



PONTEFRACT

ACADEMIES TRUST

Anti-Fraud Bribery & Corruption Policy

Trust Board Approval Date	31 August 2016
Effective Date	1 September 2016
Planned Review Date	July/August 2019
Web Access	Internet
Owner	Director of Finance, Business & Operations

Contents

	PAGE
1. Foreword	3
2. Introduction	5
3. Trust Framework and Culture	6
4. Prevention	7
5. Fraud Reporting and Response Action	12
Annex 1 Schedule of Updates	13

1. Foreword

- 1.1 It is important that all public funded bodies in the United Kingdom maintain high standards of probity and have a good reputation for protecting the public purse. The minimisation of losses to fraud and bribery is essential for ensuring that resources are used for their intended purpose.

Ponfracr Academies Trust is a charitable company limited by guarantee. The objectives of the Trust are set out in its Articles of Association with a primary objective of advancing for the public benefit education in the United Kingdom by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and secondary objectives of developing the capacity and skills of the areas where the schools are located and the surrounding areas where those inhabitants are who are socially and economically disadvantaged in such a way that they are better able to identify, and help meet, their needs and to participate more fully in society; relieving unemployment in the areas where the schools are located and the surrounding areas for the benefit of the public in such ways as may be thought fit, including assistance to find employment; advancing the health of the inhabitants of the areas where the schools are located; providing recreational and leisure time facilities in the interests of social welfare for the inhabitants of the areas where the schools are located and the surrounding areas especially those who need of such facilities by reason of their youth, age, infirmity or disablement, poverty or social and economic circumstances .

The Trust Board are charity trustees and therefore have duties under charity law; they are also directors and therefore also have duties under company law. The Local Governing Bodies carry out duties as delegated to them by the Trust Board and employees carry out duties in accordance with their contract of employment, therefore everyone confers the same responsibilities under

Charity Law to:

- Ensure that the charity is using its resources for its charitable purposes set out in the objects in the Trust's Articles of Association
- Ensure the Trust's assets are protected and used for the benefit of its charitable beneficiaries;
- Ensure reasonable care and skill in your work to ensure that the Trust is well run and efficient taking external advice where appropriate

Company Law to:

- Act within their powers set out within the Trust's Articles of Association
- Promote the success of the Trust in attaining its charitable objects having regard to all relevant factors.
- Exercise independent judgement in acting to promote the success of attaining the Trust's charitable objects
- Exercise reasonable care, skill and diligence in performance of duties conferred
- Avoid situations where personal interests' conflict with those of the Trust, and where doubt exists ensure potential conflicts are disclosed quickly.

1. Foreword

Sound systems of public accountability are vital to effective management and in maintaining public confidence. Ponfract Academies Trust shares these high standards and is committed to protecting the public funds entrusted to it, so as to maximise the resources available for giving children and young people from all backgrounds an education that will transform their lives.

- 1.2 The Anti-Fraud Bribery and Corruption Policy outline the Trust's commitment to creating an anti-fraud culture and maintaining high ethical standards in its administration of public funds.
- 1.3 The Policy is based on a series of comprehensive and inter-related procedures, designed to encourage prevention, promote detection and take effective action in respect of any attempted or actual fraudulent act affecting Ponfract Academies Trust. To this end, the policy makes it clear to all concerned that appropriate and decisive action will be taken against any perpetrator of fraud and bribery. The Policy also satisfies the legislative requirements of having effective arrangements for tackling fraud.

2. Introduction

2.1 The purpose of this Policy is to outline Pontefract Academies Trust's stance on fraud and bribery (including theft and other general wrongdoing) and sets out its approach for dealing with the threat or subsequent incidence of fraud and bribery from both internal and external sources.

2.2 The following definitions are provided for the purposes of this policy:

Fraud: is the intentional distortion of financial statements or other records by persons internal or external to the Trust, which is carried out to obtain an advantage, avoid an obligation or cause loss to another party.

Fraud is therefore a deliberate, dishonest act by an individual or group of people, which can be committed, as per The Fraud Act 2006, by:

- False representation
- Failing to disclose information
- Abuse of position

Bribery: is offering, promising or giving someone a financial or other advantage to induce or reward that person to perform their functions or activities improperly as per The Bribery Act 2010, which came into force 1st July 2011. It is also an offence to request, receive or accept a bribe.

The Bribery Act 2010 also introduces a corporate offence of failing to prevent bribery, which requires adequate procedures to be in place and appropriately supported from the very top of the organisation.

