



Humber Education Trust

Anti-Fraud, Bribery and Corruption Policy

Approved By:	Trust Board
Version:	1.1
Created on:	December 2017
Amended on:	March 2020
Next review date:	March 2022

Contents

Policy Statement	Page 3
Policy Scope	Page 3
Aims and Objectives	Page 3
Definitions	Page 4
Roles and Responsibilities	Page 5
Culture	Page 6
Facilitation Payments and Kickbacks	Page 7
Gifts and Hospitality	Page 7
Internal Controls and Risk Management	Page 8
Independent Review	Page 9
Reporting Allegations	Page 10
Responding to Allegations	Page 10
Confidentiality and Safeguards	Page 11
Monitoring and Reporting	Page 11
Policy Review	Page 11

Appendix 1 – ESFA Fraud Indicators List	Page 12
Appendix 2 – Allegations Response Plan	Page 19

Policy Statement

Humber Education Trust (HET) will conduct all its affairs in an honest and ethical manner. HET has a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption.

HET will uphold all laws relevant to countering bribery and corruption. However, we remain bound by UK laws, including the Bribery Act 2010 and the Fraud Act 2006, in respect of our conduct both at home and abroad.

HET expects the highest standards of propriety and accountability.

Policy Scope

This policy applies to all individuals whether employed, volunteer or those with significant control of HET; a breach of this and/or any related policy may result in disciplinary action.

Aims and Objectives

The purpose of this policy is to:

- set out our responsibilities, and of those working for us, in observing and upholding our position on fraud, bribery and corruption; and
- provide information and guidance to those working for us on how to recognise and deal with fraud, bribery and corruption issues.

This policy will describe HET's approach to minimising the risk of fraud, bribery and corruption and identify the importance of embedding a culture of zero tolerance.

This policy does not form part of any employee's contract of employment and may be amend at any time to reflect changes in legislation, best practise and/or the needs of HET.

Definitions

The following phrases and their definitions will apply to this policy:

- **Advantage**
An advantage includes money, gifts, loans, fees, hospitality, services, discounts, and the award of a contract or anything else of value.
- **Bribery**
“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.” Chartered Institute of Management Accountants (CIMA).
- **Corruption**
“The offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the body, its members or officers.” World Bank
- **Facilitation payments**
Also known as "back-handers" or "grease payments" are typically small, unofficial payments made to secure or expedite a routine or necessary action.
- **Fraud**
"The intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain" (CIMA).
- **Improper**
A person acts improperly where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts during employment, or other activities by or on behalf of any organisation of any kind.
- **Kickbacks**
Typically, payments made in return for a business favour or advantage.
- **Third Party**
Any individual or organisation you encounter in your capacity as an employee, volunteer or individual with significant influence for or no behalf of HET, and includes actual and potential students, parents, caregivers, customers, suppliers, business contacts, government and public bodies, including their advisors, representatives and officials, politicians and political parties.

Roles and Responsibilities

Trustees Responsibilities

Trustees have overall responsibility for the maintenance and operation of this policy and must ensure compliance with all legal and regulatory obligations. As a minimum Trustees' will ensure the following:

- ensure there are appropriate internal and financial controls in place to make sure all funds are accounted for and spent in line with the charity's aims,
- keep proper and adequate financial records for both the receipt and use of all funds together with audit trails of decisions made,
- take any actions necessary to protect charity funds,
- act responsibly and within the interests of HET, if fraud occurs. This includes reporting incidents of fraud, bribery and corruption to the relevant authorities; where appropriate and ensuring HET's financial resources and assets are secure.

Management Responsibilities

Management at all levels are responsible for the communication and implementation of this policy in their work area. Management are also responsible for ensuring that their staff are aware, understand and comply with this and all related policies and procedures and that adequate and regular training is provided.

Management are expected to create an environment where staff can approach them with any concerns they may have about suspected fraud, bribery and corruption. However, should a member of staff prefer; because their immediate manager is unavailable or indeed may be the cause for concern; then the Chief Financial Officer (CFO) may be approached.

All allegations of suspected fraud, bribery, corruption and/or theft brought to the attention of management should and will be:

- dealt with promptly,
- reported to the CFO,
- record all evidence received,
- ensure all immediately available evidence is sound and adequately supported,
- Implement the whistleblowing and/or disciplinary policy and procedures, where appropriate.

