



Anti-fraud, Bribery and Corruption Policy

Policy Preface

Northumberland Church of England Academy Trust is a Christian learning environment at the heart of its communities. We promote care and respect, and expect high standards in all aspects of our Trust life.

As a Church of England Academy Trust, we aim to build communities clearly based on the Christian values of love, forgiveness and reconciliation, integrity and the unique value of each individual. We aim to build self-esteem, model conflict resolution, protect the weak and are committed to justice and compassion. Mutual respect and trust are central within the Academy Trust.

This policy, and its associated procedures and protocols, is based on these key principles.

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Northumberland Church of England Academy Trust

Anti-fraud, Bribery and Corruption Policy

Introduction

- 1.1 The purpose of this manual is to set out how the Trust encourages the prevention of fraud, bribery and corruption and promotes early reporting and investigation of concerns.
- 1.2 NCEA Trust expects all members and employees to carry out their duties in accordance with appropriate legal requirements, internal codes of practice, rules and regulations and to act at all times with integrity, honesty and probity in the discharge of their functions.
- 1.3 In carrying out its duties and responsibilities, the Trust is determined to do everything it reasonably can to protect itself and the public from fraud and corruption and is committed to the rigorous maintenance of this Anti Fraud & Corruption Strategy which will provide a framework for:
 - encouraging fraud deterrence and prevention;
 - raising awareness of fraud and corruption and promoting their detection;
 - performing investigations and facilitating recovery of losses;
 - invoking disciplinary proceeding and referrals to the Police; and
 - monitoring, publishing and updating the Strategy and its related procedures and performance
- 1.4 The Trust also expects that all outside individuals and organisations, including suppliers, contracting partners and claimants will act toward it with honesty and integrity without thought or actions involving fraud and corruption.

2. Definitions

Theft is 'the dishonest taking of property belonging to another person with the intention of permanently depriving the owner of its possession'.

Fraud is 'the intentional distortion of the 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.' This differs from "theft" where no attempt at concealment is made. It is also important to distinguish this from negligence and accidental error where no intent exists. This may involve:

- Falsification or alteration of accounting records or other documents
- Suppression or omission of the effects of transactions from records or documents
- Recording transactions which have no substance
- Wilful misrepresentation of transactions or of the Trust's state of affairs

Corruption is 'The offering, giving, soliciting or acceptance of an inducement or reward which may influence actions taken by the body, its members or officers.' Main areas of activity, which are susceptible to corruption may include:

- Contracts
- Asset Disposal
- Planning consents and licenses

3. Roles and responsibilities

3.1 The Finance, Operations and Risk Committee (FORC)

The FORC is a committee of the Trust Board. The FORC meets at least 6 times a year but more frequently if required and oversees internal controls, internal assurance and external audit across the Trust. It will

monitor the implementation of this policy and review its provisions to ensure the Trust has a robust approach to preventing fraud, bribery and corruption.

3.2 The Chief Executive

The Trust's Accounting Officer, who is the Chief Executive Officer (CEO), is accountable to the board for the effective implementation of this policy and ensuring matters of potential fraud, bribery or corruption are investigated and reported as appropriate.

3.3 Director of Finance and Central Services

The Director of Finance and Central Services is responsible for developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud and notifying the Accounting Officer of any concerns.

4. **Prevention**

4.1 The Trust has the following measures in place:

- The staff recruitment and selection process seeks to establish, as far as practicable, the previous record of job applicants in terms of their propriety and integrity. This includes obtaining written references regarding the known honesty and integrity of potential staff before employment offers are made and requiring evidence of stated qualifications;
- A Code of Conduct for Trustees and Local Governing Bodies and a Code of Conduct for Employees. All trustees, governors and staff are required to declare any offers of gifts or hospitality over a certain amount, regardless of the offer being accepted or declined.
- The Trust's financial regulations and procedures sets out a framework of internal control which all staff are required to follow.
- A Whistleblowing Policy which encourages staff to raise concerns about potential malpractice and protects them if they do so.
- The Disciplinary Procedure provides clear arrangements to investigate and manage allegations of misconduct against staff.
- Internal assurance and external audit processes provide monitoring and evaluation of the adequacy and appropriateness of the Trust's financial systems to the trustees and members. Recommendations are reviewed by the Trust's FORC and agreed actions are implemented to ensure compliance with current systems and practice, or to improve those systems.

5. **Detection**

5.1 All allegations of fraud, loss, financial irregularity, bribery or corruption involving the Trust/Academy finances and/or assets will be reported to the principal of the school or the CEO in respect of the central team in the first instance. If this is not appropriate, the matter should be reported to the chair of the Trust Board.

5.2 In all cases the Trust's Accounting Officer must be informed of the matter before the allegations are investigated. HR advice should also be sought if the allegation is against an employee.

5.3 An investigation will be carried out to establish the facts in a fair and objective manner and may include any of the following:

- screening of the allegations or information to gauge their credibility;
- securing of all evidence which must be retained in its original format i.e. not written on or marked in anyway and stored securely;
- interviewing potential witnesses;
- taking statements;
- interviewing of people suspected of being involved;
- liaising with external advisers (including auditors) and other agencies (including the police)

- The investigation will be conducted in accordance with legislation and in conjunction with guidance from the HR Director.
- The Accounting Officer will be notified of the outcome of the investigation and proposed action to be taken.
- Where evidence of fraud or irregularities is found, the Trust will consider taking further action. This may include:
 - action under the Trust’s Disciplinary Procedure where an employee is involved;
 - referral to the police, where appropriate, in order for them to consider taking criminal action;
 - reporting any control weakness identified during the investigation to the head teacher and CEO in respect of the central team and advising them how these weakness need to be addressed to prevent future irregularities;
 - seeking compensation for all losses incurred.

6. Reporting and monitoring

- 6.1 The Trust’s Director of Finance and Central Services will maintain a log of all reported incidents across the Trust, which will be reported to the FORC regardless of the outcome.
- 6.2 In accordance with the Academies Financial Handbook, the Trust must notify the Education and Skills Funding Agency (ESFA), as soon as is operationally practical based on its particular circumstances, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or systematic fraud, regardless of value must also be reported.

7. Gifts and hospitality procedures: specific guidance

Quick reference guide:

- if you or the Trust could be criticised (fairly or otherwise) for offering or receiving something, don’t do it
- even if you decline a gift or hospitality, you must record it using the online form
- if the Trust can use a gift to raise funds (e.g. a gift of a bottle of wine), it can be kept but must be lodged with the CEO
- you can ignore trivial gifts (calendars and diaries, for example), small gifts from pupils and gifts between staff
- if it’s still not clear, read the full policy and **ask**

- 7.1 The Trust is responsible for the expenditure of significant sums of money from a variety of public funding bodies. Staff must conduct themselves with integrity, impartiality and honesty. They should not deceive or knowingly mislead the Trust, trustees or the funding bodies. The trustees and funding bodies are entitled to expect the highest standards of conduct and service from trust staff. All staff must maintain high standards of propriety and professionalism, including avoiding laying themselves open to suspicion of dishonesty and not putting themselves in a position of conflict between their official duty and private interest.
- 7.2 **For the avoidance of doubt, gifts from pupils at the end of term or at Christmas, for example, should be treated as trivial within the procedures below. Further, gifts between staff members are exempt from this policy.**
- 7.3 Some staff necessarily spend time with representatives of institutions and other organisations where it is normal business practice or social convention to offer gifts, hospitality or awards. Offers of this kind can place staff in a difficult position since to refuse may cause misunderstanding or offence. However, to

accept may give rise to questions of impropriety, suspicion or conflict of interest, disciplinary action or criminal liability. It is a disciplinary offence for staff to accept any benefit as an inducement or reward for:

- taking any action (or specifically not taking action) in his or her official capacity
- showing favour (or disfavour) to anyone in his or her official capacity

When offered gifts or hospitality the guiding principles are:

- The conduct of individuals must not create suspicion of any conflict between their official duty and their private interest
- The action of individuals acting in an official capacity must not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation.

