



Policy

Policy title:	Anti-Fraud
Function:	<p>For information and guidance about the school's approach to ensuring opportunities for committing acts of fraud and corruption are reduced to the lowest possible level of risk.</p> <p>This document forms part of a portfolio of procedures outlined in the school's Finance Handbook and risk management and controls policy.</p>
Status:	Approved
Audience:	Staff, Leaders, Trustees, General public
Ownership:	Board of Trustees / Headteacher / Director of resources
Last reviewed:	March 2021
Reviewed by:	Finance and Resource Committee (Audit Committee)
Next review:	Every two-years – March 2023

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Aims and objectives

1. Introduction

- 1.1 The Blue Coat School (Academy Trust) requires all staff and Trustees to act honestly and with integrity at all times to safeguard the public resources for which they are responsible.
- 1.2 The Academy Trust will not accept any level of fraud or corruption; consequently, any case will be thoroughly investigated and dealt with appropriately.
- 1.3 The Academy Trust is committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk in all areas of its business and activities.
- 1.4 This policy supplements school policies for Whistleblowing, Staff Professional Conduct, Trustee Conduct, Fraud Response Plan and internal financial procedures.

2. Definitions

- 2.1 The Government, in its guidance to schools, defines fraud as deception carried out in order to gain an unfair advantage or disadvantage another. It may involve the misuse of funds or other resources, or the supply of false information.
- 2.2 The term 'Fraud' is often used to describe acts such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, false accounting, concealment of material facts and collusion.

3. Roles and responsibilities

- 3.1 The Academies Financial Handbook (AFH) is the Department for Education's financial guide for governing bodies and leaders of academies. Drawing on the overall financial requirements specified in the Academy Funding Agreements, it provides detailed guidance on a wide range of financial management, funding and accounting issues.

The AFH sets out the overall governance framework for academies and describes the key systems and controls that should be in place. It describes the grants that the Department for Education makes available and specifies the financial reporting and management arrangements that must be followed by academies to ensure accountability over the substantial amount of public funds that they control.

3.2 Members Group (Trustees)

- Appoint the school's auditor;
- Receive the annual statutory accounts;
- Abide by codes of practice for Board Members of Public Bodies;
- Be alert to the possibility that unusual events or transactions could be indicators of fraud.
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
- Make arrangements for investigations of potential fraud where members of the school's board of trustees are suspected.

3.3 The Board of Trustees

- Appoint an audit committee with delegated responsibility for overseeing risk controls and undertaking investigations suspected fraud where necessary and in compliance with relevant policies, fraud response procedure and legislation, commencing disciplinary and/or legal action where appropriate.
- Overseeing the financial performance of the school, including its assets, making sure the school's money is well spent and measures are in place to prevent losses or misuse, including arrangements for preventing and detecting fraud;
- Abiding by the Blue Coat School's Trustee Code of Conduct, policies and regulations and guidance on Codes of Practice for Board Members of Public Bodies;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

3.4 Accounting Officer (Headteacher)

- The Headteacher as the 'Accounting Officer' is accountable for ensuring the development, implementation and maintenance of adequate systems of internal control that prevent and detect fraud;
- Ensuring the testing of the system of internal control and seeking independent assurance when appropriate;
- Ensuring the regular review of the school's anti-fraud policy and compliance with it to ensure it remains effective and relevant to the needs of the school;
- Making sure that all staff are aware of the Academy's Fraud Policy and know what their responsibilities are in relation to combating fraud;
- Reporting compliance with the policy on at least an annual basis to the Audit Committee;
- Reporting allegations of actual, attempted or suspected fraud to Trustees;
- Where delegated to do so, ensuring all allegations of fraud are investigated appropriately, in compliance with relevant policies, procedures and legislation and commencing disciplinary and/or legal action where appropriate.

3.5 Chief Financial Officer (Director of Resources)

- Working with other senior leaders to develop a risk management plan as part of the risk management and controls process and undertaking a regular review of the fraud risks associated with each of the categories in order to keep the risk management and controls plan current;
- Establishing and maintaining an effective Anti-Fraud Policy, Fraud Response and Investigation Plan (Appendix 1);
- Designing an effective control environment to prevent fraud commensurate with the school's risk controls register;
- Liaising with the Audit Committee on issues of fraud prevention, detection, and management;
- Establishing appropriate mechanisms for:
 - reporting fraud risk issues;
 - reporting incidents of fraud to the Accounting Officer and/or Trustees

- ensuring external reporting are in compliance with Academies Financial Handbook, Company Law, Accounting Standards and Charity Commission expectations;
- Where delegated to do so, liaise with the Accounting Officer to ensure that vigorous and prompt investigations are carried out if fraud occurs or is suspected;
- Making recommendations about legal and/or disciplinary action against fraud related acts.
- Work with the Accounting Officer to take appropriate action to recover assets;
- Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.

