



## **Counter Fraud & Corruption Policy**

**Policy Approved by Board: 11 June 2018 (for implementation from 1 September 2018)**

**Date of Next Review: September 2020**

**Responsible Officer: Chief Operating Officer (COO)**

## **Purpose**

The purpose of this policy is to set out the principles of the Nicholas Postgate Catholic Academy Trust's approach to preventing and responding to fraud and corruption. The Trust's overarching principle is a commitment to a zero tolerance approach to all forms of fraud and corruption at all levels of the organisation.

## **Introduction**

The Trust 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 as they divert 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 for governors and employees, the Trust's main objectives for countering fraud and corruption. This policy statement -

- 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.
- Sets out responsibilities for countering fraud and corruption.

## **Definitions:**

### **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 financial position that is done deliberately to create a financial gain for the perpetrator or for a related person or entity and / or cause a loss 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 a financial gain for one party and / or a loss for another.

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 Trust'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 Trust to pay for them.

## **Corruption**

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

## **Bribery**

Bribery is a form of corruption. The Bribery Act 2010, set out four key offences under the Act:

- bribery of another person (section 1)
- accepting a bribe (section 2)
- bribing a foreign official (section 6)
- failing to prevent bribery (section 7)

Bribery is not tolerated by the Trust under any circumstances. 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

The Trust will implement procedures to counter bribery including:

1. High-level commitment

The Board and senior management will commit to and oversee the implementation of a policy of zero-tolerance, recognising that bribery is contrary to fundamental values of integrity, transparency and accountability and undermines organisational effectiveness.

2. Risk assessment

Bribery risk assessment will form part of the Trust's overall and ongoing risk management process.

3. Devise and implement robust anti-bribery procedures

The Trust will devise, implement and maintain robust procedures, which are proportionate to the risks and to the size, resources and complexity of its operations.

A "financial advantage" could include corporate hospitality. The statutory guidance suggests that it will not amount to a bribe provided that the hospitality: has a legitimate business aim (including developing relationships) is reasonable, proportionate and appropriate in the circumstances (including with reference to what is normal in the particular industry).

4. Due-diligence assessment of partners, agents and contractors

The Trust will assess the bribery risk associated with entering into partnership or contracting arrangements with other entities and then carry out periodic due diligence based on that risk assessment. Partnership or contractual arrangements will include a check that these organisations have policies and procedures which are consistent with these principles and guidance.

5. Dissemination and communication

To establish effective internal and external communication of its policy and procedures. The Trust will undertake training and awareness programmes to ensure staff, agents and partners are aware of the potential risks, how bribery might affect them, what they should do if they are offered a bribe, and the consequences should they be found to have made or received a bribe.

6. Monitoring and evaluation

Implementation of anti-bribery procedures will be monitored as part of overall risk management and internal control processes. Periodic reviews of anti-bribery procedures will be made and reported as part of governance and accountability processes.

## 7. Collective action

The Trust will commit to sharing information and strengthening collective action to prevent bribery.

### **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.

### **Gifts and Hospitality**

In line with the Trust's Financial Regulations all offers of gifts and hospitality of a value of £30 or over should be registered whether they are accepted or not. This extends to all gifts including those received by teaching staff at Christmas or the end of term and any offers of sponsorship in respect of staff or school events. Respective individual academies and the Trust's Central Services team are responsible for maintaining their own Gifts and Hospitality register. A pro-forma for this is attached at Appendix A.

### **Scope of Policy**

This Policy applies to all Directors, members of Local Governing Bodies and all employees (full time, part time, temporary and casual) who work for the Trust.

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 7 principles of public life defined by the Nolan Committee 1995, and expects all directors, 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 its directors, governors, employees and 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 Trust 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 Board, local governors and its employees at all levels will lead by example in ensuring adherence to legal requirements, financial rules, codes of conduct and prescribed procedures and practices.

The Trust implements and maintains systems of accountability and control 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 will not tolerate dishonesty on the part of any director, governor, staff member or any person or organisation involved in any way with the Trust. Where fraud or corruption is detected the Academy and Trust will rigorously pursue appropriate action against the persons concerned including legal and/or disciplinary action, and wherever possible and deemed appropriate, will take action to recover any losses suffered.

The Trust's Finance & Resources Committee is responsible for overseeing internal control and financial management.

## **Raising Concerns**

Directors, governors and employees are an important element in the Trust's defence against fraud and corruption; they are expected to raise any concerns that they may have on these issues where they are associated with the Trust's activities.

The Trust's senior management and governors, will be robust in dealing with financial malpractice of any kind.

Governors and employees of the Academy Trust's should follow the guidance issued in the **Trust's Confidential Reporting Policy**.

All concerns reported, by whatever method, will be treated in confidence and will be reviewed and investigated by the Chief Operating Officer (COO) who should be notified of all suspicions and incidents in the first instance. This may mean that, depending on the level, type and details of the concerns you raise, that your concerns are investigated by the Trust's senior managers, governors or in the case of very serious concerns, the Police. A decision to involve the Police in any investigation will be taken by the COO in consultation with the Accounting Officer. Where the allegation relates to the COO the initial report or concern should be made direct to the Accounting Officer or in their absence the Chair of the Trust's Board. A summary of all counter fraud activity will be reported on an annual basis to the Board.

The Trust is obliged to report to the ESFA all instances of fraud that are over £5,000 in value (individually or cumulatively) in any financial year or are 'systematic or unusual' in nature regardless of their value.

## **Responsibility for this Policy**

The Accounting Officer, COO, Head Teachers and School Business Support staff, have overall responsibility for the maintenance and operation of this policy.

This policy will be regularly reviewed and any significant amendments proposed to the Trust's Board. The Trust's arrangements for the deterrence, prevention and detection of fraud will be regularly reviewed by those officers

charged with responsibility for the policy and our external auditors.

**Appendix A**

<b><u>Date of Entry</u></b>	<b><u>Name of Director, Governor or Employee</u></b>	<b><u>Estimated Value</u></b>	<b><u>Description of offer</u></b>	<b><u>Supplier</u></b>	<b><u>Accepted/Declined (Inc. Reason)</u></b>	<b><u>Authorised (Sign hard copy)</u></b>