Theft: is the dishonest appropriation of property belonging to another with the intention of permanently depriving the other of it.

2.3 The above definitions cover such acts as deception, forgery, extortion, blackmail, conspiracy, collusion, embezzlement, false accounting/false representation, concealment of material facts, the offering of a gift or reward to influence a person's actions and misappropriation.

2.4 Good Corporate Governance requires that the Trust is firmly committed to dealing with fraud and bribery and will deal equally with perpetrators from inside and outside the Trust. In this respect, there will be no distinction made, regarding investigation, between cases that generate financial benefits and those that do not. All cases will be viewed seriously and following investigation action taken will be in line with the merits of each case and in accordance with other procedures and obligations applicable to Pontefract Academies Trust.

3. Trust Framework and Culture

3.1 Pontefract Academies Trust has a wide range of interrelated policies, procedures, codes, and guidance that provide a corporate framework to counter the possibility of fraudulent activity and / or bribes. These include:

- Code of Conduct for Employees
- Code of Conduct for Trustees and Local Governors
- Conflicts Policy including Register of Business Interests for Trustees, Governors, and Employees
- Financial Regulations and Procedures
- Whistleblowing Policy
- Complaints Procedures
- Gifts and Hospitality Policy
- Donations Policy
- Disciplinary Procedures

3.2 The expectation is that Trustees, Local Governors, and employees at all levels will adopt the highest standards of propriety and accountability and demonstrate that the Trust is acting in a transparent and honest manner.

Any Trustees/Local Governors of the Trust who commits a fraudulent act against the Trust or is involved with bribery in the performance of their duties will be subjected to the Trust's procedures for dealing with complaints of misconduct against Trustees/Local Governors operated by the Trust's Audit and Risk Committee and may be reported to the Police.

Any employee committing a fraudulent act against the Trust or found to be involved with bribery in the performance of their duties will be subjected to the Trust's disciplinary procedures and may be reported to the Police. The internal action in relation to Trustees/Local Governors or employees will be in addition to any prosecution proceedings that might occur.

3.3 The highest standards are also expected from all organisations that have dealings with the Trust. Suppliers, contractors, consultants, partners and other organisations funded by the Trust are therefore expected to adopt equally high standards of corporate governance. The Trust will consider the extent to which it has further involvement with any organisation that fails to abide by these expected standards.

3.4 Pontefract Academies Trust believes that the maintenance of a culture of honesty and openness, based on values such as fairness, trust and integrity is a key element in tackling fraud and bribery. In this respect, each Trustee, Local Governor, and employee of the Trust is under a duty to report any reasonable suspicions and is encouraged to raise any concerns about fraud and bribery, in the knowledge that such concerns will be properly investigated. The Trust's Whistleblowing Policy is in place to protect anyone who wishes to raise concerns about behaviour/practice.

3. Trust Framework and Culture

- 3.5 When fraud and/or bribery occurs due to an identified breakdown in controls, the relevant Chair of Local Governors and school Executive Headteacher/Headteacher will be responsible for ensuring appropriate improvements in systems of control are implemented in order to minimise the risk of re-occurrence. In the case of the central Trust, this responsibility lies with the Chair of the Trust Board and Chief Executive Officer.

4. Prevention

4.1 Pontefract Academies Trust recognises that incidents of fraud and bribery are costly; both in terms of reputational risk and financial losses (either directly through the loss of cash / assets and / or through the utilisation of resources in dealing with and resolving any identified cases). The prevention of fraud and bribery is therefore a key objective of the Trust and respective roles and responsibilities are outlined below.

4.2 **Role of Trustees /Local Governing Bodies**

All Trustees and Local Governors have a duty to the operate and adhere to the Trust's Articles of Association, Master Funding Agreement, and Financial Regulations, which incorporate a Code of Conduct for Trustees and Local Governors. The Code includes rules regarding:

- The disclosure of relationships
- The declaration of gifts and hospitality
- Registering conflicts / personal interests

Trustees and Local Governors sign a declaration that they have read and understood the Code of Conduct when they take office. Conduct and ethical matters are specifically brought to the attention of Trustees/Local Governors during induction and senior leaders of the Trust advise Trustees/Local Governors of new legislative or procedural requirements, with the expectation that training will be provided to Trustees/Local Governors where required. In this context, any offence committed by a Trustees/Local Governor in their private life, for which they are convicted of a criminal offence, should be brought to the attention of the Director of Finance Business and Operations by the Trustees/Local Governor concerned, with a view to enabling an appropriate risk assessment of any possible impact on their Trust role. It should be noted that conviction of a criminal offence does not necessarily mean attendance at court, as in the case of accepting a speeding offence and paying the fine. All such offences should be disclosed to ensure that a full risk assessment can be undertaken.

