



Anti-Fraud Policy

1.	Purpose and object of the Policy
1.1	The Great North Wood Education Trust (the Trust) is committed to ensuring that it acts with integrity and to the highest standards. Everyone involved with the Trust has a responsibility in respect of preventing and detecting fraud. All staff, trustees and members of the 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	The objective of this policy is to safeguard the proper use of The Trust's finances and resources by putting in place systems that support the prevention of fraud. The Trust derives the majority of its income from public funds, however its schools may also receive charitable donations and income from parents, and so has a particular responsibility to ensure that income and resources are used solely for the purposes intended.
1.3	This policy will allow the Trust to meet the obligation placed on it in the Academies Financial Handbook that it trusts must be aware of the risk of fraud, theft and/or irregularity occurring and, as far as possible, address this risk in its internal control and assurance arrangements by putting in place proportionate controls. The Trust must take appropriate action where fraud, theft and/or irregularity is suspected or identified.

2	Definition of Fraud
2.1	<p>For the purposes of this policy, fraud is defined as dishonest, irregular or illegal acts, characterised by a deliberate intent at concealment or false representation, resulting in the diversion of resources, whether or not for personal gain, for the benefit of an individual or group of individuals at a consequent loss to the Trust. Irregularities fall within the following broad categories, the first three of which are criminal offences:</p> <ul style="list-style-type: none"> • Theft - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession • Fraud - the intentional distortion of financial statements or other records by persons internal and external to the Trust, which is carried out to conceal the misappropriation of assets or otherwise for gain • Bribery and corruption (gifts & hospitality) - 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 • Failure to observe, or breaches of, the Trust's procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences • Tax fraud – the misrepresentation of status to avoid payment of tax or the deliberate evasion of tax. For example, a sub-contracted worker claiming to be self-employed to avoid payment of PAYE income tax, or a cash payment to a supplier to avoid the application of VAT.

3	Examples of activities that could constitute fraud
3.1	<p>The list below is not exhaustive and fraud and corruption can take different paths. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the Chief Financial Officer:</p> <ul style="list-style-type: none"> • 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, e.g. false overtime claims • payment of invoices for goods received by an individual rather than the school/Trust • failure to observe, or breaches of, regulations and/or other associated legislation laid

	<p>down by the school/Trust</p> <ul style="list-style-type: none"> • 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.
3.2	<p>Fraud is a serious matter and the Board of Trustees is committed to investigating all cases of suspected fraud. Any member of staff, regardless of their position or seniority, against whom prima facie evidence of fraud is found, will be subject to disciplinary procedures that may result in dismissal. The Trust will normally involve the Department for Education (DfE) and the police, and may seek redress via civil proceedings.</p>

4	Gifts and Hospitality
4.1	<p>The following general rules apply and must guide decisions on receipt of gifts and hospitality for any employee of The Trust. It is particularly important that decision makers follow this guidance very carefully and be aware of public perception. To accept gifts should be the exception:</p> <ul style="list-style-type: none"> • It is permissible to accept 'thank you' gifts of token value, such as end of year gifts that teaching staff receive from parents, a diary, a coffee mug or bunch of flowers, not over £10 in value. You should notify the Business Manager of any gift or hospitality over this value for entry in the Gifts and Hospitality Register held by the Chief Finance Officer (see appendix 2). The following information should be provided <ul style="list-style-type: none"> • description of the offer • person to whom offer made • whether offer was accepted or rejected • justification for acceptance. • A gift should be refused if the possibility exists that the giver has an ulterior motive. Staff should be sensitive to the possibility that the giver may think that even small gifts or simple hospitality will elicit a service or preferential treatment • A gift or hospitality should never be accepted from anyone who is, or may be in the foreseeable future, tendering for any contract, seeking employment or is in dispute with the school/Trust • Where items purchased for the school/Trust include a 'free gift', such a gift should be used for school/Trust business • If you are in doubt about the acceptability of any gift or offer of hospitality it is the individual's responsibility to consult the Chief Executive Officer, Head, Chief Financial Officer or Chair of the Trust Board. The following would be considered unacceptable: <ul style="list-style-type: none"> • lavish gifts • holiday or weekend hospitality • use of company flat or suite • a meal with someone who is awaiting a decision from the school/Trust • invitation as a spectator at a sporting event • gifts received regularly from the same source • offers of items or service at trade or discount price, other than a discount offered generally to all or most employees accepting money or other reward for work done as a school employee, apart from that which the school pays.
4.2	<p>Some invitations will need to be considered on their merit as it may be necessary for the Trust to be represented at sponsored events. The guiding principle should be the frequency of such events, the status of the invitee and how it would be perceived by the wider public.</p>

4.3	Sponsored hospitality at a conference which is provided to all participants is acceptable.
4.4	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 the Head CEO or Chair of Trustees. Where a spouse or partner is included in the invitation, and approval has been given to attend, it will be acceptable for a spouse or partner to attend as well, but if expenses are incurred, these will be met personally.
4.5	Any invitation that is accepted accept should be made to in the staff members' professional/working capacity as a representative of the Trust.

5	Roles and Responsibilities
5.1	The Trust
5.2	<p>Trustees, Governors and senior leaders should ensure that their behaviour is demonstrably selfless and open, and should champion the Trust's policies on conflicts of interest, hospitality and gifts.</p> <p>The Trust has adopted the following measures in support of its commitment to the prevention of fraud and corruption:</p> <ul style="list-style-type: none"> • All staff, on joining the school sign the Code of Conduct for Employees • Disciplinary Rules, Policy and Procedure • The Trust Board receive regular financial reports • The Trust Board have appointed an audit committee • The Trust Board Code of Conduct • Local governing bodies meet regularly and receive financial reports • Members, Trustees and Governors and staff members regularly attending meetings of these bodies have declared any interest they or close family member may have • A clear policy on Procurement and Tendering • A requirement for all staff and Governors to declare prejudicial interests and not contribute to business related to that interest • Staff and Governors are made aware of the understanding on the acceptance of gifts and hospitality • Clear recruitment policies and procedures • Staff Handbook setting out the policies of the School/Trust • Clear financial procedures covering but not limited to <ul style="list-style-type: none"> • Cash management • payment management • Use of reputable suppliers • Purchasing • Conflicts of interest • Risk management • Internal audit reviews.
5.3	Chief Executive/Accounting Officer
5.4	<p>The Accounting Officer has specific responsibility for overseeing the financial arrangements on behalf of the Trustees. The main duties are to provide the Trustees with on-going independent assurance that:</p> <ul style="list-style-type: none"> • The financial responsibilities of the Trustees are being properly discharged • The resources are being managed in an efficient, economical and effective manner • Sound systems of financial control are being maintained • Financial considerations are fully taken into account in reaching decisions.
5.5	Chief Financial Officer
5.6	The Chief Financial Officer 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

	<p>therefore the responsibility of Chief Financial Officer, working with the senior leaders and finance staff of the individual schools in the Trust to ensure internal controls prevent and detect any frauds promptly. This includes:</p> <ul style="list-style-type: none"> • Proper procedures and financial systems • Effective management of financial records • Management of the Trusts financial position.
5.7	All Staff, Trustees and Governors
5.8	<p>Staff, Trustees and Governors have a duty to report another member of staff, Trustee or governor whose conduct is reasonably believed to represent a failure to comply with the above. For example suspect patterns of behaviour among staff dealing with financial transactions should be investigated, for example, living beyond apparent means, taking few holidays, regularly working alone out of normal hours and resistance to delegation. Any indication of addiction to drugs, alcohol or gambling should be addressed promptly, for the welfare of the individual and to minimise the risks to the Trust.</p>
5.9	External Audit
5.10	<p>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 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.</p>

6	Reporting Fraud
6.1	<p>Members of staff, trustees, Governors or students may suspect fraud or irregularity in the Trust or within any of its schools. If so, they should report it as soon as possible to the Headteacher or Chair of Governors within the school or to the Chief Executive Officer (CEO), Chief Financial Officer (CFO) or Chair of the Trustees. The person to whom it is reported will depend on the seniority of the person about whom the allegation is made. The Chief Financial Officer will maintain a log of all reported fraud (see appendix 3).</p>
6.2	<p>The Academies Financial Handbook lays down clear reporting procedures for the reporting of fraud, theft and/or irregularity. The Trust must notify the Education and Skills Funding Agency (ESFA), as soon as is operationally practical based on its particular circumstances, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or systematic fraud, regardless of value, must also be reported. The following information is required:</p> <ul style="list-style-type: none"> • 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 why if not) • whether insurance cover or the risk protection arrangement have offset any loss

7	Whistle Blowing policy
7.1	<p>Anyone suspecting fraud may use the Trust's Whistle Blowing Policy, which provides protection against reprisal for any such disclosure.</p>

8	Investigation of Alleged Fraud
8.1	<p>. Those investigating a suspected fraud should:</p> <ul style="list-style-type: none"> • Aim to prevent further loss • Liaise with the Trust's insurer • Establish and secure evidence necessary for criminal and disciplinary action • Inform the police as appropriate

	<ul style="list-style-type: none"> • Notify the DfE • Endeavour to recover losses • Take appropriate action against those responsible • Keep internal personnel and outside organisations with a need to know suitably informed, on a confidential basis, about the incident and the Trust's response • Deal with requests for references for employees disciplined or prosecuted for fraud • Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.
8.2	Appendix 1 contains details of the protocol for investigation allegations of fraud.

