



Anti-Fraud, Theft, Bribery & Corruption Policy

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Contents

- 1. Introduction**
- 2. Policy Scope**
- 3. Legal and Regulatory Framework**
- 4. Definitions**
- 5. Policy Statement**
- 6. Record Keeping**
- 7. Roles and Responsibilities**
- 8. Reporting and Consequences of Non-Compliance**
- 9. Policy Status**
- 10. Related Policies**
- 11. Appendix: The Seven Principles of Public Life (the “Nolan Principles”)**
- 12. Appendix: Fraud – Further Guidance and Examples**
- 13. Appendix: Bribery - Further Guidance and Examples**

1. Introduction

- 1.1 The Community Inclusive Trust (“the Trust”) is a company limited by guarantee and exempt charity and is committed to operating fairly, openly, honestly and in accordance with the highest ethical and legal standards.
- 1.2 The purpose of this policy is to set out the Trust’s stance on fraud, bribery and corruption and its approach to preventing, detecting, reporting and investigating fraud, bribery and corruption.

2. Policy Scope

- 2.1 This policy applies to the whole of the Trust, its academies and Central Services functions and all separate legal entities owned and controlled by the Trust.
- 2.2 This policy is applicable to, and must be followed by, all staff including employees, consultants, agency staff and contractors. Failure to comply could result in disciplinary action, including dismissal.
- 2.3 This policy is applicable to all Trustees and members of Local School Boards.
- 2.4 The Trust requires all those receiving funds of the Trust or representing the Trust including its suppliers, grant recipients, partners, contractors and agents, to act in accordance with this policy.
- 2.5 It is the responsibility of all individuals to whom this policy is applicable to familiarise themselves with this policy and comply with its provisions.

3. Legal and Regulatory Framework

- 3.1 This policy takes its legal framework from the following legislation and statutory guidance:
 - 3.1.1 Fraud Act 2006
 - 3.1.2 Bribery Act 2010
 - 3.1.3 The Academies Handbook 2024
 - 3.1.4 Managing Public Money

- 3.2 The Trust’s Trustees are required under charity law to safeguard the assets of the Trust.

4. Definitions

- 4.1 **Trust** means all academies within Community Inclusive Trust, as well as Central Services functions.
- 4.2 **Executive Leadership Team** means the Chief Executive Officer (“CEO”) and the direct line management reports of the CEO.
- 4.3 **Fraud** means knowingly making an untrue or misleading representation with the intention of making a gain for oneself or another or causing a loss, or risk of loss, to another. Further details and examples of fraud can be found in the appendices at section 12.
- 4.4 **Theft** means dishonestly appropriating property belonging to another with the intention

of permanently depriving the other of it.

- 4.5 Bribery means giving, offering, promising, accepting or soliciting a financial or other advantage to encourage that person to perform their functions or activities improperly, or to do something that is illegal, or to reward someone for having already done so. Further details and examples of bribery can be found in the appendices at section 13.
- 4.6 Corruption means the misuse of entrusted power for personal gain. This would include dishonest or fraudulent behaviour by those in positions of power, such as managers or government officials. It would include offering, giving and receiving bribes to influence the actions of someone in a position of power or influence, and the diversion of funds for private gain.
- 4.7 A facilitation payment is a type of bribe, either an unofficial payment or other advantage given to a public official to undertake or speed up the performance of their normal duties. It is not a payment or gift given to obtain or retain business.
- 4.8 A conflict of interest occurs where an individual has private interests that may or do influence the decisions that they make or contribute to as an employee or other representative of an organisation.

5. Policy Statement

- 5.1 The Trust has a “zero tolerance” policy towards fraud, theft, bribery and corruption. This means that the Trust:
- 5.1.1 does not accept any level of fraud, theft, bribery or corruption within the organisation; or by any other individual or organisation receiving the Trust’s funds; of representing the Trust; and
- 5.1.2 will always seek to take disciplinary and/or legal action against those found to have perpetrated, be involved in, or assisted with fraudulent or other improper activities in any of its operations.
- 5.2 The Trust is committed to developing an anti-fraud culture and keeping the opportunities for fraud, theft, bribery and corruption to the absolute minimum.
- 5.3 The Trust requires all staff to always act honestly and with integrity, in accordance with the Trust’s Code of Conduct and the Seven Principles of Public Life (see appendices – section 11) and to safeguard the resources for which they are responsible.

