



Langley Park Learning Trust

Fraud, Bribery and Corruption Policy

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Version	Approval Date	Summary of Changes
1.0	14/01/2019	Previous policy listed definition and types of fraud and brief outline of roles. Added new sections, took out gifts and hospitality which was in earlier policy.

Contents

1. Definitions & Types of fraud	1-5
2. Purpose and aims	5
3. Legislation and guidance	6
4. Roles and responsibilities	7-9
5. Internal controls and best practice.....	9
6. Monitoring arrangements	9
7. Links with other policies.....	9

1. Definitions and Types of Fraud

1.1 Bribery

Bribery is the offering, giving, receiving, or soliciting of any item of value to influence the actions of an official, or other person, in charge of public or legal duty.

There are four key offences under the Bribery Act 2010:

- Section 1 bribing another person.
- Section 2 taking a bribe.
- Section 6 bribing a foreign public official.
- Section 7 failing to prevent bribery.

This means that the trust must take steps to prevent employees and other associated persons from giving or receiving bribes. Failure to do this can result in an unlimited fine, amongst other consequences. It is therefore essential that the trust has adequate procedures in place to prevent bribery.

1.2 Corruption

Corruption is the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions of any person. All participating parties are equally guilty of an offence.

Corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may influence actions being taken. The areas of trust activity which are most susceptible to corruption include:

- Tenders.
- Contracts.
- Disposal of assets.
- Licences and planning.

1.3 Fraud

Fraud is defined as dishonest, irregular or illegal acts, characterised by a deliberate intent at concealment or false misrepresentation, resulting in the diversion of resources, whether or not for personal gain, for the benefit of an individual or group of individuals at a consequent loss to the Trust.

The deception, trickery, cover up, breach of confidence from the fraud enables the perpetrator to gain an unfair advantage or creates a disadvantage to others. It may also involve the misuse of funds or other resources or the supply of false information. Fraud is both a crime and a civil law violation.

Consequently, the trustees, in consultation with the CEO and senior leaders, have agreed proportionate procedures to prevent and detect fraud, corruption and bribery.

To this end we aim to create, embed, develop, and maintain an anti-fraud, anti-corruption, and anti-bribery culture across all aspects of the trust's activity.

The policy applies to all the trust's activities including its work with strategic partners, third parties, suppliers, and others.

Examples of Fraud

A contextual example of fraud is the intentional distortion of financial statements or other records by persons internal or external to the trust which is carried out to conceal the misappropriation of assets or otherwise for gain.

The areas for considerations to pick up potential opportunities for fraud are:

- Personal motives for fraud
- Organisation motives for fraud
- Review of internal controls and areas of weakness
- Transactional indicators
- Possible methods to commit and/or conceal fraud
- Record keeping/banking

Below are some specific examples of fraud that the trust may be at risk of. This list is not exhaustive, and fraud and corruption can take many different paths:

- Falsifying or altering accounting records or other documents.
- Suppressing or omitting the effects of transactions from records or documents.
- Adding records of transactions which have no substance.
- Wilful misrepresentation of transactions or other trust affairs.
- Accepting payment for securing a place for a child at a school.
- Accepting an invitation to an event from a parent or supplier who intends to gain an improper advantage.
- Accepting expensive gifts from a parent or child which were given with the intention of one pupil being favoured over others.
- Theft of cash.
- Non-receipt of income.
- Substitution of personal cheques for cash.
- Travel and subsistence claims for non-existent journeys or events.
- Travel and subsistence claims over inflated.
- Manipulating documentation to increase payments received e.g. false overtime claims.
- Payment of invoices for goods received by an individual rather than the school or trust.
- Unauthorised borrowing of equipment.
- Breaches of confidentiality regarding information.

- Failure to declare a direct pecuniary or otherwise conflicting interest.
- Concealing a generous gift or reward.
- Accepting gifts or hospitality in exchange for placing work.
- Unfairly influencing the award of a contract.
- Creation of false documents.
- Using position for personal reward.
- Submitting an invoice for work not done.
- Failure to observe, or breaches of, regulations and/or other associated legislation laid down by the school or trust.

