



Anti-Fraud and Anti-Corruption Policy

Policy Code	F1
Policy start date	June 2020
Policy review date	September 2022

1. Background

This policy identifies CIT arrangements relating to its responsibilities on fraud and corruption. The Trust Board through the CEO has a responsibility to bring the policy to the attention of employees, and employees are expected to be aware of the requirements of the policy and at all times to comply with it. It describes the Trust's policy for notification, investigation and reporting upon circumstances which may involve fraud, corruption and irregularities. It is intended to supplement the Trust's Disciplinary Procedure.

Any investigations carried out in relation to irregularities are entirely separate from, and do not form part of, the Trust's disciplinary procedures. However, the timing of the commencement of any disciplinary procedures needs to be considered where an investigation into an irregularity is taking place, so as not to prejudice the irregularity investigation. Following the completion of an irregularity investigation and subsequent report, it is possible the CEO or the Chair of the Trust may initiate action, in accordance with the Trust's disciplinary procedures.

2. Definitions for the purpose of this policy

Irregularities fall within the following broad categories, the first three of which are criminal offences:

- Theft – the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession.
- Fraud – the intentional distortion of financial statements or other records by persons internal and external to the Trust, which is carried out to conceal the misappropriation of assets or otherwise gain.
- Bribery and corruption – the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement.
- Failure to observe, or breaches of, Standing Orders, Scheme of Delegation, Contract Standing Orders and Financial Regulations. Failure to observe, or breaches of, Trust's Policies or Procedures or Health and Safety Regulations which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

Irregularities, and circumstances which may involve irregularities, are a difficult area and pose a number of problems. Where there is doubt about whether a matter is an irregularity or not, clarification must be sought from CIT legal advisors. Similarly, if there is concern or doubt about any aspect of a matter which involves an irregularity, or an ongoing investigation into a suspected irregularity, the best approach is to seek advice/guidance from CIT legal advisors.

3. Policy Statement

This policy is a clear message from the Trust that it will endeavour to take all possible steps to prevent and eliminate fraud and corruption. It identifies a clear path for both Directors and employees to report any suspicions of fraud and corruption without any fear of discrimination.

The Trust demands individuals and organisations it comes into contact with will act towards the Trust with integrity and without thought or actions involving fraud or corruption.

The Trust's Anti-Fraud and Anti-Corruption Strategy is based on a series of comprehensive and inter-related procedures designed to frustrate any attempted fraudulent or corrupt act. These cover culture, prevention, detection and investigation and training.

The Trust is also aware of the high degree of external scrutiny of its affairs by a variety of bodies including: local tax payers, service users, internal and external audit services, Audit Commission, examination boards and QCA, Parliamentary committees, Government departments and inspectorates, HMRC.

Examples of what could constitute fraud and corruption:

- Theft of cash
- Non-receipt of income
- Substitution of personal cheques for cash
- Travelling and subsistence claims for non-existent journeys/events
- Travelling and subsistence claims inflated
- Manipulating documentation to increase salaries/wages received, e.g. false overtime claims
- Payment of invoices for goods received by an individual rather than the Trust
- Incorrect information on claims for Housing Benefit
- Failure to observe, or breaches of, regulations laid down by the Trust
- Unauthorised borrowing of equipment
- Breaches of confidentiality regarding information
- Failure to declare a direct pecuniary or otherwise conflicting interest
- Unfairly influencing the award of a contract
- Creation of false documents
- Deception
- Using position for personal reward

The above list is not exhaustive and fraud and corruption can take many different paths. If in any doubt, the Trust's legal advisors should be consulted.

4. Implementation Strategy Culture

The Trust is determined that the culture and tone is one of honesty and opposition to fraud and corruption. There is an expectation and requirement that all individuals and organisations associated in whatever way the CIT will act with integrity, and CIT employees at all levels will lead by example in these areas. The CIT employees are an important element in its stance on fraud and corruption and they are positively encouraged to raise any concerns they may have on these issues where they are associated with the Trust's activity. This they can do in the knowledge that such concerns will be treated in confidence and properly investigated. If necessary, a route other than through the CEO may be used to raise such issues. Such routes are clearly set out in the Trust Whistleblowing Policy/Confidential Reporting Code.

Members of the public are also encouraged to report concerns through the Whistleblowing Policy.

The Trust and the CEO are also responsible for following up any allegation of fraud or corruption received and will do so through clearly defined procedures.

