



Fraud Prevention Policy and Strategy

DISTRIBUTION	This is a Trust-wide policy and applies to all Trustees, Governors and Staff within the Trust.		
DOCUMENT ID	FT-FI008 Fraud Prevention Policy and Strategy		
AUTHOR	WHI	VERSION	1.0
RATIFIED BY THE BOARD OF TRUSTEES			
POLICY REVIEW CYCLE	3 YEARS		
POLICY REQUIREMENT	NON-STATUTORY		

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The Fallibroome Trust (Company number: 07346144). A company incorporated as private limited by guarantee.
Registered Office situated in England and Wales

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POLICY

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

The Fallibroome Trust will not, therefore, tolerate fraud, bribery or corruption in any area of activity.

PURPOSE

This policy aims to:

- Confirm the Trust's commitment to preventing and detecting fraud, bribery and corruption.
- Describe 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.

GOVERNANCE

The Local Governing Body is a committee of the Fallibroome Trust. The Local Governing Body will adopt and comply with all policies communicated by the Trust. The Local Governing Body is responsible for setting out the policies and practices for staff. The Local Governing Body may delegate these matters to:

- The Principal/Headteacher;
- A sub-committee of the Local Governing Body; or
- A sub-committee and the Principal/Headteacher.

Where this procedure refers to the Local Governing Body representative this can be any one of the above.

SCOPE

This procedure applies to all Members, Trustees, Governors and Staff of the Fallibroome Trust and its constituent schools (including casual staff)

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 position, or deception, that is done deliberately to create an unfair gain for the perpetrator or for a related person or entity and / or cause a disadvantage 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 an unfair gain for one party and / or a disadvantage 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, or the name of one of the schools, 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 or one of its schools to pay for them.

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.

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 four key offences under the Bribery Act 2010:

- bribery of another person
- accepting a bribe
- bribing a foreign official
- failing to prevent bribery.

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.

ANTI-FRAUD CULTURE

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 Members, Trustees, Governors and employees at all levels will lead by example in ensuring adherence to approved policies, financial regulations, codes of conduct and prescribed procedures and practices.

The trust implements and maintains systems of accountability and controls 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’s audit committee is responsible for overseeing internal controls, financial regularity and rigorous risk management.

The trust expects all trustees, governors, staff and those acting as its agents to conduct themselves in accordance with the seven principles of public life defined by the Nolan Committee 1995. These are set out in full in the Trust’s Manual of Financial Procedures.

The trust expects trustees, governors, and staff 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, both internally, and externally by other stakeholders and the public.

The trust will not tolerate fraud. Employees found to be defrauding the trust or any of its stakeholders will 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.

The trust will exchange information with other local and national agencies in order to identify and prevent fraud. Any employee found to be perpetrating fraud elsewhere is liable to face disciplinary action where this has implications for the 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 Academy works with other bodies to prevent and detect fraud, bribery and corruption. Other bodies include:

- The Police

- Action Fraud
- The Serious Fraud Office
- The Student Loans Company
- The Department for Works and Pensions
- HM Revenues and Customs
- Internal and External Auditors
- 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.

REPORTING CONCERNS

All actual or suspected incidents of fraud, corruption or bribery in the Trust should be reported without delay to the Headteacher or Chief Financial Officer.

If this is not in the best interests of the Trust then the concern should be reported to the Chief Executive Officer, or Chair of the Audit Committee.

The Trust has a Whistleblowing Policy which contains further information.

INVESTIGATION AND REPORTING OF FRAUD

The Trust will take appropriate action whenever fraud, bribery or corruption are suspected or identified.

Where suspected fraud is reported to a Headteacher, he or she must make the Chief Financial Officer aware. The Chief Financial Officer will involve the trust's internal auditor in planning the investigation and, if necessary, in carrying it out. All fraud and any near miss will be reported to the trust's audit committee and the external auditor, including any lessons learned.

The Trust will follow the guidance in the Academy Trust Handbook and report to the ESFA any instances of fraud or other irregularity above the current level – currently £5,000. Any unusual or systematic fraud, regardless of value, must also be reported.

All attempted fraud will be reported to Action Fraud and, if appropriate, to the Police. All employee and contractor fraud will be reported to the Police.

The trust's Finance Director will maintain a central record of fraud and associated near misses.

ANTI-FRAUD STRATEGY

Some of the ways in which the Academy manages the risk of fraud, bribery and corruption are:

The following key procedures and controls operate within the Trust:-

1. The Trustees, accounting officer (CEO) and chief financial officer are aware of the risk of fraud and their responsibilities regarding fraud.
2. Fraud is included within the remit of the trust's audit committee
3. The role of the trust's internal and external auditors are established and understood
4. Fraud risk is a standard item in the trust and schools' risk registers
5. The trust has a fraud policy and strategy (this document) and a 'zero tolerance' culture to fraud. This is supported by the financial procedures manual, disciplinary policy and recruitment policy.
6. The trust has policies on whistleblowing and receipt of gifts and hospitality. Declarations of interest are procurement are covered in the financial procedures manual.
7. The trust has segregation of duties for its financial transactions including, but not limited to, accounting, processing and banking arrangements.
8. This policy sets out reporting requirements in connection with fraud.
9. In cases of fraud, or where a near miss occurs, an incident review is carried out and reported to the audit committee.

CYBER FRAUD

All staff will be trained in cyber security in order to protect the trust against cyber fraud. The trust IT estate is protected by robust, and improving levels of technical security against cyber threats.

CONTACT DETAILS

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