1.4 Cyber-crime

External fraud from Cyber-crime can have massive ramifications. The Trust has a dedicated IT specialist personnel who are vigilant and proactively review and strengthen our cyber security.

2. Purpose and Aims

- The objective of this policy is to safeguard the proper use of the Trust's finances and resources. The Trust derives its income predominately from public funds, however it may also receive charitable donations and income from parents, and so has a particular responsibility to ensure that income and resources are used solely for the purposes intended.
- Fraud is a serious matter and the trustees are committed to investigating all cases of suspected fraud. Any member of staff, regardless of their position or seniority, against whom prima facie evidence of fraud is found, will be subject to disciplinary procedures that may result in dismissal. The Trust will normally involve the Education & Skills Funding Agency (ESFA) and the police and may seek redress via civil proceedings.

This policy does not attempt to cover every aspect of theft, fraud, corruption, and bribery. It is intended to promote a framework whereby all those associated with the Trust may work constructively together for the good of all who work and learn here.

3. Legislation and Guidance

Academies Financial Handbook

This policy is based on the [Academies Financial Handbook](#), which states that, “Academy trusts must be aware of the risk of fraud, theft and irregularity and address it by putting in place proportionate controls. Trusts must take appropriate action where fraud, theft or irregularity is suspected or identified.”

Under section 6.11 of Academies Financial Handbook it states
“The board of trustees must notify ESFA, as soon as possible, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year. Unusual or systematic fraud, regardless of value, must also be reported. The following information is required:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken to prevent recurrence
- whether it was referred to the police (and if not why)
- whether insurance or the RPA have offset any loss. ”

ESFA does not tolerate fraud and there is quick and decisive action where it is uncovered. There could entail further investigations to probe the situation further and in serious cases it might entail a referral to the police.

Bribery Act 2010

The Bribery Act 2010 (which became law on 1 July 2011) defines bribery as giving someone a financial or other advantage to encourage that person to perform their function or activities improperly or to reward that person for already having done so. Bribery is a serious criminal offence and the Trust does not and will not pay bribes or offer inducement to anyone for any purpose. Equally the trust does not and will not accept bribes or improper inducements.

It is important to note from the above sections of the Bribery Act that it is also an offence for the trust to fail to prevent employees and other associated persons from giving or receiving bribes.

However, if the Trust can prove that it has adequate procedures in place to prevent bribery, it will have a defence against this offence.

Any individuals who are convicted of a bribery offence can face up to ten years’ imprisonment. Any trust or school in which bribery is found to have taken place may receive an unlimited fine and be excluded from tendering for public contracts. It is also probable that its reputation will be irreparably damaged.

4. Roles and Responsibilities

For a successful fraud plan the roles and responsibilities needed to be clarified so that specific and overall fraud risks are managed. This also enables staff to have an awareness of who to report suspicions of fraud to and use of whistleblowing policy where necessary.

4.1 Everyone

- Everyone employed by the trust is required to adhere to this policy.
- This applies to all staff regardless of grade, whether permanently employed, temporary agency staff and contractors and consultants.
- This policy also applies to members, trustees, governors, volunteers, and consultants.
- We expect and encourage all staff members and volunteers to raise any concerns they may have relating to bribery, fraud or corruption.
- Care must always be taken to ensure such concerns are raised in good faith.
 - In the first instance, concerns can be raised with the individual's line manager or headteacher.
 - If told not to raise or pursue any concern, members of staff should not agree to remain silent.
- The attention of all staff and volunteers is drawn to our [whistle blowing policy](#).
- Uphold a positive anti-fraud, bribery, and corruption culture.
- Always be alert to the possibility of theft, fraud and corruption occurring in the workplace and be aware of the mechanisms available for reporting such issues to management within the authority.
- Comply with the Trust's Code of Conduct together with any additional code relating to their professional qualifications.
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- Declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the academy and Trust.
- Executive Leaders, Trustees and Governors to make annual declarations of interest to effectively manage situations where a conflict of interest may occur.
- To act quickly and effectively to respond to suspected fraud when it arises.