3.6 Senior Leaders (L&M, Resources, QofE, PDBW)

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- Preventing and detecting fraud;
- Assessing the types of risk involved in the operations for which they are responsible;
- Regularly reviewing and testing the control systems for which they are responsible;
- Ensuring that controls are being complied with and their systems continue to operate effectively;
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

3.7 Staff

- Familiarising themselves with the types of fraud that might affect the school.
- Ensuring they adhere to the agreed policies and procedures, thereby protecting the school's reputation and assets from fraud.
- Acting with propriety in the use of official resources and the handling and use of public funds whether they are involved with cash or payments systems, receipts or dealing with suppliers or the Academy's decision-making bodies;
- Conducting themselves appropriately by demonstrating selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- Reporting allegations of actual, attempted or suspected fraud;
- Assisting in the investigation of suspected fraud when requested to do so, for example by providing witness statements.

4. Procedures and practices

4.1 Reporting fraud

- 4.1.1 The Board of Trustees and staff are an important element the school's stance on fraud and are required to raise any concerns that they may have.
- 4.1.2 Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud discovered or reported in accordance with the Academy's Whistleblowing Procedure.
- 4.1.3 Staff should immediately report any concerns about actual, attempted or suspected fraud.
- 4.1.4 Under no circumstances should staff investigate the matter themselves.
- 4.1.5 The Public Interest Disclosure Act 1998 protects employees who raise concerns about certain matters of public interest in good faith. Staff can obtain free independent advice from the charity Public Concern at Work on **020 7404 6609** and find other helpful information at [http:](http://)

[//www.pcaw.org.uk/](http://www.pcaw.org.uk/).

- 4.1.6 A referral form has been provided at Appendix B which staff and Trustees may wish to use to capture information when an allegation of fraud arises.
- 4.1.7 A copy of the school's Professional Conduct Policy (including Whistleblowing) can be found on the school's shared resource drive or can be obtained from the school's website.

4.2 Fraud response plan

- 4.2.1 The Blue Coat School has established guidelines for senior staff and the Board of Trustees on the immediate actions to be taken in the event of a fraud being discovered or suspected.
- 4.2.3 The Fraud Response Plan covers how and when to seek professional advice, securing evidence and preventing further losses (see Appendix A).

5. Monitoring, review and evaluation

- 5.1 The Board of Trustees will work closely with senior leaders to ensure it regularly considers its approach to the prevention of fraud and will ensure that procedures are monitored, reviewed and evaluated through the Finance and Resource Committee (Audit).

Annex A: Response plan

THE BLUE COAT SCHOOL

FRAUD RESPONSE AND INVESTIGATION PLAN

The Blue Coat School has a Fraud Response and Investigation Plan that sets out how to report suspicions, how investigations will be conducted and concluded. This plan forms part of the school's Anti-Fraud Policy

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INTRODUCTION

The purpose of this plan is to define the responsibilities for action in the event of a suspected fraud. Its focus is to:

- establish responsibilities for investigating the incident and taking appropriate action
- establish and secure evidence for disciplinary and/or criminal action
- prevent further loss
- recover losses
- establish lines of communication with the police.

PROCEDURE

ACTION OF EMPLOYEES/ TRUSTEES/ MEMBERS

If you become aware of a suspected fraud or irregularity, you should:

1. Write down your concerns immediately. Make a note of all relevant details, such as what was said on the telephone or during other conversations, the date, the time and the names of anyone involved;
2. Report the matter immediately using the contact details shown in appendix B. When you report your concerns you must be prepared to hand over any notes or evidence you have already gathered. Confidentiality is of paramount importance throughout the process.

A member of staff or Trustee may choose to report concerns anonymously and such anonymity will be respected. It should be noted that if the report suggests criminal activity and the case is referred to the police, the identity of the person reporting the details will be needed at a later date if criminal proceedings are to be pursued effectively. Identification is preferred and will assist the investigation.

You must not do any of the following:

- Contact the suspected perpetrator in an effort to determine the facts and demand answers;
- Discuss the case facts, suspicions or allegations with anyone other than the Headteacher, Director of Resources or members of the Finance and Resources (Audit Committee) and their nominated investigators;
- Attempt to personally conduct an investigation of your own.

Malicious allegations

If an allegation is made frivolously, in bad faith, maliciously or for personal gain, disciplinary action may be taken against the person making the allegation.

ACTION BY THE SCHOOL

The Blue Coat School has an active Audit Committee from members of the Finance and Resource Committee (Trustees). An extraordinary meeting will be convened in the event of a suspected Fraud situation.

Members of the Senior Leadership Team must immediately inform the Headteacher of any concerns reported to them.

Any member of staff who reports a suspected fraud should feel confident they will be listened to seriously and sensitively. They should be given a fair hearing and they should feel reassured that they will not suffer because they have voiced their suspicions.

If any of the core membership of the Finance and Resource Committee are personally implicated in the suspected fraud, it should be reported directly to the Chair of Trustees. In such circumstances, the Chair of Trustees will determine, in consultation with the Chair of the Members Group, the procedure for examining the facts of the suspected fraud, any subsequent investigation and for deciding action.