Staff Responsibilities

All categories of staff and/or volunteers are governed in their work by HET's policies and procedures including the code of conduct. Staff and/or volunteers are responsible for ensuring that they follow all instructions given to them by management, particularly regarding the safeguarding of public funds and the direct resources and assets of HET.

Colleagues are expected always to be aware of the possibility that fraud, bribery, corruption and/or theft may exist in the workplace therefore, all employees/volunteers should avoid the following:

- acting in any way that might cause others to allege or suspect them of dishonesty,
- behaving in a way that would not give cause for others to doubt that HET employees/volunteers deal fairly and impartially with official matters;
- give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give or accept a gift or hospitality during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome;
- accept a payment, gift or hospitality from a third party, knowing or suspecting it is offered with the expectation that it we will provide a business advantage for them or anyone else in return;
- accept hospitality from a third party that is unduly lavish or extravagant under the circumstances.
- threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any other activity that might lead to a breach of this policy.

Culture

The importance of a positive culture towards anti-fraud, bribery and corruption cannot be overstated.

The effectiveness of HET's arrangements can be undermined by a culture that does not apply recognised public standards (Nolan Principles) and procedures on a day to day basis. Maintaining appropriate arrangements, continually advocating their use and taking robust action, all help underpin the development of a strong culture of zero tolerance towards fraud, bribery and corruption.

HET will continue to assess the organisational culture and ensure it promotes the highest standards of oversight, governance and best practice.

Facilitation Payments and Kickbacks

HET does not make, and will not accept, facilitation payments or "kickbacks" of any kind.

All individuals must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by the HET or on its behalf, or that might suggest that such a payment will be made or accepted.

If you are asked to make or authorise a payment on behalf of the HET, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. In all instances authorised formal documentation must accompany a payment request.

If you have any suspicions, concerns or queries regarding a payment, you should refer these to your immediate manager or alternatively you may prefer; because your immediate manager is unavailable or indeed may be the cause for concern; to approach the CFO.

Gifts, Hospitality and Expenses

This policy allows reasonable and appropriate hospitality or entertainment given to or received from third parties, for the purposes of:

- establishing or maintaining good business relationships;
- improving or maintaining our image or reputation; or
- marketing or presenting our products and/or services effectively.

The giving and accepting of gifts is allowed if the following requirements are met:

- it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- it is given in the name of HET,
- it does not include cash or a cash equivalent (such as gift certificates or vouchers),
- it is appropriate in the circumstances, taking account of the reason for the gift, its timing and value, and;
- it is given openly, not secretly.

Promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners will usually be acceptable.

Reimbursing a third party's expenses or accepting an offer to reimburse our expenses (for example, the costs of attending a meeting/conference) would not usually amount to bribery. However, a payment more than genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable.

In determining the appropriateness of any gift and/or hospitality it is important to consider whether in all the circumstances the gift, hospitality or payment is reasonable and justifiable. Further information, advice and guidance can be found in the Gifts and Hospitality Policy.

Internal Controls and Risk Management

HET has a number of policies and procedures to minimise the risk of fraud, bribery and corruption; these controls constitute a major part of HET's system of internal control. The system is designed to ensure all transactions are conducted in an effective and efficient manner to prevent potential fraudsters from exploiting weaknesses.

Key Procedures and Controls

The following procedures and controls operate across HET:

- an effective Anti-Fraud, Bribery and Corruption Policy,
- a positive culture that will not tolerate fraud, bribery or corruption;
- all employees, volunteers and those with significant control acknowledge and comply with HET's code of conduct;
- a Register of Interests is maintained to enable all relevant stakeholders to record any financial or non-financial interests that may bring about a conflict of interest,
- a Register of Gifts and Hospitality is maintained to enable all relevant stakeholders to record gifts and hospitality either received, or offered and declined;
- confidential reporting (whistle blowing) procedures,
- suitable and enforced financial and contract procedures,
- robust recruitment and selection procedures,
- clear and active disciplinary policy and procedures.

HET is fully committed to ensuring that examples of best practice indicated above are an integral part of its internal controls and risk management framework.

