



Fraud Policy Statement

November 2020

Reviewed and approved by Sentamu Academy Learning Trust Audit Committee on 10 December 2020

Vision Statement:

“Be Extraordinary”

Mission Statement:

We believe that young people achieve their fullest potential when they have a vision of everything their lives could become. The Bible (John 10:10) quotes Jesus as saying, “I have come that they may have life and may have it in all its fullness”. As academies, we commit ourselves to inspiring our students, and equipping them with the resilience and determination to unlock their unique gifts and realise their highest aspirations. We aim to achieve this through following distinctively Christian principles, and focusing on four key areas, service, achievement, leadership and teamwork.

The next period of review is **November 2023**.

Fraud Policy Statement

1. Responsibility

Sentamu Academy Learning Trust has a duty to its stakeholders to take all responsible steps to prevent fraud occurring, whether perpetrated by trustees, governors, employees, students, contractors, suppliers or any member of the public.

The Trust will maintain robust control mechanisms to both prevent and detect fraud. All trustees, governors and employees with financial accountabilities have a responsibility for maintaining agreed, documented control systems and must be seen to be setting an example by complying fully with procedures and controls. The effectiveness of controls is subject to cyclical review by the internal audit system.

All members of staff have a responsibility to protect the assets and reputation of the Trust and are expected to be alert to the potential for fraud. Confidential mechanisms have been established to report concerns.

2. Introduction

Sentamu Academy Learning Trust is determined to demonstrate that it will not tolerate fraud, corruption or abuse of position for personal gain, wherever it may be found, in any area of the Trust's activities.

The Trust considers that all instances of fraud, corruption and other dishonesty endanger the achievement of the Trust's policies and objectives, diverting resources from the provision of education. There is a clear recognition that the abuse of the Trust's resources, assets and services undermines the Trust's reputation and also threatens its sound financial standing.

The purpose of this policy is to set out the Trust's main objectives for countering fraud and corruption;

- Defines fraud, corruption and bribery.
- Identifies the scope of the applicability of the policy.
- Sets out the Trust's intended culture and stance against fraud, corruption and bribery.
- Identifies how to raise concerns and to report malpractice.

3. Definitions

3.1. Fraud

Fraud can be defined as an abuse of knowledge or financial position that is done deliberately to create a financial gain for the perpetrator or for a related person or entity and / or cause a loss to another. It can take place in many ways; withholding information, deliberately misleading and misrepresenting a situation to others or by abuse of position. Irrespective of the definition applied, fraud is always deceitful, immoral, and intentional and creates a financial gain for one party and / or a loss for another.

Gains and losses do not have to be direct. A gain to a related party or company through intentional abuse of position, albeit not directly to the party involved, is still fraudulent. In the same way, using the Trust's name to procure personal goods and services is also fraudulent; where there is deliberate abuse of position to make a gain in the form of goods and services at a discount price or to get the Academy to pay for them.

3.2. Corruption

Corruption will normally involve the above with some bribe, threat or reward being involved.

3.3. Bribery

There are four key offences;

1. Bribery of another person
2. Accepting a bribe
3. Bribing an official
4. Failing to prevent bribery

Bribery is not tolerated. It is unacceptable to:

- 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, promise to give, or offer a payment, gift or hospitality to facilitate or expedite a routine procedure.
- Accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them.
- Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return. (Additional guidance is contained within the Trust's Gifts and Hospitality policy)
- Retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.

4. Facilitation Payments

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made in order to secure or expedite actions.

5. Scope of Policy

The Policy Statement applies to all members of the Trust Board, Local Governing Committees and all employees (full time, part time, temporary and casual).

The Trust expects that individuals and organisations (e.g. partners, suppliers, contractors, and service providers) with which it deals will act with integrity and without thought or actions involving fraud and corruption.

Where relevant, the Trust will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and will normally lead to prosecution.

The Trust recognises seven principles of conduct and expects all trustees, governors, employees and those acting as its agents to conduct themselves according to them;

- 5.1. Honesty - Trustees, governors and employees have a duty to declare any private interests relating to their Trust duties and to take steps to resolve any conflicts arising in a way that protects the Trust's interests.
- 5.2. Integrity - Trustees, governors and employees should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.
- 5.3. Selflessness - Trustees, governors and employees should take financial decisions solely in terms of the Trust's interest or that of a single academy. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
- 5.4. Objectivity - In carrying out the Trust's business, including recruitments and promotions, awarding contracts, or recommending individuals for rewards and benefits, trustees, governors and employees should make choices on merit.
- 5.5. Openness - Trustees, governors and employees should be as open as possible about the reasons for their decisions and actions that they take on matters of finance and control.
- 5.6. Accountability - Trustees, governors and employees are accountable for their decisions and actions to the Trust and must submit themselves to whatever scrutiny is appropriate.
- 5.7. Leadership - Trustees, governors and employees should promote and support these principles by leadership and example. Through observance of these principles the Trust requires the trustees, governors and employees to be alert to the possibility of fraud, corruption and dishonesty in all their dealings.

