Counter Fraud Policy

Category:	Trust-wide Policy
Authorised By:	Finance Committee under delegated authority from the Board of Trustees
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Version Control

Ver.	Date	Comment
1	May 2016	New policy
1.1	September 2017	Governance aspect updated
2	September 2020	Cyclical review
3	September 2023	Cyclical review

This policy will be subject to ongoing review and may be amended prior to the scheduled date of the next review in order to reflect changes in legislation, statutory guidance, or best practice (where appropriate).

Contents

1. Introduction

The Eden Academy Trust (the Trust) operates a zero-tolerance approach to fraud, theft, or corruption.

Fraud is deception carried out in order to gain an unfair advantage or to disadvantage another. It may involve the misuse of funds or other resources, or the supply of false information. Although there are low levels of fraud within the academies sector, the Trust remains vigilant to the risks. Counter fraud, anti-theft and anti-corruption work is a vital part of our corporate governance framework – it helps to ensure that we are managing our resources effectively.

The Trust is committed to sound corporate governance and supports the principles of openness, honesty, selflessness, integrity, objectivity, accountability, and leadership. Every person who is associated with the Trust, the Board of Trustees (the Board) and other members of the governance community, Directors, employees, and contractors, has a duty to be vigilant and help with the fight against fraud, theft, and corruption.

It is therefore imperative that all stakeholders read and understand the Counter Fraud Policy.

The Board fully endorse the Counter Fraud Policy and will ensure that action is taken against any attempt to defraud the organisation.

2. Purpose and Scope

This policy applies to all Trust Schools, central services, and central teams.

This policy sets out the Trust's strategy for combating fraud, theft, and corruption. It applies to all Trustees and other members of the governance community, employees, workers, tenderers, contractors, consultants, and agents acting on behalf of the organisation ("internal and external parties"). It serves as a reminder to internal and external parties of their broader responsibilities to prevent, detect and report fraud, theft, and corruption.

Fraud is defined as dishonest behaviour with the intention to make personal gain or cause a loss to another.

Theft is the dishonest physical misappropriation of cash or other tangible assets belonging to another with the intention of permanently depriving the other of it.

Corruption is defined as the offering, giving, or accepting of an inducement or reward, which would influence the actions taken by the organisation through its internal and external parties.

The organisation has a separate Whistleblowing Policy, which aims to:

- Ensure concerns are raised without fear of reprisals;
- Provide assurance that concerns will be taken seriously;
- Provide information about how to raise concerns and explains how the Eden Academy Trust will respond.

3. Fraud risk management strategy

In accordance with the DfE's guidance to schools, the Trust will:

- Assess the overall vulnerability to fraud
- Test the internal control system to ensure it is robust
- identify areas most vulnerable to fraud risk
- evaluate the scale of fraud risk
- respond to the fraud risk through improved control arrangements where necessary
- measure the effectiveness of the risk strategy to potential fraud; and
- report fraud.

4. Cyber-crime and cyber security

The Trust is vigilant and proactive in relation to cyber-crime and has cyber security arrangements in place.

5. Responsibilities

5.1. All internal and external parties including managers

- You must comply with the requirements set out in this policy, the staff handbook, and the Financial Procedure rules;
- You must not accept gifts, hospitality or benefits which might be seen to compromise your integrity or judgement;
- You must comply with internal controls and systems in place;
- If you discover or suspect fraud, theft and/or corruption you must report it immediately to your line manager, Chief Operating Officer (or CEO where the COO is the subject of the suspicion) or anonymously through the whistleblowing procedure;
- You must take no further action once you have reported your concerns, do not share your concerns or suspicions with anyone; and
- You must make a written record of the allegation you have reported as soon as you can.

5.2. Audit & Risk Committee[1]

- Review this policy at least every three years
- Receive and monitor any reports of fraud, particularly the post-incident reports outlined in section 7 below.

[1] During the cycle of this policy, the Board expects to re-establish a separate Audit & Risk Committee; until such time, these responsibilities will reside with the Finance Committee.

6. Managers

For the purposes of this policy, managers are defined as any person who is responsible for managing staff or contracts with the Trust. As a manager you must also:

- Ensure that all internal and external parties for whom you are responsible are aware of the risk of fraud, theft, and corruption;
- Take steps to prevent fraud, theft, and corruption through the use of appropriate internal controls and monitoring;
- Follow guidance or carry out internal checks as directed;
- Ensure that suspected fraud, theft, or corruption is reported to the Chief Operating Officer promptly;
- Encourage staff to report suspected or discovered fraud and abuse.

7. Eden Academy response

If evidence of fraud or corruption against the organisation by the public, internal or external parties is found all appropriate available sanctions will be pursued. This may be through the criminal and civil courts, disciplinary proceedings, or notification to a relevant professional body even where there is no criminal investigation or police involvement.

Reports of fraud or corruption will be investigated by the organisation and consideration given as to whether or not this policy has been breached.

