



# Anti Fraud, Corruption & Cybercrime Policy

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Related Policies/Guidance	<ul style="list-style-type: none"> <li>• Gifts, Hospitality and Bribery Policy</li> <li>• Staff Code of Conduct</li> <li>• Whistle blowing</li> <li>• Trust Operational Procedures Manual</li> <li>• Disciplinary, Grievance and Capability Policies</li> <li>• Equal Opportunities Policy</li> </ul>
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### **1. Introduction:**

**1.1** This policy and procedure has been written by the Trustees of the Cherry Tree Trust to define the expected conduct of all staff engaged at a Trust within the Cherry Tree Trust, whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption, and who to report it to.

**1.2** The Trustees of the Cherry Tree Trust are committed to ensuring that all staff act with integrity and have high standards of personal conduct. Everyone involved with any Trust in the Trust has a responsibility in respect of preventing and detecting fraud. The Trustees also recognise the role of others in alerting them to areas where there is suspicion of fraud.

**1.3** Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.

**1.4** It is the duty of all employees and Governance within the Trust to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the internal and external auditors to review the adequacy of the measures taken by the Trust to test compliance and to draw attention to any weaknesses or omissions.

**1.5** Any investigation carried out in relation to alleged irregularities is governed by the Trust's Disciplinary procedure.

### **2. Aims and Scope of the Policy:**

**2.1** This policy and procedure defines Anti-Fraud & Corruption and offers guidance for all staff in the Trust. Section 8 of this document outlines the other policies that this one is linked to.

**2.2** The Trust aims to be an honest and ethical institution. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts Trust business. This document sets out the Trust's policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the Trust's objectives are, firstly, to create a culture which deters fraudulent activity, encourages its prevention and promotes its detection and reporting and, secondly, to identify and document its response to cases of fraud and corrupt practices.

**2.3** This policy provides both staff and management with mutually understood guidelines for the administration of this procedure.

**2.4** The scope of this procedure extends to all Trust employees, permanent, voluntary and fixed term and all Trust Governance.

**2.5** The Trust has taken the following steps to communicate expectations to staff:

- The development and publication of a formal statement of its expectations on standards of personal conduct, propriety and accountability, (see Code of Conduct);

- The development and publication of a formal statement of the procedures to be followed by employees who have a suspicion of, or concern about, possible or actual malpractice within the Trust.

**2.6** Time limits specified in this document may be extended by mutual agreement.

**2.7** If requested, employees may be accompanied by a recognised trade union representative or work colleague, not involved in any part of the process, at any interviews.

### **3. Definitions:**

#### **3.1 Fraud:**

Fraud is a general term covering theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these “others” are in ignorance of the fraud. Fraud is in fact intentional deceit and for this reason, it cannot include negligence. Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts.

#### **3.2 Corruption:**

The term ‘corrupt practices’ is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by the Trust, its staff or Governance. Reference should also be made to the Gifts, Hospitality and Bribery Policy in this regard.

#### **3.3 Examples of what could constitute fraud and corruption are:**

- theft of cash;
- non-receipt of income;
- 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;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the 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;
- 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 about whether a matter is an irregularity or not, clarification must be sought from the Executive Head Teacher or Trust Business Manager. 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 from the Executive Head Teacher or Trust Business Manager.

### **4. Roles and Responsibilities:**

#### **4.1 Staff and Governance:**

The Trust has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- All staff are made aware of the Trust's policies for Employees;
- Audit, Risk & Finance Committee meets three times a year.
- A requirement for all staff and governance to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for staff and governance to disclose personal interests;
- All staff and governance are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures.

**4.2** Staff and governance also have a duty to report another member of staff or governor whose conduct is reasonably believed to represent a failure to comply with the above.

#### **4.3 Accounting Officer (Executive Head Teacher):**

The Accounting Officer has specific responsibility for overseeing the financial arrangements on behalf of the governance. The main duties of the Accounting Officer are to provide the governance with on-going independent assurance that:

- The financial responsibilities of the governance are being properly discharged;
- The resources are being managed in an efficient, economical and effective manner;
- Sound systems of financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

#### **4.4 Chief Financial Officer (Business Manager):**

The Trust Business Manager has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of the Trust. In respect of fraud, it is therefore the responsibility of the Trust Business Manager 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 Trust's financial position.

