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# DDAT - Anti Fraud and Corruption Policy

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## **Anti-Fraud and Corruption Policy**

**September 2017**

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## **Statement of intent**

Derby Diocesan Academy Trust (DDAT) is committed to the highest ethical standards and acting with integrity in all business activities. This policy details the Trust's position on the prevention of fraud, bribery and corruption, and the promotion of an anti-fraud culture.

As such, it is opposed to corruption and seeks to eliminate fraud by the way it conducts Trust business. This document sets out the Trust's policy and procedures for dealing with the risk of significant fraud or corruption, including bribery and theft.

In order to minimise the risk and impact of fraud and corruption, the Trust's objectives are to create a culture which deters fraudulent and corruptive activity, encourages its prevention and promotes its detection and reporting.

The purpose of this policy is to:

- Establish the responsibilities of the Trust Board and staff members in observing and upholding our position on fraud, bribery and corruption.
- Provide information and guidance to Trust staff on how to recognise and deal with fraudulent activity concerns.
- Promote the early detection of fraudulent and corruptive behaviour.

This policy covers all individuals working for DDAT at all levels (whether permanent, fixed-term or temporary), and includes governors, consultants, volunteers, agents and any other person associated with the Trust.

## **1.0 LEGAL FRAMEWORK**

This policy has due regard to statutory legislation, including, but not limited to, the following:

- The Bribery Act 2010
- The Fraud Act 2006
- The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013

This policy will be implemented in accordance with the following Trust policies and procedures:

- Whistleblowing Policy
- Finance Manual
- Conflicts of Interest Policy
- Conflict of Interests Policy
- Disciplinary Policy and Procedure
- Staff Code of Conduct
- Governing Body Code of Conduct

## **2.0 DEFINITIONS**

**Fraud** is a criminal offence, which is defined by the Fraud Act 2006 as:

- Deceiving through false representation.
- Failing to disclose information where there is a legal duty to do so.
- Abusing a position of trust.

**Corruption** is the offering, giving, soliciting or accepting of any inducement or reward which may influence the actions taken by the body, its members or officers.

**Theft** is dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.

**Bribery** is defined by the Bribery Act 2010 as inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages.

## **3.0 ROLES AND RESPONSIBILITIES**

The Accounting Officer is responsible for:

- Developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud.
- Ensuring that all employees are aware of the Trust's policy on fraudulent and corruptive behaviour, and understand the relevant Trust procedures.
- Ensuring that all relevant staff are adequately trained on internal controls and procedures that need to be complied with.

- Implementing any changes to the internal controls and procedures that may have been identified as a result of a fraud or irregularity investigation, in order to prevent further instances of fraud or corruption.
- Setting high examples of conduct in their day to day work, which are beyond reproach.
- Publicising the Trust's commitment to fighting fraud and corruption.
- Working with the Trust Board to establish recruitment procedures, ensuring that all candidates are thoroughly vetted prior to commencing their employment.
- Ensuring and monitoring the Trust's compliance with internal controls and agreed policies and procedures related to fraud and corruption.
- Investigating all allegations of fraud and commencing disciplinary action where appropriate.
- Informing the chair of the Trust or the ESFA of any indications of fraudulent activity and alleged financial irregularities.
- Reporting to the Trust Board on all aspects of fraud risk management.
- Declaring any business and personal interest, as well as any interests or offers of gifts or hospitality, which are in any way related to the performance of their duties in relation to the Trust.

All members of staff are responsible for:

- Upholding the anti-fraud and corruption culture within the Trust.
- Adhering to the Trust's policies and procedures in relation to fraud and corruption, including acts of bribery and theft.
- Familiarising themselves with the types of fraud and irregularity that might occur within the Trust.
- Reporting any instances of suspected fraud or irregularity, no matter how trivial they may seem, to the Accounting Officer or chair of the Trust Board.
- Declaring any business and personal interests held, as well as any offers of gifts or hospitality, which are in any way related to the performance of their duties in relation to the Trust.
- Ensuring that the Trust's reputation and assets are protected against fraud.