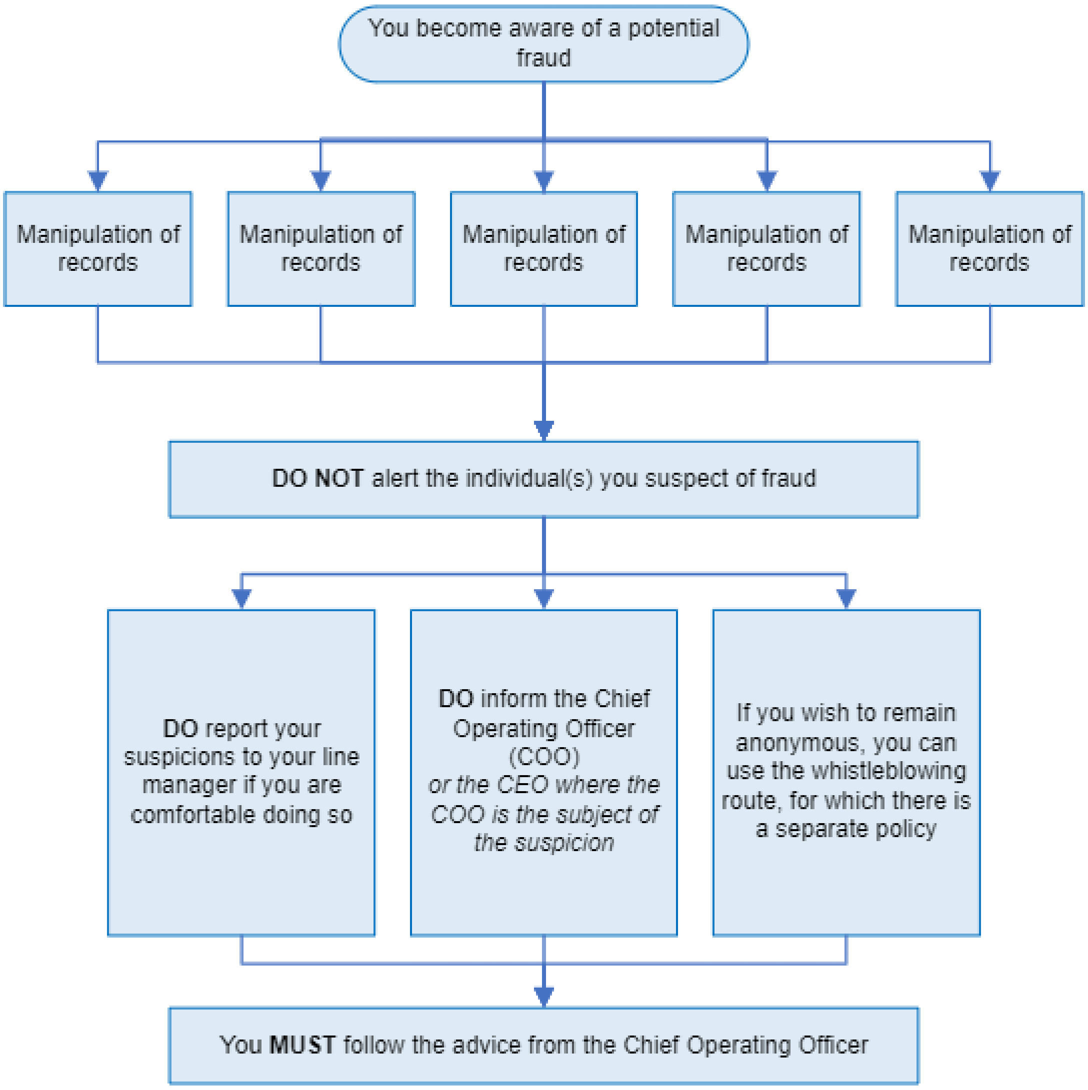
The organisation will report fraudulent activity or corruption to the police for potential prosecution, not only as a deterrent but also to assist with recovery of losses and to conform with insurance requirements. The Trust will take steps to recover any loss by acts of fraud or corruption.

In the event of conviction for a criminal offence the organisation will notify the media unless it is not in the public interest to do so.

The Trust will notify ESFA of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in an academy's financial year. Any unusual or systematic fraud (e.g. regular occurrences of low value theft), regardless of value, will also be reported to the ESFA via email to allegations.mailbox@education.gov.uk providing:

- 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 if not, why);
- whether insurance cover or the risk protection arrangement has offset any loss.

8. An overview of actions you should take if you suspect a fraud



Act quickly to help minimise losses and ensure perpetrators cannot destroy evidence

The Trust can recover losses

Trustees wishing to raise concerns should do so directly with the Chair of the Board of Trustees. If the concern is regarding the Chair of the Board of Trustees, then concerns should be raised with the Chair of the Board of Members. Trustees also have the option of raising concerns externally with the ESFA although internal reporting should be considered first.

9. What next?

It is important that the Trust finds out how the fraud was possible and what lessons can be learned. A report should be produced which honestly identifies the weaknesses and suggests actions to reduce/eliminate the problems in the future. The report should be about improvements and not about blame. The report should identify the problem areas and include an action plan with targets and be presented to the Finance Committee[2].

10. Monitoring of this Policy

The Finance Committee[3] will oversee any further development of the Counter Fraud Policy, which is subject to review every three years.

[2] During the cycle of this policy, the Board expects to re-establish a separate Audit & Risk Committee, which will assume these responsibilities

[3] During the cycle of this policy, the Board expects to re-establish a separate Audit & Risk Committee, which will assume the Finance Committee's responsibilities except for the ratification of the policy