The Director of Resources will call a meeting of the Finance and Resource (Audit) Committee at the first available opportunity, ideally within 24 hours of the suspected fraud being reported. Where members of the Committee are not available, suitable alternatives can be appointed by the Committee.

The Audit Committee will consider the report of suspected fraud and decide:

- whether to instigate an investigation to establish the facts of what has taken place;
- whether to recommend that the matter is reported to the police;
- whether to recommend to suspend the individual(s) suspected pending further investigation.

Where further evidence is required before deciding whether to instigate an investigation, the Committee will commission the gathering of further evidence and reconsider the position in order to make the decision.

SUSPENSION PENDING INVESTIGATION

The Audit Committee will consider whether to make a recommendation to the Headteacher to suspend the individual(s) suspected pending further investigation. The prime consideration in this respect is to prevent further loss and/or the destruction or removal of evidence.

Where an individual is to be suspended they should be approached unannounced and asked to attend a meeting, where the suspension is confirmed and explained. Wherever possible, they should be given the opportunity to be accompanied at the meeting by a trade union representative or work colleague. If it is not possible for them to be accompanied, the meeting may proceed nonetheless so that action can be taken to prevent further loss and/or the destruction or removal of evidence. Following suspension, the individual(s) will be supervised at all times before leaving the premises. Only personal property may be removed from the premises and all keys, access cards, identification badges and IT equipment must be surrendered.

The individual will be sent confirmation of the suspension, in writing.

Suspension pending investigation of suspected fraud does not imply that it has been established that fraud has taken place and does not represent disciplinary action. Members of staff will remain on full pay during the period of suspension.

INVESTIGATION OF SUSPECTED FRAUD

The Audit Committee will normally commission an internal investigation of the suspected fraud. Where appropriate this will usually be done through the Headteacher, but the committee will have authority to appoint other experts to conduct the investigation where necessary.

The school, its employees and Trustees will make available to the investigator all such information and records as are necessary to pursue the investigation. The matters investigated will be kept confidential in so far as this does not hinder or frustrate the investigation process.

The investigator will prepare a report setting out their findings from the investigation. The report will cover:

1. an opinion on whether a fraud has been committed and the reasons and summary evidence in support of the opinion;
2. where the opinion is that a fraud has been committed, description of the fraud, value of loss, people involved and the means by which the fraud was perpetrated;
3. measures already taken or to be taken to prevent recurrence;
4. any recommendations for action to strengthen future responses to fraud.

The Committee will consider the report and determine whether it demonstrates that a fraud has been committed and who may be responsible. In the light of their conclusions, the Committee will decide the action to be taken, as follows:

- if it is determined on the basis of the evidence that no fraud has taken place, the Committee will agree action to ensure that all relevant parties are informed. If any individual(s) have been suspended pending investigation, the Director of Resources will be responsible for advising on action relating to the lifting of the suspension in the case of staff.
- if it is determined on the basis of the evidence that a fraud has taken place, the Committee will refer to the Professional Conduct Policy in the case of staff. The Committee will also agree any action necessary under the Academy's requirements for reporting to external bodies. The Committee may recommend to the Headteacher that the matter is reported to the police if this has not happened at an earlier stage and/or that civil action is taken to recover losses.

If the report recommends improvements to the school's control systems, the Director of Resources will ensure that these are implemented at the earliest opportunity.

Where the matter is referred to staff disciplinary procedures, a separate investigation under those procedures will be necessary and evidence from the Finance and Resource (Audit) Committee's investigation will form part of the disciplinary investigation.

RECOVERY OF LOSSES

Finance and Resource Audit Committee will assess the opportunity for recovering any losses, including taking legal action through the Courts, where appropriate. The Headteacher will be responsible for ensuring that any legal action is pursued.

Annex B: Fraud Reporting Form

If you have any concerns about fraud please contact the Headteacher or Director of Resources. If your concern is in relation to either of these two individuals, your concern can be made to the Chair of Trustees. If your concern is about the Chair of Trustees, please direct your concern to the Chair of the Members Group.

	Telephone	Email address
Headteacher	01517331407	s.yates@bluecoatschool.org.uk
Director of Resources	01517331407	a.hughes@bluecoatschool.org.uk
Chair of Trustees	01517331407	chairoftrustees@bluecoatschool.org.uk
Chair of Members Group	01517331407	m.hill@bluecoatschool.org.uk

or print and complete this form and send it to the addressee in an envelope marked **Private and Confidential** to the address shown below.

The Blue Coat School
Church Road
Wavertree
Liverpool L15 9EE

You do not need to give your name. All the information provided will be treated in confidence.

Name of the person(s) or
organisation you suspect:

Place of work / department /
job title: (If known)

Please provide details of your suspicions, including how you became aware of them.

Your details: **(please leave blank if you wish to remain anonymous)**

Name:

Telephone or address: