



**Transforming
Futures**
TRUST

Anti-Fraud Policy

Policy Information	
Policy Owner	Chief Finance Officer
Issue Version	3.0
Approving Committee	Audit, Risk and Finance Committee
Adopted Date	February 2021
Review Cycle	Annual
Last Review Date	April 2024
Next Review Date	April 2025

Adoption of the Policy

This Policy has been adopted and reviewed by the Trustees of Transforming Futures Trust

Signed: **G.Oliver**
Chair of the Audit, Risk & Finance Committee

Date: **15.05.24**



Version Control Amendments

Version No	Date	Summary of Changes
2.0	March 2023	Date and format changes only
3.0	April 2024	Minor grammatical changes

1. Introduction

Fraud, bribery, corruption, or other dishonesty would adversely affect the Trust's reputation and put at risk its ability to achieve its objectives by diverting resources from the provision of education for the students.

The purpose of this policy is to confirm the Trust's commitment to preventing and detecting fraud, bribery and corruption.

- The Fraud Act 2006 came into force on 15th January 2007. The Act created a single offence of fraud and defined this in three classes:
 - False representation.
 - Failure to disclose information where there is a legal duty to do so.
 - Abuse of position.
- The Act also created four new offences of:
 - Possession of articles for use in fraud.
 - Making or supplying articles for use in fraud.
 - Obtaining services dishonestly.
 - Participating in fraudulent business.

The Chartered Institute of Public Finance and Accountancy (CIPFA) defines fraud as:

"The intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain."

Fraud is different to theft, which is defined in the 1968 Theft Act as:

'A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it'.

A bribe is:

"A financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity" [CIPFA].

There are various Bribery offences, including offering or accepting a bribe (Sections 1 and 2 of the Bribery Act 2010), bribing or attempting to bribe a foreign official (Section 6) and being a commercial organisation failing to prevent bribery (Section 7). While the Trust is not a 'commercial organisation' for its normal activities, it is still considered appropriate for it to have regard to Guidance relating to the Bribery Act.

Corruption is:

"The offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the body, its members or officers."

The term “fraud” is used throughout this policy. For the purposes of this document the term also includes theft, bribery and corruption.

This Policy applies to Trustees and all employees of the Trust and those acting on behalf of the Trust eg professional services partners.

2. Policy statement

The Trust expects all Trustees and employees and those acting as its agents to conduct themselves in accordance with the seven principles of public life defined by the Nolan Committee 1995. The seven principles are:

- 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.

3. Responsibility

The Trust aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses.

The Trust’s Audit, Risk and Finance Committee is responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the Trust’s interests are safeguarded, including its reputation.

Risk is managed through the existence and application of appropriate policies and procedures. The wide range of procedures in place to minimise the risk of fraud constitute a major part of the system of Internal Control, which is designed to ensure the Trust and its academies conduct its business properly and effectively and completes its transactions fully, accurately and properly.

The responsibility for anti-fraud arrangements is widely dispersed. Trustees have to give clear support to the arrangements. The CEO, governance advisor and Executive Head Teachers must provide strong leadership by advocating the Trust and academy's arrangements and supporting strong action when these are ignored.

The importance of a positive culture towards anti-fraud, bribery and corruption cannot be overstated. The effectiveness of the Trust's policy can be undermined by a culture that does not apply the public standards and supporting procedures routinely on a day to day basis. Maintaining appropriate arrangements, continually advocating them and taking robust action where they are not applied all help to build the right underpinning culture.

4. Key Procedures and Controls

The following key procedures and controls operate within the Trust:

- The Trust has an effective Anti-Fraud, Bribery and Corruption Policy and Strategy, and maintains a culture that will not tolerate fraud, bribery or corruption.
- Trustee and employees comply with respective Codes of Conduct.
- Risk Management procedures are in place.
- A Register of Interests is maintained to enable Trustees, local governors and employees to record any financial or non-financial interests that may bring about conflict with the school's interests.
- A Register of Gifts and Hospitality is maintained to enable Trustees, local governors and employees to record gifts and hospitality either received, or offered and declined, from contractors and suppliers.
- Confidential Reporting (Whistle blowing) procedures are in place and operate effectively.
- Suitable and enforced financial and contract procedure rules are in place.
- There are robust recruitment and selection procedures.
- There are clear and active disciplinary arrangements.
- Sanctions are pursued against those who commit fraud, bribery and corruption.

The Trust maintains a continuous overview of its arrangements for managing the risk of fraud. A regular review of the Policy is carried out and the documents are revised as appropriate to reflect any key changes and to incorporate current best practice.

The Trust expects that the individuals and organisations with which it deals (e.g. partners, suppliers, contractors, and service providers) will act with integrity and without thought or actions involving fraud, bribery 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.

In assessing the effectiveness of its arrangements, the Trust will monitor the extent to which:

- key personnel are trained in detecting and investigating fraud,
- identified incidents are investigated,
- perpetrators are robustly dealt with,
- the school responds to identified weaknesses in its systems and controls,
- there is any trend in incidents experienced,
- perpetrators are prosecuted,
- recovery of losses is sought.

5. Audit

The Audit, Risk and Finance Committee and internal audit procedures are a key element of the Trust's control system. Internal audit carries out a risk-based series of audits designed to assess the school's identification and management of fraud risks. The external Audit Team provides an independent appraisal of the integrity of all internal control systems.

6. Raising Concerns

It is the responsibility of the Trustees and employees to prevent and help detect fraud, bribery and corruption. In high-risk areas specific controls aimed at preventing and detecting frauds will be in place.

The Executive Team have a duty to inform the Board of Trustees and the Audit, Risk and Finance Committee of any potential fraud, bribes, corruption or other suspected irregularities.

The CFO will ensure that a log is maintained of all reported incidents which will be reported to the Trustees. Any incidents above £5000 will be reported to the ESFA.

A decision will then be made as to who is best placed to investigate any concerns raised. The investigating officer also has the responsibility to report all findings to the Audit, Risk and Finance Committee.

It is often the alertness of employees and the Public that enables frauds to be detected. In accordance with the Whistleblowing Policy, any member of staff with any concerns about the Trust or its academies' activities should normally raise concerns through their immediate manager or senior management. However, it is recognised that this may not be possible in certain circumstances. In these cases, contact should be made with either the

Chair of the Trust or the Audit, Risk and Finance Committee; the CEO or the CFO as appropriate. Concerns may also be raised with the Trust's External Auditor.

All concerns, reported by whatever method, will be treated in confidence and will be reviewed and investigated by the person deemed to be appropriate and best placed to do so. This may mean that, depending on the level, type and details of the concern raised, that concerns are investigated by the Trust, internal audit or in the case of very serious concerns, the External Auditor or the Police.