4.3 **Role of the Chair of the Audit and Risk Committee**

The Chair of the Audit and Risk Committee has the responsibility to encourage the promotion and maintenance of high standards of conduct within the Trust, particularly through the work of the Audit and Risk Committee.

4.4 **Role of the Chief Executive Officer (also the Accounting Officer)**

The Trust Chief Executive Officer is personally responsible to Parliament and to the accounting officer of the EFA for the resources throughout the control of the Trust. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources

4. Prevention

in their charge. Essentially accounting officers must be able to assure Parliament and the public of high standards of probity in the management of public funds. The accounting officer also has a responsibility to advise the Trust Board and the EFA of any instances of irregularity or impropriety, or non-compliance with the terms of the Trust's funding agreement. The format of the statement is included within the Accounts Direction which is issued annually.

4.5 **Role of the Director of Finance, Business and Operations**

The Director of Finance, Business and Operations is responsible for ensuring the proper administration of the Trust's affairs. To this end, (s)he will advise all Trustees, Local Governors, Senior Leaders and employees regarding financial propriety, probity, and budgetary issues.

4.6 **Role of Senior Leaders (i.e. Local Governing Bodies and Headteachers in schools)**

Senior Leaders of all levels are responsible for establishing sound systems of internal control within their school or area of operation, both financial and otherwise, such that the Trust has sound methodologies for administering its responsibilities to advance its objectives. 'Internal Control' means the systems of controls devised by Senior Leaders to ensure the Trust's objectives are achieved in a manner that promotes economic, efficient, and effective use of resources. Such systems must safeguard the Trust's assets and interests from fraud, bribery and other wrongdoing.

Senior Leaders are also responsible for ensuring that their employees are aware of Trust's Articles of Association and Financial Regulations (including related policies and procedures) and that the requirements of each are being met in their everyday business activities.

Senior Leaders are expected to create an environment within which staff feel able to approach them with any concerns they may have about suspected irregularities and adhere to the Whistleblowing Code of Practice when applicable.

The Trust recognises that a key preventative measure in dealing with fraud and bribery is for Senior Leaders to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether they are for permanent, temporary, casual or agency staff. The Trust's formal recruitment procedure contains appropriate safeguards in the form of written references, the verification of qualifications held, employment history and Disclosure Barring Scheme (DBS) checks.

Additionally, Senior Leaders are required to ensure that there is sufficient segregation of duties (or alternative effective control arrangements must be agreed with the Trust's Director of Finance, Business and Operations where this is not possible) when allocating tasks. In particular:

- The duties of providing information about sums due to or from the Trust, and

4. Prevention

calculating, checking and recording these sums should be separated from the duty of collecting or spending them;

- Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

Senior Leaders are also required to ensure that employees are properly trained to discharge the responsibilities allocated. Once training has been provided, performance is monitored and action taken where appropriate to ensure adherence to proper practices / agreed procedures.

4.7 Role of Employees

Employees are governed in their work by the various regulations, policies, and procedures established by the Trust, and are responsible for ensuring that they follow any instructions given to them by Senior Leaders, particularly in relation to the safeguarding of assets. In this context any action committed by an employee of the Trust in their private life, for which they are convicted of a criminal offence should be brought to the attention of their line manager by the employee concerned, with a view to enabling an appropriate assessment of any possible impact on their job role and the instigation of any action to address associated risks. Failure to do so, should the matter come to light through other means, will result in the Trust's disciplinary procedures being instigated. Line managers should consult with the designated Human Resources Manager/Advisor and the Director of Finance Business and Operations in assessing the risks to the Trust regarding any notification by an employee of a criminal conviction. It should be noted that conviction of a criminal offence does not necessarily mean attendance at court, as in the case of accepting a speeding offence and paying the fine. All such offences should be disclosed to ensure that a full risk assessment can be undertaken.

Employees are also expected to be alert to the possibility that fraud and bribery may exist in the workplace and are under a duty to share (with Senior Leaders or the Chair of the Audit and Risk Committee) any concerns they have. Employees are protected under the Whistleblowing Policy, where required, regarding any concerns they raise in good faith.