Deterring Fraud, Bribery and Corruption

HET operates a number of processes to deter potential fraudsters from committing or attempting fraud, bribery and/or corruption these include:

- promoting the HET's determination to prevent and detect fraud, bribery and corruption e.g. clause in contracts;
- acting robustly and decisively when fraud, bribery and corruption are suspected and proven – e.g., the termination of contracts, dismissal, prosecution;
- acting to recover any losses through fraud – e.g. through agreement, court action, penalties, insurance;
- having sound internal control systems, which allow for innovation while limiting opportunities for fraud, bribery and corruption.

The ESFA has produced a Fraud Indication List (Appendix.1) that identifies potential areas where fraud can occur.

Independent Review

Internal Audit

Internal auditors are appointed by Trustees providing them with independent oversight of each academy and HET's financial affairs. The primary function of internal auditors is to provide the Trustees with assurance that:

- the financial responsibilities of HET are being properly discharged,
- resources are being managed in an efficient, economical and effective manner;
- effective systems of internal financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.

The completion of internal audits at individual academies and HET will ensure that standard checks are carried out to test controls that are already in place and to ensure they are adequate to reduce the risk of fraud and corruption.

When fraud or corruption has occurred due to a breakdown in systems and procedures, or the internal audit identifies a potential weakness in controls, HET will ensure that appropriate improvements are implemented to reduce the risk of a reoccurrence.

External Audit

HET'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 HET

throughout the financial year. The report also confirms compliance with the accounting requirements of the relevant Companies Act and confirms compliance with the financial reporting and annual accounting requirements issued by the Education Skills Funding Agency (ESFA) on behalf of the Department of Education.

In addition, the external audit also provides a limited assurance report on the regularity of HET's financial affairs, confirming resources have been applied to the purposes identified by Parliament and financial transactions conform to the authorities which govern them.

Reporting Allegations of Fraud, Bribery and Corruption

Individuals may report an allegation if they reasonably believe that one or more of the following has occurred, is in the process of occurring or is likely to occur:

- a criminal offence,
- a failure to comply with a statutory or legal obligation,
- improper unauthorised use of funds,
- false representation,
- failure to disclose information,
- abuse of position,
- deliberate concealment or complicity in any of the above.

HET will ensure that any allegations received, including by anonymous letter or phone calls, will be taken seriously and investigated in an appropriate manner.

HET will deal firmly with those who commit acts of fraud, or who are corrupt, or where there has been financial malpractice. There is, of course, a need to ensure that any investigation process is not misused, and, therefore any abuse (such as staff raising malicious allegations) may be dealt with as a disciplinary matter.

Responding to Allegations

HET has prepared an Allegation Response Plan (Appendix. 2) which should act as a checklist of actions and a guide to follow if fraud is suspected, the response plan covers:

- notifying suspected fraud,
- the investigation process,
- liaison with police and external audit,
- initiation of recovery action,
- reporting process, and;
- communication with Secretary of State.

Confidentiality and Safeguards

Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. HET aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

HET is committed to ensuring no one suffers any detrimental treatment because of refusing to take part in fraud, bribery and/or corruption, or because of reporting in good faith their suspicion that an actual or potential offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

If you believe that you have suffered any such treatment, you should inform the CFO immediately. If the matter is not remedied, and you are an employee, you should raise it formally using HET's grievance procedure.

Monitoring and Reporting

The CFO will report any incidents of fraud, bribery and/or corruption in line with the policy and its appendices. Annually, the CFO will report to the Trustees highlight any issues of concern or weakness regarding fraud, bribery and/or corruption.

Policy Review

HET will review and publish this policy on an annual basis, ensuring that it remains accurate and fit for purpose.

Appendix 1 – ESFA Fraud Indicators List

This reference document provides a list of generic indicators of potential fraud. These include personal and organisational motives for fraud, possible weakness of governance or internal controls, transactional indicators and possible methods of concealing fraud.

1	Potential Personal Motives
1.1	Financial motives: <ul style="list-style-type: none"> • Personnel believe they receive inadequate pay and/or rewards (recognition, holidays, promotions etc.) • Individuals' expensive lifestyle (cars, holidays etc.) • Personal problems (gambling, alcohol, drugs, debt, etc.)
1.2	Personal motives: <ul style="list-style-type: none"> • Disgruntled employee (recently demoted, reprimanded etc.) • Recent failure associated with specific individual • Personal animosity or professional jealousy
1.3	Unusually high degree of competition/peer pressure
1.4	Undeclared conflicts of interest or related party transactions (business activities with personal friends, relatives or their companies)