The Trust also requires that those employees responsible for its systems and procedures should design and operate systems and procedures which endeavour to minimise losses due to fraud, corruption, and other dishonest action and abuse.

All Trustees, senior management and employees in a position to influence contract awards and procurements must complete an annual Register of Business and Pecuniary Interests, in line with the Academies Financial Handbook (AFH). These registers must be made public where appropriate and

evaluated by senior management to ensure that no Trust business could be considered fraudulent, and that it adheres to the AFH and the seven principles of conduct listed in this section

The Trust must also make sure that it is fully compliant and transparent when disclosing or conducting business with relating party transactions, ensuring full adherence to rules prescribed in the AFH.

Related party transactions are covered in further detail in the Trust Conflict of Interest policy which is published on <https://sentamuacademylearningtrust.org.uk/trust-policies/>

6. Culture and stance against fraud & corruption

Sentamu Academy Learning Trust is determined that the culture and tone of the organisation will be one of honesty and opposition to fraud and corruption of any kind.

The Trust expects that the trustees, governors and employees at all levels will lead by example in ensuring adherence to approved policies, financial regulations, codes of conduct and prescribed procedures and practices.

The Trust implements and maintains systems of accountability and controls to ensure that its resources are properly applied in the way it intends. These systems include, as far as is practical, adequate internal controls to detect not only significant errors but also importantly, fraud and corruption.

The Trust's Audit Committee is responsible for overseeing internal controls, financial regularity and rigorous risk management.

7. Reporting Concerns

Additional guidance is contained within the Trust's Whistleblowing policy

All actual or suspected incidents of fraud should be reported without delay to a Principal, the Finance Director of the Trust or the Chief Executive Officer. Should the matter concerned relate to any of these people, the report should be made directly to the Chair of the Board or the Chair of the Audit Committee. The Chair will then convene a committee of at least three appropriate people to investigate the report.

At this point, the lead in the preliminary investigation should consult with Internal Audit. The purpose of this engagement is to ensure the approach to investigating any allegation or suspicion has been agreed with Internal Audit and that any action taken gives the best chance of determining the actual facts and events and does not compromise any individual or piece of evidence.

If the lead investigator feels it is warranted additional resource can be procured from Internal Audit up to and including engaging them to handle the full investigation. Any additional financial arrangement made here must still comply with the Trust's delegated authority levels.

When employees are reporting suspected fraud it is important that their suspicions are treated seriously and that all details provided by the reporting employee are recorded accurately and in a timely manner.

Statements should be signed by the person reporting an incident of fraud to make the report official and the Trust expects that employees in this situation are treated with dignity and respect. Those

reporting fraud should be assured that all information will be dealt with in the strictest confidence and that anonymity will be preserved if requested in the first instance. However it may not be able to be possible to preserve anonymity if it would compromise a full and fair investigation.

Once the Director of Finance has received recorded details of the case, they should, within 24 hours, hold a meeting of the fraud investigation group, comprising of the Director of Finance, Accounting Officer and Director of HR to decide on the initial response.

The fraud investigation group will follow the guidance provided by the Academies Financial Handbook and any relevant Trust policies. They should then report their findings to the parties involved or escalate their findings to the appropriate authorities in a timely manner.

Fraud is a crime. Committing fraud is not just a contravention of internal and external financial policies, therefore all cases of fraud, or when reasonable proof exists that a possible fraud has occurred, will be reported to the police.

The Trust Board expects adherence to all policies and procedures and encourages challenges to matters which appear not to be correct. This provides the best protection against fraud and corruption and therefore it is essential that the Principal ensures that this policy is fully communicated to staff.

The policy must be published to on the Trust's website and fully communicated to trustees, governors and staff should changes be made.

8. Monitoring and Review

The Accounting Officer, in conjunction with the Finance Director, has overall responsibility for the maintenance and operation of this policy. This policy will be reviewed by the Trust's Audit Committee every three years. The next period of review is **November 2023**.