4.8 Role of Independent Internal Check

The Trust Board will make arrangements for independent internal checks through either supplementary work by the external auditor, internal auditor, responsible officer, or peer review. The selected party will independently monitor the existence, appropriateness and effectiveness of internal controls as a service to Senior Leaders and thereby plays a vital preventative role. This role extends to the monitoring undertaken by the Director of Finance Business and Operations. It is therefore necessary that in discharging these responsibilities the Trust ensures that they can:

- Enter at all reasonable times any Trust premises or land

4. Prevention

- Have access to all records, documentation and correspondence relating to any financial and other transactions as considered necessary.
- Have access to records belonging to third parties such as contractors when required (dependent on rights of access clauses within individual contracts / agreements).
- Require and receive such explanations as are regarded necessary concerning any matter under examination
- Require any employee of the Trust to account for cash, stores or any other Trust property under their control or possession.

4.9 **Role of External Audit**

Independent external audit is an essential safeguard of the stewardship of public funds and the parliamentary expectation that the Trust will use the funds for the purposes intended.

This is 'regularity' and the purpose of the external audit is to assess whether there is any suggestion that academy trusts have not applied funds as intended. It is not the external auditors' function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity, and will act without undue delay if grounds for suspicion come to their notice. The external auditor has the responsibility to report annually on regularity and this report is included in the Annual Report and Accounts for the Trust. This will include anything that has come to the auditors' attention which suggests that a material amount of income received or expenditure disbursed by the Trust has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

4.10 **Role of Department for Education (DfE) and Education Funding Agency (EFA)**

The DfE has ultimate responsibility and accountability for the effectiveness of the financial accountability system for academies.

The EFA acts as the agent of the Secretary of State within the scope of the powers and discretions formally delegated to it. The Chief Executive of the EFA is its accounting officer and is responsible and accountable to Parliament for how the EFA uses its funds. The EFA's accounting officer is also personally responsible for the regularity and propriety of all expenditure of its funds and for ensuring value for money. To discharge these duties, the EFA's accounting officer must be satisfied that an academy trust has appropriate arrangements for sound governance, financial management, securing value for money and accounting; and the way the academy trust uses public funds is consistent with the purposes for which the funds were voted by Parliament. The EFA accounting officer will place reliance on the statement on regularity, propriety and compliance made by the accounting officer of the academy trust and the regularity report of the academy trust's external auditor.

In order to gain assurance over the adequacy of financial arrangements governing the use of public funds by academies, the EFA may choose to conduct financial

4. Prevention

management reviews. These will examine whether the systems and control mechanisms that exist in the Trust to meet the requirements set out in the Academies Financial Handbook.

Where the DfE/EFA have serious concerns about the effectiveness of the financial accountability systems within a Trust through the mechanisms above it may issue a Financial Notice to Improve. The Financial Notice to Improve will set out the actions the EFA requires the trust to take in order to address the underlying cause(s) of the EFA's concerns about the financial management and/or governance of the Trust. If the Trust is subject to a Financial Notice to Improve, all of the delegated authorities and other freedoms in part 2 of the Academies Financial Handbook are revoked, and all transactions by the Trust of this nature, regardless of size, must go to the EFA for approval. These delegated authorities shall only be returned to the Trust when the terms set out in the Financial Notice to Improve have been complied with and continue to be complied with.

4.11 **Role of Partners, Contractors, Suppliers and other Organisations associated with the Trust**

All organisations associated with the Trust are expected to take a proactive role in ensuring the occurrence of fraud and bribery is minimised regarding any dealings with the Trust, in line with the due diligence expectations portrayed by the Bribery Act 2010. The standards expected are often set out through legal agreements, which specify the requirements of the Trust, when setting up partnerships and contractual arrangements. However, in the interests of good working relationships and continued dealings with the Trust, all associated organisations have a general duty to be vigilant regarding the possibility of fraud and bribery, irrespective of any legal agreement, with a view to reporting any suspicions in accordance with the principles stemming from the Trust's own policies, procedures and standards, which includes possible referral to the Police.

5. Fraud Reporting and Response Action

5.1 The purpose of the Fraud Response Plan is to set out the action to be taken when fraud is suspected or discovered.

5.2 Identifying Concerns

Suspicion of fraud or bribery may arise through a number of means, including:

- Supervision and / or checking work carried out
- Random spot checks by Senior Leaders
- Operation of management and control procedures
- Independent checks carried out by Internal Audit/Responsible Officer
- Suspicions of fraud reported to Senior Leaders/Internal Audit/Responsible Officer by directors, governors, employees, contractors, suppliers, partners, other bodies associated with the Trust or members of the public.

5.3 Reporting

Individuals should communicate concerns at the earliest opportunity to allow investigations to take place without undue delay and minimise the risk of possible wrongdoing. The Trust's Whistleblowing Policy sets out the process in detail.

5.4 Conduct of Investigation

The Audit and Risk Committee is responsible for overseeing all fraud and bribery investigations to ensure that they conform to the same standard and are in accordance with legislation, professional practice and any agreed procedures.

Investigation of the suspected fraud, bribery or other irregularity will be carried out by Senior Leadership, Internal Audit/Responsible officer or jointly, following consultation. The method of conducting the investigation will be determined when the initial facts are known and the potential severity of the fraud is ascertained, but as a minimum will include:

- Who will conduct the investigation
- Arrangements for collecting and documenting evidence
- Estimated time span
- Adherence to legislation / professional standards
- Consideration of referral to / liaison with Police
- Consideration of the need to suspend / transfer from duty the individual(s) concerned
- Agreed reporting mechanism
- Consideration of who may chair the disciplinary hearing / appeal should the need arise
- Liaison with Human Resources Advisors

The Chair of the Audit and Risk Committee has the responsibility for notifying the

5. Fraud Reporting and Response Action

Police of incidents that are likely to have involved criminal acts.

Regardless of who undertakes the investigation, following examination of records and/or the conduct of interviews with relevant persons, findings will be documented and a report made to Senior Leadership and Audit and Risk Committee for appropriate action to be taken/monitored.

5.5 Consideration of further actions

Where initial enquiries provide reasonable grounds for suspecting an individual, appropriate consideration will be given to the need to suspend from duty, or transfer to other duties, the individual(s) concerned. Any suspensions will result in the individual(s) being escorted off the premises, having been allowed to collect personal property only. Items such as security passes, petty cash floats, mobile telephones and keys to premises, offices and furniture will be recovered instantly and where the Trust's property is held at the individual's home, he/she will be accompanied by a member of staff to affect such recovery.

Following an investigation, disciplinary action will be considered where appropriate and any such action required will be conducted in line with relevant employment legislation and the Trusts own procedures.

All instances of fraud or theft committed against the trust, whether by employees or trustees or third parties, above £5,000 will be reported by the Chief Executive Officer to the Education Funding Agency. Any unusual or systematic fraud, regardless of value, must also be reported.

It is the responsibility of the CEO/Executive Headteacher/Headteacher to ensure that losses arising from an investigation are recovered, provided that there are reasonable grounds for doing so. Recovery will be by one of the following methods:

- Agreement by the perpetrator to repay amounts due, either in full or by instalments as agreed by CEO/Executive Headteacher/Headteacher;
- Through the relevant pension scheme
- Following a civil action, in which case the advice of the Trust's legal advisors will be sought
- Through the Trust's insurers
- Through legal proceedings / court action

5.6 Implementation

The CEO, Executive Headteachers and Headteachers and Managers with delegated responsibilities within the Trust are responsible for ensuring that all employees are made aware of this Policy. They will support this by making arrangements to ensure it is included in all induction information.

5. Fraud Reporting and Response Action

5.7 **Review**

The Anti-Fraud Bribery & Corruption Policy will be reviewed by the Trust Audit and Risk Committee on a tri-annual basis or earlier after taking account of any incidents of fraud bribery or irregularity, to ensure that it remains appropriate and relevant.

The Trust Board will approve the policy for implementation following consideration and recommendation from the Trust Audit and Risk Committee.

Annex 1 Schedule of Updates

Trust Board Approval		Implementation Date
2 July 2014	Anti-Fraud Bribery & Corruption Policy	1 September 2014
31 August 2016	Anti-Fraud Bribery & Corruption Policy	1 September 2016

SCHEDULE OF CHANGES – from 1 September 2014 policy to revised version implemented 1 September 2016

- Reference to Directors replaced with Trustees to reflect latest preferred terminology used by the EFA
- Reference to Executive Headteachers to reflect the new roles established in the Trust
- Reference to Code of Conduct amended to reflect separate Code of Conduct for Trustees and Local Governors
- Implementation paragraph inserted to clarify responsibilities for implementation
- Review updated to reflect period of review and responsibility with Audit and Risk Committee
- Incorporation of schedule of updates