in preventing and detecting fraud, bribery and corruption
- ✓ provide assurance on the appropriateness and effectiveness of systems and procedures.
- ✓ investigate serious suspected financial irregularity and will liaise with managers to recommend changes in procedures to prevent further losses to the authority.
- ✓ consult with the Police or refer an investigation to them, as appropriate.

The External Auditor - will:

- ✓ carry out specific reviews that are designed to test (amongst other things) the adequacy of the authority's internal financial and other controls and arrangements for preventing and detecting fraud and irregularity
- ✓ review the Trust's accounts to ensure they are free from significant fraud.

Employees - will:

- ✓ uphold a positive anti-fraud, bribery and corruption culture
- ✓ always be alert to the possibility of theft, fraud and corruption occurring in the workplace and be aware of the mechanisms available for reporting such issues to management within the authority.
- ✓ comply with the Trust's Code of Conduct together with any additional code relating to their professional qualifications.
- ✓ act in accordance with Trust's Financial Regulations
- ✓ declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the Trust
- ✓ make annual declarations of interest to enable the Headteacher to effectively manage situations where a conflict of interest may occur.