Risk and internal control systems

- 5.4 The Trust will seek to assess the nature and extent of its exposure to the risks of internal and external fraud, theft, bribery and corruption. It will regularly review these risks, using information on actual or suspected instances of fraud, theft, bribery and corruption to inform its review.
- 5.5 The Trust will seek to put in place efficient and effective systems, procedures and internal controls to: encourage an anti-fraud culture; prevent and detect fraud, theft, bribery and corruption; and reduce the risks to an acceptable level. Such controls will include segregation of duties, employee screening checks and authority approval limits.
- 5.6 The Trust will seek to equip its staff with the skills, knowledge and expertise to manage

its fraud risk effectively. It will provide adequate training to make staff aware of the risks of fraud, theft, bribery and corruption, and of their responsibilities in preventing, detecting and reporting it.

- 5.7 The Trust will make all those receiving Trust funds or representing the Trust, including its suppliers, grant recipients, partners, contractors and agents aware of this policy.
- 5.8 The Trust will work in co-operation with relevant stakeholders, including comparable organisations, relevant regulators and government organisations to tackle fraud.
- 5.9 The Trust will regularly review and evaluate the effectiveness of its systems, procedures and internal controls for managing the risk of fraud, theft, bribery and corruption. It will do this through risk management and assurance processes and audit arrangements.

Reporting of concerns – internal

- 5.10 All staff must immediately report any suspected or actual instances of fraud, theft, bribery or corruption to the Deputy Chief Finance Officer or the Chief Finance Officer, or to the CEO if concerns relate to the Chief Finance Officer. This includes offers to pay bribes, solicitation of bribes and demands to make facilitation payments. Failure to report could result in disciplinary action.

5.10.1 If staff are not comfortable reporting their concerns to the Deputy Chief Finance Officer or Chief Finance Officer, they may report their concerns to their line manager who must then either escalate the concerns to the Deputy Chief Finance Officer or Chief Finance Officer, or follow the reporting framework as set out in the Trust's Whistleblowing Policy.

5.10.2 Staff should not attempt to carry out an investigation themselves as this could compromise any subsequent investigation.

- 5.11 The Trust also requires all those receiving Trust funds or representing the Trust, including its suppliers, grant recipients, partners, contractors and agents, to report any suspected or actual instances of fraud, bribery or corruption involving Trust assets or staff. Reports should be sent to HR@citacademies.co.uk. This email is monitored by the Director of HR.

- 5.12 The Trust will not penalise anyone for raising a concern in good faith, even if it turns out to be unfounded. Any member of staff who harasses or victimises someone for raising a concern in good faith will themselves be subject to disciplinary action.

- 5.13 The Trust will maintain a system for recording:

5.13.1 all reports of actual or suspected fraud, bribery and corruption;

5.13.2 the action taken; and

5.13.3 the outcome of any investigation.

This information will be used to inform the Trust's review of the risks and effectiveness of its controls.

Reporting – external

- 5.14 The Trust will fully meet its obligations to report fraud, bribery and corruption to third parties. The Accounting Officer will report any instances of fraud, theft and/or irregularity

exceeding £5,000 individually, or £5,000 cumulatively in any financial year, to the ESFA as soon as possible. Unusual or systematic fraud, regardless of value, will also be reported. When making a report to the ESFA, the Accounting Officer will provide the following information:

- Full details of the event(s) with dates
- The financial value of the loss
- Measures that have been taken to prevent recurrence
- Whether the matter was referred to the Police and, if not, the reasoning behind this
- Whether insurance or the risk protection arrangement (RPA) have offset any loss

Following a report, the ESFA may conduct or commission its own investigation into actual or potential fraud, theft or irregularity in the academy or Trust, either as a result of a notification from the academy or from other information the ESFA has received. Other authorities, including the Police, may be involved in the investigation.

Investigation

- 5.15 The Trust will take all reports of actual or suspected fraud, bribery and corruption seriously and investigate proportionately and appropriately, as set out in this policy.
- 5.16 The Fraud, Theft, Bribery and Corruption Response Procedures document sets out responsibilities and procedures for investigating fraud, bribery and corruption, action to be taken.
- 5.17 The Trust will always seek to take disciplinary and/or legal action against those found to have perpetrated or assisted with fraudulent or other improper activities in any of its operations. For staff, this may include dismissal.
- 5.18 The Trust will seek to recover any assets lost through fraud, unless it is considered to be non-advantageous from a cost of recovery point of view.

Specific controls to mitigate risks

- 5.19 To minimise the Trust's exposure to risk of bribery and corruption, all gifts and hospitality received by staff and given by the Trust must be approved and recorded on the Gifts and Hospitality Register in accordance with the rules set out in the Financial Management Policy.
- 5.20 Conflicts of interest increase the risk of fraud. All staff must review the Conflicts of Interest Policy and make all declarations required in line with the policy. This includes an annual re-declaration of any interests, or a nil return, for all senior employees and other specific representatives as defined in the Conflicts of Interest Policy.