#### **4.5 Internal Audit:**

The Governance believe that it is important for the Trust to work closely with internal audit to monitor the systems to ensure clear and accurate accounting. The Trustees have employed Haines Watts to undertake a programme of work throughout the year. This is recorded in the Operational Procedures Manual.

#### **4.6 External Audit:**

External audit is provided by UHY Hacker Young. The report to Trustees includes a view as to whether the financial statements give a true and fair view and whether proper accounting records have been kept by the Trust throughout the financial year. In addition, it reports on compliance with the accounting requirements of the Academy Trust Financial Handbook and confirms compliance with the financial reporting and annual accounting requirements issued by the Education and Skills Funding Agency.

#### **4.7 Trust Audit systems:**

The Trust's internal audit programme will be determined by the Audit, Risk and Finance Committee and will focus on key areas of risk/potential fraud. The Audit, Risk and Finance Committee will receive a regular report from the internal audit function informing them of the compliance with procedures and policies to minimise the risk of fraud within the financial systems.

### **5. Reporting a Suspected Fraud:**

**5.1** All allegations of suspected fraud and irregularities are to be brought to the attention of the Trust Business Manager and also referred to the Executive Head Teacher, unless both of these individuals are involved in the irregularity in which case the Chair of Trust Board should be informed. Please refer to the Trust Policy on Whistle blowing for further guidance.

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.

## **6. Response to Allegations:**

**6.1** The Executive Head Teacher will have responsibility for co-ordinating the initial response. In doing this he/she will consult with appropriate Human Resource advisors regarding potential employment issues. The Executive Head teacher will also seek legal advice from the Trust's legal team on both employment and litigation issues before taking any further action.

**6.2** The Trust Business Manager and Executive Head Teacher will ascertain whether the suspicions aroused have substance. Where it is believed that the allegations can be substantiated any individuals involved will be dealt with through the Trust's agreed Disciplinary Policy. In every case, and as soon as possible after the initial investigation, they will notify the Chair of the Finance Committee. Even if there is no evidence to support the allegation, the matter must be reported.

**6.3** Once any Disciplinary Process has been completed, or at an appropriate point in the Disciplinary procedure the Audit Committee will oversee a procedural investigation into the matter to determine if existing procedures can be modified to eliminate the possibility of a similar incident being repeated in the future. The findings of this investigation must be reported to the Chair of Governance.

**6.4** The Executive Head Teacher is required to notify the Governing Body/ Trust Board of any serious financial irregularities. This action will be taken at the first opportunity following the completion of the initial investigations and will involve keeping the Chair of the Governing Body/Trust Board fully informed between governor meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns. In addition, any instances of fraud or theft committed against the Trust, whether by employees or governance or third parties, above £5,000 must be reported to the Education Funding Agency (EFA).

**6.5** If evidence of fraud is forthcoming then the Governing Body will consider whether to refer the matter to the police.

## **7. Confidentiality and Safeguards:**

**7.1** The Trust recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. The Trust will not tolerate harassment or victimisation and will do what it lawfully can to protect an individual when a concern is raised in good faith. Any such disclosure will be dealt with under the Trust's Whistleblowing Policy.

**7.2** This does not mean that if the person raising the concern is already the subject of a disciplinary, redundancy or other procedure, that those procedures will be halted as a result of the concern being reported.

**7.3** There is a need to ensure that the process is not misused. For further guidance, refer to the Trust's Disciplinary, Grievance and Capability policies.

## **8. Cybercrime**

8.1 The Trust must be aware of the risk of cybercrime, put in place proportionate controls and take appropriate action where a cyber security incident has occurred.

8.2 The Trust must obtain permission from ESFA to pay any cyber ransom demands. ESFA supports the National Crime Agency's recommendation not to encourage, endorse, or condone the payment of ransom demands. Payment of ransoms has no guarantee of restoring access or services and is likely to result in repeat incidents.

## **9. Links with other Policies:**

9.1 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 Corruption policy attempts to consolidate those in one document and should be read in conjunction with the following Trust policies:

- Gifts, Hospitality and Bribery Policy
- Staff Code of Conduct
- Whistle blowing
- Trust Financial Procedures and Scheme of Financial Delegation
- Disciplinary, Grievance and Capability Policies
- Equal Opportunities Policy