



Horizon Academy Trust

Where anything is possible

ANTI-FRAUD, CORRUPTION & BRIBERY POLICY

Approved and signed by the Board of Trustees
29 November 2018

Autumn 2018

Date of next review: Autumn 2021

Fraud Policy Statement

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

The Trust will maintain robust control mechanisms to both prevent and detect fraud. All managers 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 are 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.

Introduction

Horizon Academy 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 its limited 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. This policy:

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

Definitions

1. Fraud

Fraud is a range of abuse and malpractice that is covered by the Fraud Act 2006.

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, 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 officer involved, is still fraudulent. In the same way, using the Academy'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.

2 Corruption

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

3 Bribery

There are four key offences under the Bribery Act 2010:

1. bribery of another person
2. accepting a bribe
3. bribing a foreign 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 a government official, agent or representative 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;
- 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 to public officials in order to secure or expedite actions.

Scope of Policy

The Policy Statement applies to all members of the Trust, Local Governing Bodies 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 the importance of the seven principles of public life defined by the Nolan Committee 1995, and expects all governors, employees and those acting as its agents to conduct themselves according to them. The seven principles are worthy of being read by all;

- **Honesty** - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Integrity** - Holders of public office 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.
- **Selflessness** - Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.
- **Objectivity** - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- **Openness** - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- **Accountability** - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- **Leadership** - Holders of public office should promote and support these principles by leadership and example.

Through observance of these principles the Trust requires the governors, employees and its agents 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.

Culture & stance against fraud & corruption

Horizon Academy 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 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 intended. 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 Finance, Resources & Operations Committee is responsible for overseeing internal controls, financial regularity and rigorous risk management.

Reporting Concerns

All actual or suspected incidents of fraud should be reported without delay to the Headteachers who must report immediately to the Chief Financial Officer or Chief Executive Officer of the Trust.

When staff report 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. They should be signed by the reporting employee to confirm understanding. It is essential that staff are put at ease, since the decision to report the suspected fraud may be traumatic for the individual concerned. 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 anonymity may not be able to be preserved if it is incompatible with a full and fair investigation.

Once the CFO/CEO has received and recorded details of the case, he or she should, within 24 hours, hold a meeting of the fraud investigation group, comprising the CFO, Accounting Officer and HR Advisor to decide on the initial response.

The fraud investigation group will follow the guidance provided in the 'fraud response plan', (Appendix 1).

Staff adhering to procedures, and who are not inhibited to challenge matters which do not appear to be correct, provide the best protection against fraud and corruption. It is essential, therefore, that this policy is fully communicated to staff. The policy must be published to staff. Regular staff notices regarding financial procedures must be communicated to staff.

Monitoring and Review

The Accounting Officer, in conjunction with the Chief Financial Officer, has overall responsibility for the maintenance and operation of this policy. This policy will be reviewed every three years by the Board of Trustees.

Appendix 1

Fraud Response Plan

Purpose

The purpose of the plan is to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity.

The use of the plan is intended to enable Horizon Academy Trust to:

- prevent further loss
- establish and secure evidence necessary for criminal and disciplinary action
- notify the funding body, if the circumstances are covered by the mandatory requirements of the audit code of practice
- recover losses
- take action against the culprits
- review the reason for the incident, the measures taken to prevent a recurrence and any action needed to strengthen future responses to fraud
- keep all personnel with a need to know suitably informed about the incident and the school's response
- inform the police and establish lines of communications
- assign responsibility for investigating the incident
- establish circumstances in which external specialists should be involved
- establish polices for follow on actions, such as the future requests for references for employees involved in the incident

Initiating action

All actual or suspected incidents should be reported immediately to the Headteacher. The Headteacher should then convene a meeting of the following fraud investigation group to determine the initial response:

Chief Financial Officer, Accounting Officer, HR Advisor.

The fraud investigation group will decide the action to be taken including the need to commission special investigations and the resource implications.

Issues for the fraud investigation group to consider

Prevention of future loss:

- this may require the suspension with, or without pay of the suspect
- suspects may need to be escorted from the premises and prevented from gaining future access, including access to all computer systems
- internal audit may consider that other related systems or areas should be investigated

Action to be taken against the individual

Horizon Academy Trust will follow disciplinary procedures against any member of staff who has committed fraud. The Trust will normally pursue the prosecution of any such individual.

Notifying the Governing body

The Headteacher is responsible for informing the governing body of any such incidents. The Accounting Officer is responsible for informing the Board of Trustees of any such incidents.

Recovery of loss

The amount of any loss should be quantified and repayment of losses sought in all cases. Where the loss is substantial legal advice should be obtained without delay.