The Trust Board is responsible for:

- Ensuring that internal controls, procedures and policies are put in place that minimise the risk of fraud and corruption, including theft and bribery.
- Developing, implementing and monitoring Trust procedures in relation to fraud.
- Reviewing this policy every 2 years, ensuring that it remains adequate and appropriate for the needs of the Trust.
- Working with the Accounting Officer to establish recruitment procedures, ensuring that all candidates are thoroughly vetted prior to commencing their employment.

- Promoting an anti-fraud and corruption culture within the Trust.
- Setting the standards for the Trust and giving their full support to all systems and controls in place to assure probity.
- Ensuring that any business and personal interests of all members of the Trust Board are declared.
- Reporting any instances of suspected fraud or irregularity to the designated ESFA.

#### **4.0 INDICATORS OF FRAUDULENT ACTIVITY**

Some actions and behaviours may give cause for concern, arouse suspicion and possibly indicate fraudulent activity, including, but not limited to, the following:

- Changes in behaviour, such as appearing under stress without excessive workload
- Lifestyle changes, such as new cars, exotic holidays and expensive belongings
- Ready supply of excuses for errors
- Refusal to take holidays
- First to arrive and last to leave
- Does not allow anyone else to undertake their work
- Refuses promotion
- Suppliers will only deal with one person
- New staff leaving quickly

It is important to note that any one of these on its own may be perfectly innocent and a function of carrying out normal duties; however, a combination of the factors may give cause for concern as this type of unusual behaviour within the profession give reason for suspicion.

#### **5.0 REPORTING SUSPECTED FRAUD**

Concerns in regards to fraudulent activity will be reported to the Chief Executive Officer (CEO) or chair of the Trust Board.

Any concerns will be reported immediately in the knowledge that such concerns will be treated in confidence and properly investigated.

Procedures outlined in the Whistleblowing Policy will be followed to report concerns where the normal reporting procedure is not appropriate.

Any matter which might constitute as fraud will be brought to the attention of the Trust Board or CEO. Claims will, in the first instance, be investigated by the CEO to ascertain the basic facts.

Subject to the findings, the matter will be reported to the ESFA which may result in a full internal investigation.



The ESFA has full right of access to examine any documents or contents of Trust property, including the examination of computers and related equipment, as well as to undertake interviews with staff members.

The investigation process will include:

- Gauging the credibility of the allegation.
- Securing evidence, ensuring it is retained in the original format.
- Interviewing witnesses.
- Taking statements.
- Interviewing potential suspects.
- Liaising with the CEO and Trust Board, as well as external agencies where necessary.

The ESFA will work closely with the CEO and Trust Board in fraud related cases involving disciplinary investigation.

Cases of fraud can also be reported to the National Fraud and Cyber Crime Centre via the [Action Fraud](#) website or by speaking to a fraud adviser on 0300 123 2040.

Where fraud is proven, this constitutes as gross misconduct and cases will be dealt with appropriately, in accordance with the Trust's disciplinary procedures.

Where appropriate, the Trust will refer the case to the police in order for them to consider taking criminal action.

DDAT will seek to apply appropriate criminal, civil and disciplinary sanctions to all cases of proven fraud and corruption.

## **6.0 UNACCEPTABLE PRACTICE**

Bribery is a fraudulent and corruptive act, and therefore it is not acceptable for employees to:

- Give, promise or offer a payment, gift or hospitality, with the expectation or hope that an advantage for DDAT will be received, or to reward an advantage already received.
- Give, promise or offer a payment, gift or hospitality to a government official, agent or representative to facilitate or expedite a routine procedure.
- Accept payment from a third party if they know or suspect that it is offered with an expectation of a business advantage in return.
- Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy.
- Engage in any activity that may lead to a breach of this policy.

For more information, please see the DDAT Anti-Bribery Policy.

## **7.0 ACCEPTABLE PRACTICE**

This policy does not prohibit normal and appropriate hospitality (both given or received), 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 exchange for favours or benefits.
- It is given in DDAT's name, not in the individual's.
- It complies with local law.
- It does not include cash or a cash equivalent, i.e. vouchers, gift certificates.
- It is appropriate in the circumstances, i.e. the giving of small gifts at Christmas time.
- The type and value of the gift is reasonable given the reason the gift is offered.
- It is given openly, not secretly.
- Gifts should not be offered to, or accepted from, government officials or representatives without the prior approval of the Chief Financial Officer.

The advice of the Trust is to, in all circumstances, consider whether the gift or hospitality is reasonable and justified, and to consider the intention behind the gift.

## **8.0 CHARITABLE DONATIONS**

Charitable donations are considered to be part of the Trust's wider purpose. The Trust may support fundraising events involving employees. The Trust only makes charitable donations that are legal and ethical. No donation must be offered or made in the Trust's name without the prior approval of the CEO.

## **9.0 REPORTING SUSPECTED BRIBERY**

Employees are encouraged to raise concerns about any suspicion of bribery or corruption at the earliest possible opportunity. Issues that should be reported include:

- Any suspected or actual attempts at bribery.
- Any concerns that an employee may be in receipt of bribes.
- Any concerns that an employee may be offering or delivering bribes.

All concerns should be reported following the procedure set out in the Trust's Whistleblowing Policy.

All reports of bribery will be investigated thoroughly, and in a timely manner, by the appropriate member of the senior leadership team and in the strictest confidence. Employees are required to assist in any investigation into possible or suspected bribery.

Employees who raise concerns in good faith will be supported by the Trust and the Trust will ensure that they are not subjected to any detrimental treatment as a consequence of their

report. Any instances of detrimental treatment against an employee for reporting a suspicion will be treated as a disciplinary offence.

#### **10.0 FOLLOWING INVESTIGATION**

The Trust will invoke disciplinary procedures where any employee is found guilty of bribery, and this may result in a finding of gross misconduct and immediate dismissal. The Trust may terminate the contracts of any associated persons, including consultants or other workers acting for, or on behalf of the Trust, who are found to have breached this policy.

#### **11.0 RECORD KEEPING**

DDAT keeps financial records and has appropriate internal controls to provide evidence for the business reasons for making payments to third parties. Employees must make the Chief Financial Officer aware of all hospitality or gifts received or offered over the value of £20; these will be subject to managerial review.

Employees' expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Trust's Expenses Policy.

All invoices, accounts and related documents should be prepared and maintained with the highest accuracy and completeness.

No accounts may be kept "off-book".

#### **12.0 POLICY REVIEW**

This policy is reviewed every 2 years by the Trust Board and the CEO.

The scheduled review date for this policy is September 2019.

## TYPES OF FRAUD

There are several types of fraud, including, but not limited to, the following:

- **Identity theft** – when an individual's personal details are stolen.
- **Identity fraud** – when an individual's personal details are stolen and used to commit fraud.
- **Individual fraud** – a fraudulent act which is targeting one individual directly.
- **Online fraud** – this includes any fraudulent act committed online, including bank card and internet auction fraud.
- **Corporate fraud** – any fraud committed against a business.
- **Advance fee fraud** – when fraudsters target victims to make advance or upfront payments for goods, services and/or financial gains that do not materialise.

The Trust finds fraudulent and corruptive activities as unacceptable, including, but not limited to, the following:

- Theft of cash
- Theft or misuse of Trust assets, resources and equipment
- Submitting false claims
- Unauthorised purchases of equipment for personal use
- Improper use of petty cash for personal purposes
- Failing to charge appropriately for goods and services
- Making payments or providing improper gifts or hospitality to a third party in exchange for something that benefits the Trust
- Processing false invoices and pocketing the proceeds
- Making false entries on the payroll
- Working elsewhere whilst on sick leave
- Claiming for payment of inappropriate bonuses
- Misusing Trust financial systems to run a personal business
- Improper recruitment
- Buying from a supplier or contractor known personally to a member of staff without following the required procurement procedures or declaring a business interest
- Accepting payments, gifts or hospitality from anyone who works with the Trust, is seeking employment with the Trust, or is seeking to influence the admissions process
- Separating purchases to avoid tendering/quotation thresholds
- Suppliers or contractors failing to deliver the agreed goods or services but still being paid in full