- Dealing promptly with the matter
- Recording all evidence received
- Ensuring that evidence is sound and adequately supported
- Ensuring security of all evidence collected
- Notifying the Director of Children's Services and the Legal Department if applicable
- Notifying the ESFA in line with the Academies Financial Handbook
- Implementing disciplinary procedures where appropriate

Any abuse of this process by raising unfounded malicious allegations is a serious disciplinary matter. The Trust can be expected to deal swiftly and thoroughly with any member of staff who attempts to defraud the Trust or who is corrupt. The Trust should be considered as robust in dealing with financial malpractice.

5. Current methods of preventing and detecting fraud

Generally, there is an expectation the Trust and employees will lead by example in ensuring adherence to legal requirements, rules, procedures and practices. It is expected that individuals and organisations that the CIT comes into contact with, will act with integrity and not take part in any fraudulent or corrupt activity.

The Trust recognises that a key preventative measure in the fight against fraud and corruption is to take steps at the recruitment stage to establish, as far as possible, the previous record of potential employees in terms of their propriety and integrity. Staff recruitment is therefore required to include obtaining written references regarding known honesty and integrity of potential employees before employment offers are made.

CIT employees are expected to follow any Code of Conduct related to their personal professional qualifications and also to abide by the National Code of Conduct and the role that appropriate employees are expected to play in the CIT's framework of internal control, which will be featured in employees' induction procedures.

All Trustees, volunteers and employees of the CIT are required to declare in a public register any interests or offers of gifts or hospitality which are in any way related to the performance of their duties in relation to the Trust. Trustees, volunteers and employees must comply with CIT's regulations. These standing orders and financial regulations place a duty on all employees to act in accordance with best practice when dealing with the affairs of the CIT and notify the Educational and Skills Funding Agency immediately, of all suspected irregularities affecting the wellbeing, finances or property of CIT.

Significant emphasis is placed on the thorough documentation of financial systems, and every effort is made to continually review and develop these systems in line with best practice to ensure efficient and effective internal controls. Internal and External Audit professionals independently appraises the adequacy and appropriateness of the CIT's financial systems. The Trust places great weight on being responsive to audit recommendations.

There is a duty on all employees to ensure they achieve value for money from any budgets they control and therefore have systems in place which will ensure adequate

control is exercised.

6. Detecting and Investing

The array of preventative systems, particularly internal control systems, within the Trust has been designed to provide indicators of any fraudulent activity, although generally they should be sufficient in themselves to deter fraud. It is often the alertness of employees and the public to such indicators that enables detection to occur and the appropriate action to take place when there is evidence fraud or corruption may be in progress. Despite the best efforts of Trust, Head Teachers and auditors, many frauds are discovered by chance or “tip off” and the CIT has in place arrangements to enable such information to be properly dealt with.

If at any time any case of fraud, loss, financial irregularity, bribery or corruption is discovered or suspected to exist which involves the CIT’s interests, the CEO or Chair of the Trust shall contact the Educational and Skills Funding Agency.

Depending on the nature and anticipated extent of the allegations, the LA will normally work closely with the CEO or Trust, Human Resources and other agencies (such as the Police), to ensure that all allegations are properly investigated and reported upon and, where appropriate, maximum recoveries are made for the CIT. The CEO, Trust and where appropriate the Educational and Skills Funding Agency will be kept briefed as the investigation continues.

Where allegations are substantiated, the employee will be subjected to the CIT’s disciplinary procedures. Where financial impropriety is discovered, it will be referred to the Police and prosecution pursued. The decision and reasoning will be recorded in writing.

7. Training

The Trust recognises that the continuing success of the Anti-Fraud and Anti-Corruption Strategy and its general credibility will depend largely on the effectiveness of programmed training and responsiveness of employees throughout the CIT. To facilitate this, the Trust supports the concept of induction and training particularly for employees involved in internal control systems, to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced. The possibility of disciplinary action against employees who ignore such training and guidance is clear.

8. Links With Other Policies

The Trust is committed to preventing fraud and corruption. To help achieve this objective there is a clear network of systems and procedures in place for the prevention, detection and investigation of fraud and corruption. This Anti-Fraud and Anti-Corruption policy attempts to consolidate those in one document and should be read in conjunction with the following policies:

- Whistleblowing Policy
- Standing Orders and Financial Regulations
- Disciplinary Procedures
- Finance Policy and Financial Operating Procedures Handbook
- Academies Financial Handbook

9. Evaluation

To ensure that these arrangements are kept up to date and cover future developments, it will be necessary to maintain a continuous overview. In the main, this will be accomplished through the Trust Financial Value Standard, Financial Regulations, Codes of Practice, guidelines and audit arrangements.

The Community Inclusive Trust Anti-Fraud and Anti-Corruption Policy

This Policy has been approved by the Trust Board of CIT.

Signed..... Name.....

Date:

Chair of the Trust Board

Signed..... Name.....

Date:

Chief Executive Officer