6. Record Keeping

- 6.1 The Trust will retain records evidencing compliance with this policy, as set out in the Trust's Records Management Policy.
- 6.2 The Deputy Chief Finance Officer will maintain a log of all instances of actual or suspected fraud, bribery or corruption, along with associated investigation records and conclusions.

6.3 The Deputy Chief Finance Officer will ensure records are kept of all staff training and awareness communications relating to risk of fraud, bribery and corruption.

6.4 The Chief Finance Officer is accountable for ensuring that the Trust's assessment of risks relating to fraud, bribery and corruption and the corresponding mitigating controls are reflected in the Trust's risk registers.

7. Roles and Responsibilities

7.1 The Trustees, as charity trustees, are ultimately accountable for the Trust's proper management, which includes ensuring appropriate management of the risk of fraud, bribery and corruption.

7.2 The Audit and Risk Committee is responsible for reviewing and approving this policy and for holding the Chief Executive Officer to account for ensuring compliance with this policy.

7.3 The Chief Executive Officer is the Accounting Officer and, as such, "must have oversight of the Trust's financial transactions by ensuring the Trust's property and assets are under the Trustees' control and measures exist to prevent losses or misuse".

7.4 The Chief Finance Officer is the owner of this policy, is responsible for creating the Trust's anti-fraud, bribery and corruption strategy and is accountable for implementing its approach.

7.5 The Deputy Chief Finance Officer is responsible for recording all instances of actual or suspected fraud, bribery or corruption, conducting proportionate and appropriate investigations, with the support of specialists if considered necessary, and reporting to external parties. The Deputy Chief Finance Officer is also responsible for facilitating training to staff on preventing, detecting and reporting fraud.

7.6 Academy Headteachers and Central Support Services leaders are responsible for ensuring that their staff are aware of and support this policy, and that all actual or suspected incidents of fraud, bribery or corruption in their academy or team are reported in line with this policy, in liaison with the Deputy Chief Finance Officer.

7.7 Managers receiving reports of fraud, bribery or corruption are responsible for reporting them to the Deputy Chief Finance Officer or Chief Finance Officer and assisting in the investigation as required, under the guidance of the Deputy or Chief Finance Officer.

7.8 All staff are responsible for complying with this policy.

8. Reporting and Consequences of Non-Compliance

8.1 Non-compliance with this policy by individuals may result in disciplinary action and could lead to removal of an individual from their role. In certain circumstances individuals may also be subject to external sanction, including criminal prosecution.

8.2 Non-compliance with this policy by the Trust could result in the DfE and/or Education and Skills Funding Agency issuing a Notice to Improve (Ntl) to the Trust if there is deemed to be inadequate financial governance and management. Failure to comply with an Ntl could, in exceptional circumstances, also result in the termination of the Trust's funding agreements.

8.3 The Chief Finance Officer is responsible for reporting any instances of non-compliance to the Audit and Risk Committee.

9. Policy Status

9.1. This policy does not form part of any employee's contract of employment.

10. Related Policies

10.1 This policy is related to the following other Trust policies:

- Whistleblowing Policy
- Financial Management Policy
- Staff Code of Conduct
- Procurement Policy
- Travel and Other Employee-related Expenses Policy
- Conflicts of Interest Policy
- Recruitment and Selection Policy
- Acceptable Use Policy of IT Systems

11. Appendix: The Seven Principles of Public Life (the “Nolan Principles”)

Underpinning the Trust’s anti-fraud culture are the Seven Principles of Standards in Public Life. The principles apply equally to Trustees, Governors, staff, contractors and third parties working on the Trust’s behalf, and are:

- Selflessness - holders of public office should take decisions solely in terms of the public interest. They should not do so to gain financial or other material benefits for themselves, their families or friends.
- 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 their official duties.
- Objectivity – in carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards or benefits, holders of public office should make choices on merit.
- Accountability – holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever public scrutiny is appropriate to their role.
- Openness – holders of public office should be as open as possible about all the decisions and actions they take. They should give clear reasons for their decisions and restrict information only when the wider public interest (or legislation) demands.
- 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.
- Leadership – holders of public office should promote and support these principles by leadership and example.

12. Appendix: Fraud – Further Guidance and Examples

Under the Fraud Act 2006, the criminal offence of fraud can be committed in three ways:

- Fraud by false representation; this is a representation that is untrue or

misleading, and the person making it knows that it is, or might be, untrue or misleading.

- Fraud by failing to disclose information.
- Fraud by abuse of position. This applies to those occupying a position in which they are expected to safeguard, or not to act against, the financial interests of another person.

In each case, the offence is to act dishonestly with the intention of making a gain for oneself or another, or causing a loss, or risk of loss, to another. The criminal act is the attempt to deceive and attempted fraud is therefore treated as seriously as accomplished fraud.

The Act also includes offences for obtaining services dishonestly and of possessing, making and supplying articles for use in fraud.

Examples of fraud which may be relevant to the Trust:

Procurement fraud:

- Staff colluding with suppliers to order and pay for goods or services that are not required and/or have not been delivered or are charged at an excessive rate.
- Staff or third parties creating false invoices, receipts, purchase orders or supplier identities to obtain payment for goods or services that have not been supplied.
- Staff awarding a contract, or preferential terms, to a supplier in return for payments, personal discounts, commission or other benefits; or awarding a contract to a relative or other connected party.

Fraudulently altering documents or records:

- Grant recipients not spending grant funds on purposes intended, or keeping funds for personal use, and falsifying records to support false claims.
- Staff issuing false receipts to parents, pupils, organisations making bookings for lettings or any other third-party paying money to the Trust, in order to keep the funds paid to the Trust for the staff member's personal use.
- Staff or third parties altering vendor payment details to divert supplier payments to own bank account.
- Staff fraudulently altering exam papers or exam results or releasing details of exam papers in return for a bribe or in order to favour a relative, or in order to improve the exams results of the Trust's pupils for personal benefit.
- Staff fraudulently altering accounting records.
- Fraudulently adding Gift Aid claims to donations received.

False deliveries

- A third-party fraudster may deliver goods to the Trust's premises which were never ordered. Third parties may attempt to obtain evidence of the Trust receiving the goods, for example signing for a delivery, to then make a claim for payment, which may be at an inappropriate price.
- A third party may order goods from a supplier, claiming to be ordering on behalf of the Trust, then steal the goods shortly after delivery at the Trust's site.

Expenses fraud:

- Staff claiming expenses or allowances to which they are not entitled, including

- by falsifying receipts.
- Staff using Trust-issued P-cards for personal expenditure.

Resources fraud:

- Staff using the Trust’s assets, such as mobile phones, for unauthorised personal use, in excess of any use permitted by the Acceptable Use Policy or other similar Trust policy. This may also include use of non-IT assets such as tools, vehicles, sporting or music equipment.
- Theft of cash or materials, including consumables, e.g. stationery, facilities consumables, catering consumables.

Fraud involving impersonation:

- Staff or third parties impersonating the Trust in order to extract fees for a service which the Trust does not provide, or does not charge for, e.g. offering paid for tutoring services to pupils using the Trust’s name.

Payroll fraud:

- Staff creating non-existent employees for directing payments.
- Staff or temporary staff making false or inflated claims for overtime or flexible working.

13. Appendix: Bribery - Further Guidance and Examples

The Bribery Act 2010 sets out four categories of offence:

1. Bribing another person;
2. Receiving a bribe;
3. Bribing a foreign public official; and
4. The failure of a relevant commercial organisation to prevent bribery by an associated person.

This fourth offence means that the Trust could be liable if someone offers a bribe on its behalf, including employees and third parties carrying out Trust business, such as partners and suppliers.

Examples of bribes relevant to the Trust:

Advantages that could be offered as part of a bribe, either for the benefit of the Trust or an individual:

- Cash, vouchers or other cash equivalents, or a “fee”
- Gifts
- Hospitality or entertainment (outside what would be modest and reasonable in the business context)
- The Trust paying travel and accommodation costs to a third party where this is not standard business practice
- The Trust’s staff receiving travel or accommodation free of charge from a supplier
- Loans
- Favourable business terms
- Discount of services, or providing services free of charge (or “uninvoiced”)
- Provision of information that offers a business or personal advantage

Offering or receiving one of the above advantages could count as a bribe if any of the following was offered or given in return:

- Award of contract to particular bidder
- Altering exam paper or marks
- Preferential treatment in the school admissions process
- Obtaining information that would put an individual or the Trust at an advantage, such as the content of exam papers, or information about a competitive tender
- Any other preferential treatment influenced by the receipt of an advantage.

The following would not usually count as bribes:

- Normal hospitality provided in the course of business, such as provision or acceptance of a modest meal at a working event.

Whether a provision of a particular item or service counts as a bribe depends upon the context and level of hospitality (etc) offered. The Bribery Act is not intended to prohibit reasonable and proportionate hospitality or business expenditure. The Financial Management Policy provides more detail on this area.