2	Possible Organisational Motives
2.1	Financial issues: <ul style="list-style-type: none"> • Organisation experiencing financial difficulty • Commercial arm experiencing financial difficulty • Organisation has for-profit component • Not-for-profit entity has a for-profit counterpart with linked infrastructure • Organisation under pressure to show results (budgetary, exam results etc) • Organisation recently affected by new/changing conditions (regulatory, economic, environmental etc) • Organisation faces pressure to use or lose funds to sustain future funding levels
2.2	Tight or unusually tight time deadlines to achieve level of outputs
2.3	Organisation wants to expand its scope, obtain additional funding
2.4	Funding award up for continuation
2.5	Organisation due for a site visit by auditors, Ofsted or others
2.6	Record of previous failure(s) by one or more organisational areas

3	Potential Weaknesses in Management & Governance
3.1	Organisation governance lacks clarity and direction
3.2	Organisation closely identified with/dominated by one individual
3.3	Management demonstrates lack of attention to ethical values (e.g. Nolan principles, integrity and ethics)
3.4	<p>Risk management:</p> <ul style="list-style-type: none"> • Management fails to recognise required levels of competence in high risk areas. • Management displays lack of commitment towards the identification and management of risks relevant to the preparation of financial statements (does not consider significance of risks, likelihood of occurrence or how they should be managed). • Management take unnecessary risks.
3.5	<p>Institution lacks policies and communication relating to financial management, individual accountability and best practices e.g.</p> <ul style="list-style-type: none"> • procurement • travel and subsistence • use of alcohol • declarations of interest
3.6	<p>Personnel policies:</p> <ul style="list-style-type: none"> • Lack of personnel policies and recruitment practices • Institution lacks personnel performance appraisal measures or practices
3.7	Management is unaware of or displays lack of concern regarding applicable laws and regulations e.g. Companies Acts, Charities Acts, Funding Agreement, Child Protection
3.8	Sudden change in organisation practice or pattern of behaviour
3.9	Lack of staff training or fraud awareness

4	Potential Internal Control Issues
4.1	Internal Control
4.1.1	Lack of an appropriate organisational and governance structure with defined lines of authority and reporting responsibilities
4.1.2	Lack of oversight of budget management, including comparison of budgets with actual performance and costs, forecasts and prior performance; no regular reconciliation of control records and lack of proper reporting to governing body
4.1.3	General lack of management oversight or appropriate level of challenge
4.1.4	There is inadequate or inappropriate segregation of duties regarding initiation, authorisation and recording of transactions, maintaining custody of assets
4.1.5	There is a lack of internal, independent monitoring of controls in place; failure to take any corrective actions, if needed
4.1.6	No mechanism exists to inform management and governors of possible fraud
4.1.7	Management of information systems is inadequate (no policy on information technology security, computer use and access, verification of data accuracy completeness or authorisation of transactions)
4.1.8	Accounting systems are inadequate (ineffective method for identifying and recording transactions, no tracking of time periods during which transactions occur, insufficient description of transactions and to which account they should be allocated to, no easy way to know the status of funds on a timely basis, no adequate procedure to prevent duplicate payments or prevent missing payment dates, etc.)
4.1.9	Purchasing systems/procedures inadequate (poor or incomplete documentation of purchase, payment, receipt; poor internal controls as to authorisation and segregation of duties)
4.1.10	Previous audits with findings of <ul style="list-style-type: none"> • questioned costs • evidence of non-compliance with applicable laws or regulations • weak internal controls • inadequate management response to any of above • a qualified opinion
4.1.11	<ul style="list-style-type: none"> • History of problems • Slow response to past findings or problems • Unresolved findings

4.1.12	There is insufficient physical security over facilities, assets, records, computers, data files, cash; failure to compare existing assets with related records at reasonable intervals
--------	--