- 7.4 Staff must not accept any gift, reward or hospitality from any organisation or individual with whom they have contact in the course of their work as an inducement either for doing something or not doing something in their official capacity.
- 7.5 Particular care should be taken about any gift or hospitality from a person or organisation which has, or is hoping to have, a contract with the Trust. Although it is conventional in some parts of the private sector for businesses to exchange seasonal gifts, this is not an acceptable practice in the Trust. Gifts of a trivial inexpensive nature such as diaries and calendars may be accepted, but more substantial offerings, including alcoholic drink and expensive hospitality, should be declined unless they can be accepted and used by the Trust, e.g. for fundraising. If unsolicited gifts of a substantial nature that cannot be used for the benefit of the Trust arrive from contractors they should be returned with a polite explanation that the Trust's rules do not allow their acceptance.
- 7.6 If staff have any doubts about whether an offer of a gift should be refused (it is accepted that refusal of a gift may sometimes cause offence) they should consult the Director of Finance and Central Services in the first instance, who in turn should discuss the matter with the CEO and ultimately the Chair of Trustees if it is considered that the gift should be accepted, perhaps because it can be used for the benefit of the Trust as a whole.
- 7.7 The CEO is the final arbiter on the advisability of acceptance or refusal of gifts. If the CEO considers that a gift cannot be used to support the Trust's business, he/she may authorise retention of the gift by the individual. Alternatively, if the individual does not wish to retain the gift, arrangements may be made for the gift to be stored until disposal, for example through a local charity. It is obligatory for staff to record any gifts, **even those which are declined**, in a central register using the online form available. Any employee having a query about the contents of the register should direct it to the Director of Finance and Central Services. The register of gifts accepted will be kept within the finance function and each person will be asked to sign off a summary of their own gifts each year. This register is required to be made publicly available and will appear on the Trust's website.
- 7.8 It is accepted that staff sometimes receive conventional hospitality and that they are often required to have a working lunch with the senior staff of an institution. They may attend, as part of their official function, an event organised by another body for promotional or influential purpose and may receive the occasional invitation to a cultural event. Offers of hospitality that exceed this norm should in general be refused. The following items in particular should be avoided:
- hospitality offered in substitution for fees for broadcasts, speeches, lectures, or other work done
 - inducements which could lead to a contractual position between the Trust and a supplier or consultant
 - substantial offers of social functions, travel or accommodation
 - acceptance of meals, tickets and invitations to sporting, cultural or social events, particularly from the same source
- 7.9 If an organisation offers a fee to a member of staff for an occasional service such as a speech which is in any way connected with their official duty, the sum involved may be retained only on condition that it is paid into the Trust's bank account. Staff must consult the Director of Finance and Central Services if they

are approached by an outside organisation offering an award or prize which is in any way connected with their official duty. Retention of the award or prize will normally be allowed, provided that:

- it is offered in recognition of personal achievement
- it is not a gift (see above)

7.10 In deciding whether the award would give rise to public criticism that it was no more than a gift, staff are advised to consider:

- the status of the awarding body: for example, whether it is a registered charity
- the range of people to whom the award is given
- the method of selection
- the standing of the selectors
- any Trust dealings with the awarding body

7.11 Criticism, however unfounded, might be made if it appears that the award might have been given with a view to a future benefit to the body concerned.

7.12 The cost of lunches or dinners taken outside of the office may be met when it is considered necessary for the furtherance of business which cannot effectively be dealt with in the normal working environment e.g. in the case of important visitors, failure to provide some modest hospitality would be discourteous or embarrassing. Members of the Executive Leadership Team may claim for the cost of lunches and dinners taken in public restaurants (the nature of hospitality offered should be appropriate, but not lavish) subject to the following constraints:

- Normally a maximum claim of £30.00 per head including VAT but excluding alcohol (the Inland Revenue viewing alcohol as a taxable benefit)
- The number of trust staff in respect of whom a claim is being made should not normally exceed the number of guests on any one occasion
- Claims must be approved by the CEO and for the CEO the Chair of Trustees
- The names of all attendees must be recorded on the expense claim form.

7.13 During the course of an all-day meeting and subject to the agreement of the relevant Principal it may be appropriate to provide visitors with a working lunch. Working lunches should not normally occur, unless there is a business need for it. Staff should be aware that if working lunches do not conform to this requirement, there will be tax implications for the individuals concerned. Staff should note that in line with Trust policy only non-alcoholic drinks should be provided for all working lunches.