Failure to comply with any aspect will be a breach of conduct and possibly a criminal offence and will be investigated. Trust Executive Leaders and CEO are required to read Academies Financial Handbook.

4.2 Trustees

- To act with integrity and only in the public interest and uphold the law.
- Do whatever they can to ensure that Schools use their resources efficiently and effectively.
- Promote an organisational culture that accords with the Nolan Committee's 7 principles of public life.
- Ensure controls are put in place that minimise the risk of fraud.
- Maintain the code of conduct contained within the [National Governance Association's Code of Practice](#) and [A Guide to the Law for School Governors](#)
- Promptly make a declaration in accordance with the School Governors (Constitution) (England) Regulations 2003.
- Trustees are required to declare and register all information that may cause a potential conflict of interest between their role as a Trustee and their personal and professional lives.

4.3 CEO / Accounting Officer

- The CEO is the Accounting Officer and is responsible for ensuring that the trust's funds are used for the purposes intended.
- The CEO is the lead professional and takes day-to-day responsibility for the prevention of fraud.
- Risks will be identified and reviewed annually.
- All instances of fraud, bribery, theft, or corruption will be reported to the Audit and Risk Committee, with recommendations for the prevention of reoccurrence.
- Invoking staff disciplinary proceedings.
- Applying sanctions against people who commit fraud or bribery offences including referral to the police.

4.4 Director of Finance

- Director of Finance has responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of the trust.
- To ensure internal controls prevent and detect any frauds promptly. This includes:
 - Proper procedures and financial systems
 - Effective management of financial records
 - Management of the Academy's financial position
- To conduct an initial investigation where a report of fraud is made, in conjunction with the CEO/Accounting Officer.
- Facilitating recovery of losses by seeking redress for fraud, overpayment, and losses.
- Monitoring, publishing, and updating our policy and procedures.
- Evaluating the impact of policy and procedures on performance.

4.5 Finance Teams

- Day to day responsibility for ensuring internal controls processes are adhered to and for safeguards the assets of the trust.
- Verifies and cross checks information on documents.
- ensures segregation of duties are observed.
- physical security of assets is maintained so only relevant personnel have access to safe, cheque books, cash. Ensure passwords for banking facilities and any sensitive information are protected and not divulged to others.
- Investigate and follow up on any suspicious or irregular transactions.
- Follow financial limits of authority and any procurement policies.

4.6 Internal Audit Scrutiny Firm

- Support managers in preventing and detecting fraud, bribery, and corruption.
- Provide assurance on the appropriateness and effectiveness of systems and procedures.
- Investigate serious suspected financial irregularity and will liaise with managers to recommend changes in procedures to prevent further losses to the authority.
- Consult with the Police or refer an investigation to them, as appropriate.

Dependent on the nature of a case, the Internal Scrutineer will normally work closely with the Trust, school and other agencies to investigate all cases of suspected irregularity, in accordance with relevant legislation, and to recommend corrective action to prevent further losses.

4.7 External Auditor

- Carry out specific reviews that are designed to test (amongst other things) the adequacy of the authority's internal financial and other controls and arrangements for preventing and detecting fraud and irregularity.
- Review the Trust's accounts to ensure they are free from significant fraud.

5. Internal controls

Internal processes and system are in place to mitigate against risk of fraud. These processes should allow for detective, preventive and corrective controls. Essentially policies and procedures (such as procurement policy), safeguarding processes like recruitment screening, training, induction process, vetting of contractors and maintaining good staff morale etc to prevent issues escalate to fraud risks and to protect the assets of the Trust.

6. Monitoring Arrangements

This includes testing internal controls systems to ensure they are robust. This can be done as part of internal review of existing systems and where weakness is discovered introducing new control measures or through internal scrutiny review to pick up irregularities. Fraud risk is considered as part of the Trust risk management process.

Any reported fraud should be investigated, evaluated and an improved control arrangement put in place to mitigate this risk. To undertake lesson learnt exercise where there has been any fraud.

7. Links with other Policies

This fraud, corruption and bribery policy is linked to:

- Gifts and hospitality
- Register of business and pecuniary interests
- Scheme of delegation
- [Staff disciplinary procedures](#)
- [Whistleblowing](#)