9	Linked Policies
9.1	<p>The Trustees are 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 Anti-Fraud and Anti-Corruption policy attempts to consolidate those in one document and should be read in conjunction with the following policies:</p> <ul style="list-style-type: none"> • Public Interest Disclosure Policy (whistleblowing) • Procurement and Tendering Policy • Staff Code of Conduct and Disciplinary Rule • Disciplinary Policy and Procedure • Trustees Code of Conduct • Financial Procedures • Scheme of Delegation • Gifts and Hospitality Policy • Use of Purchase Card Policy. • Trustee and Members Expenses Policy

10	Review of Policy
10.1	This policy will be reviewed by the Audit Committee every 3 years or earlier on the advice of the auditors.

Policy Created	September 20017
Approved by Trust Board	10 October 2017
Signature of Chair of Trustees	Signature of CEO
J. Baker	K Atkins
Next Review	October 2020

Investigation Protocol

1. Reporting

Members of staff, trustees, Governors or students may suspect fraud or irregularity in the Trust or within any of its schools. If so, they should report it as soon as possible to the Headteacher or Chair of Governors within the school or to the Chief Executive Officer (CEO), Chief Financial Officer (CFO) or Chair of the Trustees. The person to whom it is reported will depend on the seniority of the person about whom the allegation is made.

2. Initial Action

The person to whom the suspected incident is reported should then ensure that it is made known without delay to the Chief Executive, Chair of the Audit Committee and Chief Financial Officer (unless one of these is the subject of the allegation). The CFO should, as soon as possible (and with the aim of acting within 24 hours), chair a meeting of the following group to decide on the initial response, using properly appointed nominees where necessary:

- Chief Financial Officer
- Chair of the Audit Committee
- Chair of the Board of Trustees

If the actual or suspected incident concerns or implicates a member of this group, the Chair of Trustees will appoint a substitute.

3. Responsibility for Investigation

The group, chaired by the CEO, will decide on the action to be taken. This will normally be an investigation led by the external auditors which may switch internal audit resources from planned audits.

4. Prevention of further loss

Where initial investigation provides reasonable grounds for suspecting a member or members of staff, trustees, Governors or others of fraud, the group will decide how to prevent further loss. This may require the suspension of the suspect or suspects, under the appropriate disciplinary procedure. It may be necessary to plan the timing of suspension to prevent suspects from destroying or removing evidence that may be needed to support disciplinary or criminal action.

In these circumstances, the suspect or suspects should be approached unannounced. They should be supervised at all times before leaving the Trust's premises. They should be allowed to collect personal property under supervision, but must not be able to remove any property belonging to the Trust. Any security passes and keys to premises, offices and furniture must be returned. The Head Teacher will be required to advise on the best means of denying access to the school while suspects remain suspended, for example by changing locks and informing premises or reception staff not to admit the individuals to any part of the premises. Similarly, the IT Technician will be instructed to withdraw without delay access permissions to the school's computer systems.

The group will consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the Trust's assets.

5. Establishing and securing evidence

The Trust will follow appropriate disciplinary procedures against any member of staff, trustee or governor who has committed fraud and will normally pursue the prosecution of any such individual through the criminal courts. The Chief Financial Officer will:

- Ensure that evidence requirements are met during any fraud investigation
- Establish and maintain contact with the police
- Ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings.

Note that internal disciplinary procedures may not be able to proceed while a police investigation or legal proceedings are underway. Where the issues that are subject to a disciplinary process are separate from any matter being pursued by the police or courts then disciplinary procedures may run simultaneously.

6. Reporting lines

The group will provide regular, confidential reports to the Chair of Trustees, which will include:

- Quantification of losses
- Progress with recovery action
- Progress with disciplinary action
- Progress with criminal action
- Estimate of resources required to conclude the investigation
- Actions taken to prevent and detect similar incidents.

7. Notifying the DfE

The Trust will notify the DfE of any actual fraud or irregularity.

8. Recovery of losses

The external auditors will endeavour to ensure that the amount of any loss is quantified. Repayment of losses will be sought in all cases. Where the loss is substantial, legal advice should be obtained about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice may be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The Trust will normally expect to recover costs in addition to losses.

9. Final report

On completion of a special investigation, a written report, normally prepared by the external auditor, shall be submitted to the Chair of Trustees containing:

- A description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud
- The measures taken to prevent a recurrence

- Any action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.

The final outcome will be reported to the complainant.

10. References for persons disciplined or prosecuted for fraud

Any request for a reference for persons disciplined or prosecuted for fraud must be referred to the Chair of Trustees or the Chief Financial Officer for advice.

