



**MANOR**  
MULTI ACADEMY TRUST

# Anti Fraud Policy

# Manor Academy Trust Anti-Fraud Policy

The Trust has a duty to safeguard public money and to ensure probity, regularity and value for money. The culture of the Trust is one of honesty and there is an expectation and requirement that all individuals and organisations or individuals associated with the Trust will act with integrity and that Trust employees at all levels will lead by example in these areas.

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. Common types of fraud include theft, fictitious and or falsified invoices and credit card fraud.

The aim of this Policy is to promote the early detection of fraud and corruption, set out Directors, Governors and staff responsibilities and explain how suspicions of fraud and corruption can be reported. To ensure that the Trust remains vigilant for risk, it will continue to have regard to the relevant and up to date guidance documents.

## **Fraud, Bribery and Corruption Defined**

Definitions of fraud, bribery and corruption are within various acts. Fraud - the Fraud Act 2006 came into force on 15th January 2007 details the following: -

- False representation
- Failure to disclose information where there is a legal duty to do so
- Abuse of position
- The offence can be the possession of articles for use in fraud
- Making or supplying articles for use in fraud
- Obtaining services dishonestly
- Participating in fraudulent business

The act does not provide a single definition of fraud, it may be described as "Making dishonestly a false representation with the intention to make a gain for oneself or another, or, "to cause loss to another or expose him to a risk of loss" or "Dishonest conduct with the intention to make gain, or cause a loss or the risk of a loss to another".

Theft - theft is defined in the 1968 Theft Act as "A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it".

Bribery - the Bribery Act 2010 provides a legal framework to combat bribery in the public and private sectors. The act:-

- Creates two general offences covering the offering, promising or giving of an advantage, and requesting, agreeing to receive or accepting of an advantage,

- Creates a discrete offence of bribery of a foreign public official,

## **Responsibilities**

### **The Accounting Officer (Chief Executive Officer, CEO)**

The responsibilities of the CEO (with support from the COO/CFO and the HR representative) include:

Delivering an opinion to the Chair of the Board of Directors and Finance, Risk and Audit Committee on the adequacy of arrangements for managing the risk of fraud and ensuring that the Trust promotes an anti-fraud culture

Regularly reviewing the Anti-Fraud, Bribery and Corruption Policy and compliance to ensure it remains effective and relevant to the needs of the Trust

Ensuring that the Policy is brought to the attention of all employees;

Ensuring that staff recruitment is carried out in accordance with employment law and to ensure that only honest employees are offered contracts of employment;

Declaring any interests or offers of gifts or hospitality which are in any way related to the performance of their duties

Supporting the concept of induction and training particularly for employees involved in internal control systems, to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced

Notifying the DfE of any proven fraudulent and financial irregularities.

Liaising with the Board of Directors on issues of fraud prevention, detection, and management;

Developing a fraud risk management plan as part of the risk management process and undertaking a regular review of the fraud risks associated with each of the categories in order to keep the risk management plan current. This shall include having regard to the ESFA's anti-fraud checklist for academy trusts and the cyber-security checklist for academy trusts;

Ensuring that appropriate anti-fraud training and development opportunities are available to relevant employees

Establishing and maintaining the Trust's robust approach to fraud management, commensurate with the level of fraud risk identified in the risk management plan;

Ensuring that prompt investigations are carried out if fraud occurs or is suspected; recommendations about legal and/or disciplinary action against perpetrators of fraud;

Making recommendations about disciplinary action against supervisors where supervisory failures have contributed to the commission of fraud; Making recommendations about disciplinary or legal action against employees who fail to report fraud; and

Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.

## **Finance Director/Chief Finance Officer**

The responsibilities of the Finance Director

Designing an effective control environment to prevent fraud commensurate with the risk management plan through a system of internal controls. This shall include having regard to the guidance on Fraud Risk Management, published by the Chartered Institute of Management Accountants along with current DFE/ESFA guidance

Monitoring compliance with internal controls and agreed policies and procedures.

Working with the CEO on significant incidents of fraud;

Establishing appropriate mechanisms for reporting fraud risk issues and external reporting in compliance with legal requirements;

Co-ordinating assurances about the effectiveness of the Trust's approach to fraud;

Taking appropriate action to recover assets;

Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future. This shall include continuing to have reference to the ESFA's reports about its investigations and about financial management and governance reviews at academy trusts;

Recording any identified or attempted frauds in the Fraud Incident Register.

Notifying the Accounting Officer of any indications of fraudulent activity;

Reporting to the Directors on all aspects of fraud risk management;

Declaring any interests or offers of gifts or hospitality which are in any way related to the performance of employees duties.

