The Crypt School Anti-Fraud and Corruption Policy

Lead Person:	**Finance Director**
Governing Body Committee:	**Audit & Risk Committee**
Required by:	**Academies Financial Handbook**
Review:	**Annually**

1 Rationale

This policy and procedure defines the expected conduct of all staff engaged at the School, whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption, and who to report it to.

It should be read in conjunction with the Gifts and Hospitality policy which includes clear guidelines on what is acceptable in terms of gifts and hospitality and how these matters are declared.

Also, reference is made to other School policies where appropriate.

2 Introduction:

2.1 The Crypt School is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the School has a responsibility in respect of preventing and detecting fraud.

2.2 Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.

2.3 It is the duty of all employees and Trustees at The Crypt School to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Audit Committee and the Auditors to review the adequacy of the measures taken by the School to test compliance and to draw attention to any weaknesses or omissions.

2.4 Any investigation carried out in relation to alleged irregularities is linked to the School's Disciplinary & Dismissals procedure.

3 Definitions:

3.1 Fraud

Fraud is a general term covering theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these “others” are in ignorance of the fraud. Fraud is in fact intentional deceit and for this reason it cannot include negligence.

Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts.

3.2 Corruption

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 Crypt School, its staff or Trustees.

3.3 Gifts and Hospitality

Any gifts, rewards and benefits that are disproportionately generous or that could be seen as an inducement to affect a business decision should be declared. (See Gifts and Hospitality policy).

The acceptance of gifts and hospitality is a sensitive area where actions can easily be misconstrued. Therefore, employees' actions should be such that they would not be embarrassed to explain them to anyone.

3.4 Irregularities fall within the following broad categories, the first three of which are criminal offences –

• **Theft** - the dishonest taking of property belonging to another person with the intention of depriving the owner of its possession;

• **Fraud** - the intentional distortion of financial statements or other records by persons internal and external to the School, which is carried out to conceal the misappropriation of assets or otherwise for gain;

• **Bribery and corruption** - 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; School's Procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

3.5 Examples of what could constitute fraud and corruption are -

- 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;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the School;
- 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.

3.6 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 Finance Director/ Headteacher.

4 Policy Statement:

4.1 This policy and procedure defines Anti-Fraud & Corruption and offers guidance for all staff in the School.

4.2 The School 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 School business. This document sets out the School's policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the School'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.

4.3 This policy, in line with the School's corporate values of integrity, consistency, impartiality, fairness and best practice, provides both staff and management with mutually understood guidelines for the administration of this procedure.

4.4 The scope of this procedure extends to all School employees, permanent, voluntary and fixed term and to School Trustees.

4.5 Time limits specified in this document may be extended by mutual agreement.

4.6 If requested, employees may be accompanied by a recognised trade union representative or work colleague, not involved in any part of the process, at any interviews.

5 Roles and Responsibilities:

5.1 Staff and Trustees

The Crypt School has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- Resources Staff and Pay & Audit Committees meets regularly;
- A requirement for all staff and Trustees to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for staff and Trustees to disclose personal interests;
- All Trustees are aware of the rules governing connected party transactions set out in Academy Trust Handbook;
- All staff and Trustees are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures;
- A programme of internal scrutiny is carried out by the Audit and Risk committee;
- Financial procedures involving financial payments always require authorisation by 2 members of staff and there is separation of duties in the finance office;
- There is a set procedure for tenders and quotes as set out in the school's finance manual including authorisation by more than one person where appropriate.

Staff and Trustees also have a duty to report another member of staff or governor whose conduct is reasonably believed to represent a failure to comply with the above.

5.2 Audit Committee

The Audit Committee has specific responsibility for overseeing the financial arrangements on behalf of the Trustees.

The main duties of the Audit Committee are to provide the Trustees with on-going assurance that:

- 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; and
- Financial considerations are fully taken into account in reaching decisions.

5.3 Finance Director

The Finance Director has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of The Crypt School.

In respect of fraud it is therefore the responsibility of the Finance Director to ensure internal controls prevent and detect any frauds promptly. This includes:

- Proper procedures and financial systems;
- Effective management of financial records;
- Management of the School's financial position.

5.4 External Audit

The School'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 School 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.

6 Reporting a Suspected Fraud:

6.1 All allegations of suspected fraud and irregularities are to be brought to the attention of the Finance Director (or the Headteacher where the Finance Director is involved) and also referred to the Headteacher, unless this individual is involved in the irregularity, in which case the Chair of Trustees should be informed.

Please refer to the School Whistleblowing Policy for further guidance.

7 Response to Allegations

7.1 The Headteacher will have initial responsibility for co-ordinating the initial response with the support and Guidance of the Finance Director. In doing this he/she will consult with the Human Resource advisors regarding potential employment issues.

7.2 The Finance Director and Headteacher will ascertain whether or not the suspicions aroused have substance. In every case, and as soon as possible after the initial confidential investigation, they will pass the matter on to the Chair of the Audit Committee. Even if there is no evidence to support the allegation, the matter must be reported.

7.3 The Audit 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 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). Material loss would be reported to the Police and the ESFA.

7.4 The Headteacher is required to notify the Governing Body 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 governor meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

7.5 If evidence of fraud is forthcoming then the Governing Body will inform the Department for Education as required by the Funding Agreement and will consider whether or not to refer the matter to the police.

8 Confidentiality and Safeguards

8.1 The Crypt School 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 School 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.

8.2 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 as a result of the concern being reported.

8.3 There is a need to ensure that the process is not misused. For further guidance refer to the School Disciplinary, Grievance and Capability policies.

9 Links with other Policies:

9.1 The Governing Body 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 Anti-Fraud and Anti-Corruption policy attempts to consolidate those in one document and should be read in conjunction with the following School policies:

- Whistle-Blowing Policy
- Disciplinary and Appeals Policy
- Equal Opportunities Policy
- Gifts and Hospitality Policy

Approved by Audit & Risk Committee: January 2024
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