4.2	Transactional Indicators
4.2.1	Related party transactions with inadequate, inaccurate or incomplete documentation or internal controls (business/research activities with friends, family members or their companies)
4.2.2	Specific transactions that typically receive minimal oversight
4.2.3	Transactions and/or accounts <ul style="list-style-type: none"> • which are difficult to audit or • subject to management judgment and estimates
4.2.4	Payroll (including fringe benefits) system: controls inadequate to prevent an individual being paid twice, or paid for non-delivery or non-existence; or outsourced but poor oversight of starters / leavers and payments
4.2.5	Travel and subsistence accounts with: <ul style="list-style-type: none"> • inadequate, inaccurate or incomplete documentation • receipts not provided • variances between budgeted amounts and actual costs • claims in excess of actual expenses • reimbursement for personal expenses • claims for non-existent travel • collecting duplicate payments
4.2.6	Credit card accounts with inadequate, inaccurate or incomplete documentation or internal controls such as appropriate authorisation and review
4.2.7	Consultant/ subcontract agreements which are vague as to <ul style="list-style-type: none"> • schedule of work • time period covered • rate of pay • product expected Lack of proof that product or service was delivered
4.2.8	Accounts in which activities, transactions or events involve handling of cash or wire transfers; presence of high cash deposits maintained with banks
4.2.9	Writing large cheques to cash or repeatedly to a particular individual, or excessive or large cash transactions
4.2.10	Multiple sources of funding with

	<ul style="list-style-type: none"> • inadequate, incomplete or poor tracking • failure to segregate funds and/or • existence of pooled funds
4.2.11	Unusual, complex or new transactions, particularly if occur at year end, or end of reporting period
4.2.12	Accounts with large or frequent shifting of budgeted costs from one-line item to another without adequate justification
4.2.13	Transactions and accounts operating under time constraints
4.2	Transactional Indicators
4.2.14	Cost sharing, matching or leveraging arrangements where industry money or other donation has been put into a foundation (as in a foundation set up to receive gifts) without adequate controls to determine if money or equipment has been spent/used and whether it has gone to allowable costs and at appropriate and accurate valuations; outside entity such as foundation provided limited access to documentation
4.2.15	Assets and inventory are of a nature to be easily converted to cash (small size, high marketability, lack of ownership identification, etc.) or easily converted to personal use (cars, houses, equestrian centres, villas etc.)

4.3	Record Keeping/Banking
4.3.1	Records maintained are inadequate, not updated or reconciled. Examples: <ul style="list-style-type: none"> • missing documents • documents are copies, not originals • documents in pencil • altered documents • false signatures/incorrect person signing
4.3.2	Process issues: <ul style="list-style-type: none"> • Non-serial-numbered transactions or out-of-sequence invoices or other documents • Duplicate invoices • Creation of fictitious accounts, transactions, employees, charges • Payroll checks with unusual/questionable endorsements • Payees have similar names/addresses • Non-payroll cheques written to an employee • Excessive journal entries

	<ul style="list-style-type: none"> • Use of several different banks, or frequent bank changes; use of several different bank accounts • Transfers to or via any type of holding or suspension account
4.3.3	Deviation from standard procedures (all files but one handled a particular way; all documents but one included in file, etc.)
4.3.4	Inter-fund loans to other linked organisations
4.3.5	Failure to disclose unusual accounting practices or transactions
4.3.6	Defining delivery needs in ways that can only be met by one source
4.3.7	Continued reliance on person/entity despite poor performance
4.3.8	Materials erroneously reported as purchased; repeated purchases of same items; identical items purchased in different quantities within a short time period; equipment not used as promised, doesn't work, doesn't exist
4.3.9	Charging items to project account for personal purposes (books and supplies bought for family members, home gym equipment charged to project account etc.)

5	Other
	<p>Personal behaviours:</p> <ul style="list-style-type: none"> • Uncharacteristic willingness to settle questioned costs • Eagerness to work unusual hours • Access to/use of computers at unusual hours • Reluctance to take leave • Insistence on doing job alone • Refusal of promotion or reluctance to change job

6	Potential Methods for Concealing Fraud
6.1	<p>During an audit or when verifying transactions for approval the auditee may demonstrate some of the following behaviours:</p> <ul style="list-style-type: none"> • refusal or reluctance to turn over documents • unreasonable explanations • annoyance at questions • trying to control the audit process (timetables, access, scope) • auditee blames a mistake on a lack of experience with financial requirements or regulations governing funding • promises of cooperation followed by subsequent excuses to limit or truncate co-operation • subtle resistance • answering a question that wasn't asked

- | | |
|--|--|
| | <ul style="list-style-type: none">• offering more information than asked• providing wealth of information in some areas, little to none in others• explaining a problem by saying “we’ve always done it that way”, or “someone at ESFA (or elsewhere) told us to do it that way” or “Mr X said he’d take care of it”• a tendency to avoid personal responsibility (overuse of “we” and “our” rather than “I”); blaming someone else• too much forgetfulness• trying to rush the audit process |
|--|--|

Appendix 2 – Allegation Response Plan

Reporting

In the first instance, any suspicion of fraud, bribery, corruption or other irregularity should be reported, as a matter of urgency, to the Chief Financial Officer (CFO). However, the issue may initially be reported upwards to the Chief Executive Officer (CEO) or Chair of Audit Committee, if the cause of concerns is the CFO.