## **Academy Heads and Staff**

With support from the Trust's central finance team, all Heads and school business managers are responsible for:

As per Manor MAT policy and procedures, ensuring that an adequate system of internal control exists within the academy and their areas of responsibility and that controls operate effectively to protect academy assets and reputation against fraud.

Preventing and detecting fraud and reporting any suspected fraud.

Assessing the types of risk involved in the operations for which they are responsible;

Regularly reviewing and testing the control systems for which they are responsible;

Ensuring that controls are being complied with and their systems continue to operate effectively; and

Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

Familiarising themselves with the types of fraud and dishonesty that might occur within their organisation;

Declaring any interests or offers of gifts or hospitality which are in any way related to the performance of their duties.

Every employee, volunteer or regular worker is responsible for acting appropriately in the use of the Trust's resources and the handling and use of public funds.

Conducting themselves in accordance with the seven principles of public life set out in the first report on Standards in Public Life by the Nolan Committee. These are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;

Being alert to the possibility that unusual events or transactions could be indicators of fraud;

Reporting details immediately in line with the Whistleblowing Policy if they suspect that fraud has been committed or become aware of any suspicious activities; and

Co-operating fully with whoever is conducting internal checks or reviews or fraud investigations.

## **Directors**

The Chair of Directors and the Chair of the Finance, Risk and Audit Committee are responsible for ensuring that an adequate system of internal control exists and that controls operate effectively.

All Directors are responsible for:

Abiding by the Trust's policies and regulations;

Being alert to the possibility that unusual events or transactions could be indicators of fraud;

Reporting details immediately through the appropriate channel if they suspect that fraud has been committed or see any suspicious acts or events; and

Co-operating fully with whoever is conducting internal checks or reviews or fraud investigations.

Members of the Finance, Risk and Audit Committee are responsible for:

Assisting the CEO and FD in their investigation of Fraud; and

Providing support and challenge through their consideration of the accounts and the Trust's registering of risk. This shall include having regard to the ESFA's Anti-Fraud Checklist for Academy Trust

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/686660/Anti-fraud\\_checklist\\_for\\_academy\\_trusts.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/686660/Anti-fraud_checklist_for_academy_trusts.pdf) (see Appendix A)

## **External Auditors**

The External Auditor is responsible for:

- Delivering an opinion to the CEO and FD on the adequacy of arrangements for managing the risk of fraud and ensuring that the Trust promotes an anti-fraud culture;

- Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure or risk across the Trust's operations;
- Ensuring that the Board of Directors have reviewed its risk exposures and identified the possibility of fraud as a business risk;
- Assisting the CEO in conducting fraud investigations, if asked; and
- Reporting to the Finance, Audit and Risk Committee on the efficiency of controls for the prevention, detection and management of fraud, as invited.

## Appendix A- EFSA anti-fraud checklist for academy trusts

The EFSA have published an anti-fraud checklist for academy trusts. It is noted that fraud occurs in every sector and although the level of identified fraud in academies is low, trusts must be aware of the potential for it to occur. The ten questions included in the checklist are intended to help governors, accounting officers and heads of finance to review their arrangements for preventing, detecting and dealing with fraud should it occur.

The risk of fraud is considered on an ongoing basis through the risk register which is discussed at the Trust's Audit Committee; the schedule for internal audit; the annually updated financial procedures handbook; the annually updated delegated levels of authority and the overall compliance with the 'EFSA Financial Handbook for Academies', driven by the staff in the central Trust office through their own independent checks and training update sessions. A summary of the Finance Handbook 'musts' is discussed and circulated to all of the Headteachers in the Trust annually in September.

The 10 questions that we must always be aware of are:

1. Are directors and the accounting officer aware of the risk of fraud and their responsibilities regarding fraud?
2. Is fraud included within the remit of the Trust's audit committee?
3. Has the role of the external auditor and responsible officer or equivalent regarding fraud been established and is it understood?
4. Is fraud risk considered within the Trust's risk management process?
5. Does the Trust have a fraud strategy or policy and is there a 'zero tolerance' culture to fraud in the Trust?

6. Is the strategy, policy and 'zero tolerance' culture promoted within the Trust, for example through financial regulations, disciplinary procedures, checks on new staff, induction process, staff training and the vetting of contractors?

7. Does the Trust have policies on whistleblowing, declaration of interests and the receipt of gifts and hospitality?

8. Does the Trust have appropriate segregation of duties?

9. Is it clear to whom suspicions of fraud in the Trust should be reported?

10. If there has been any fraud in the Trust, has a 'lessons learned' exercise been undertaken?