Every effort will be made to protect an informant's anonymity, if requested. However, Humber Education Trust (HET) will always encourage individuals to be identified to add more validity to the accusations and allow further investigations to be more effective. In certain circumstances, anonymity cannot be maintained. This will be advised to the informant prior to release of information.

Investigation Process

All suspected incidents of fraud, bribery and corruption will be investigated in an independent, open-minded and professional manner with the aim of protecting the interests of both HET and the suspected individual(s).

Suspicion must not be seen as guilt to be proven.

The investigation process will vary according to the circumstances and will be determined by the CEO in consultation with the CFO and Chair of Audit Committee. An "Investigating Officer (IO)" will be appointed to take charge of the investigation on a day-to-day basis. This will normally be the CFO or, in exceptionally circumstances, another independent member of HET's executive management team.

The IO will appoint an investigating team. This will normally comprise staff from within the finance and human resources departments but may be supplemented with other resources within HET or externally.

Where initial investigations reveal that there are reasonable grounds for suspicion, and to facilitate the ongoing investigation, it may be appropriate to suspend the suspected individual(s). This decision will be taken by the CEO, CFO and the Chair of Audit Committee.

Suspension should not be regarded as disciplinary action, nor should it imply guilt.

It is important, from the outset, to ensure that evidence is not contaminated, lost or destroyed. The investigating team will therefore take immediate steps to secure physical assets, including computers and any records thereon, and all other potentially evidential documents. They will also ensure, in consultation with management, that appropriate controls are introduced to prevent further loss.

The IO will ensure that a detailed record of the investigation is maintained which should include

- a chronological file recording details of all telephone conversations, discussions, meetings and interviews,
- details of documents reviewed, tests and analyses undertaken, the results and their significance.

Everything should be recorded, irrespective of the apparent significance at the time.

The findings of the investigation will be reported to the CEO, CFO and the Chair of the Audit Committee who in consultation with the Chair of Trustees, will determine what further action (if any) should be taken.

Liaison with Police & External Audit

The police generally welcome early notification of suspected fraud, particularly that of a serious or complex nature. The Chair of Trustees, following consultation with the CEO, CFO and the Chair of the Audit Committee will decide if and when to contact the police. The Chair of Audit Committee and the CFO will report suspected incidents of fraud, bribery and corruption to the external auditors at an appropriate time.

All staff will be expected to co-operate fully with any police or external audit enquiries, which may have to take precedence over any internal investigation or disciplinary process.

Recovery Action

HET will take appropriate steps, including legal action if necessary, to recover any losses arising from fraud, theft or misconduct. This may include action against third parties involved in the fraud or whose negligent actions contributed to the fraud.

Reporting process

Throughout any investigation, the IO will keep the CEO and Chair of Audit Committee informed of progress. If the investigation is long or complex, interim reports to the Chair and Board of Trustees will be made.

Upon completion of the investigation, the IO will prepare a full written report for the Trustees setting out:

- background as to how the investigation arose,
- what action was taken in response to the allegations,
- the conduct of the investigation,
- the facts that came to light and the evidence in support,
- action taken against any party where the allegations were proved,
- action taken to recover any losses, and;

- recommendations and/or action taken by management to reduce further exposure and to minimise any recurrence.

Communication with the Secretary of State

HET will notify the Education Skills Funding Agency (ESFA), as soon as is operationally practical, of any instances of fraud, bribery, corruption and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or systematic fraud, regardless of value, will also be reported.

The ESFA reserves the right to conduct or commission its own investigation into actual or potential fraud, bribery, corruption, theft or irregularity, either as the result of a formal notification from HET or as the result of other information received.

The Chair of Trustees will be responsible for preparation and submission of fraud reports to the ESFA and Secretary of State.

Sign Off

Approved By (print name):	
Role Title:	
Signature:	
Date:	

**Where everybody counts,
every moment matters.**

