

ANTI FRAUD POLICY AND FRAUD RESPONSE PLAN FOR ABINGDON LEARNING TRUST

Introduction

This policy sets out the strategies for minimising the risk of fraud, corruption and other irregularity and the plan for responding when fraud, corruption or irregularity is suspected.

Definition of Fraud

Although there is no precise legal definition of fraud, the term is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. Fraud can occur anywhere within ALT and can present itself not simply as financial or financially motivated but covers areas including financial, reputational, employment and students. This policy covers all of the above.

For practical purposes for the application of this policy, fraud may be defined as the use of deception with the intention of:

Gaining an advantage, personally and for family or friends; or

Avoiding an obligation; or

Causing a financial loss to ALT.

Anti Fraud Policy

The Audit Code of Practice states that ALT management has responsibility for the prevention, detection and investigation of irregularities. The ALT's internal audit service assists by examining and evaluating the adequacy and effectiveness of the actions taken to fulfil this obligation, through ALT's Chair of Finance and Internal Officer.

Irregularities include:

- fraud, which includes the misappropriation of money and property
- corruption
- financial malpractice
- embezzlement
- serious maladministration
- unethical practices that are not necessarily criminal
- dangerous acts or omissions creating health and safety hazards

ALT's anti-fraud policy has the following components:

1. Financial Regularity Environment

ALT creates an environment in which high standards of probity and accountability are expected. All members of staff have a duty to comply with ALT's regulations and to behave honestly and with integrity, and ALT generates amongst its staff a strong awareness of ALT's anti fraud culture.

2. Policies

Directors and senior leadership must comply with ALT's pecuniary interest policy. They must register their outside interests and do not take part in decisions where they have such an interest. Clear guidance on the administration of finance and contracts is set out in ALT's financial regulations and standing orders.

There is an established whistle blowing policy for ALT. ALT's Whistle Blowing policy encourages staff to voice any reasonably held suspicion as part of an effective anti-fraud culture. This whistle blowing policy sets out the ALT's procedure and informs staff of their rights and obligations under the Public Interest Disclosure Act 1998. This legislation will protect employees from any reprisals as long as they meet the following rules:

- they must disclose the information in good faith
- they must believe it to be substantially true
- they must not act maliciously or make false allegations
- they must not seek any personal gain

ALT incorporates recommendations made by the Internal Officer and Chair of Finance to strengthen ALT's financial and operational systems of control.

Fraud Response Plan Purpose

The purpose of the plan is to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity.

The use of the plan is intended to enable ALT to:

- prevent further loss
- establish and secure evidence necessary for criminal and disciplinary action
- notify the funding body, if the circumstances are covered by the mandatory requirements of the audit code of practice
- recover losses
- take action against the culprits
- review the reason for the incident, the measures taken to prevent a recurrence and any action needed to strengthen future responses to fraud
- keep all personnel with a need to know suitably informed about the incident and the ALT's response
- inform the police and establish lines of communications
- assign responsibility for investigating the incident
- establish circumstances in which external specialists should be involved
- establish polices for follow on actions, such as the future requests for references for employees involved in the incident

Initiating action

All actual or suspected incidents should be reported immediately to the Chief Executive Officer (CEO). The CEO should then convene a meeting of the following project group to determine the initial response:

Headteacher, Deputy Headteacher or Assistant Headteacher(s), Chief Financial Officer and Chair of Finance.

The project group will decide the action to be taken including the need to commission special investigations and the resource implications.

Issues for the project group to consider

Prevention of future loss:

- this may require the suspension with, or without pay of the suspect
- suspects may need to be escorted from the premises and prevented from gaining future access, including access to ALT's computer systems
- internal audit may consider that other related systems or areas should be investigated

Action to be taken against the individual

ALT will follow disciplinary procedures against any member of staff who has committed fraud. ALT will normally pursue the prosecution of any such individual.

Notifying the funding body:

The circumstances in which ALT must inform the funding body about actual or suspected frauds are detailed in the funding body's audit code of practice. The CEO is responsible for informing the funding body of any such incidents.

Recovery of loss

The amount of any loss should be quantified and repayment of losses sought in all cases. Where the loss is substantial legal advice should be obtained without delay.

Reporting to Trustees:

Any incident matching the criteria in the funding body's audit code of practice shall be reported without delay by the CEO to the Chair of Board of Trustees and Chair of Finance. Follow up reports updating progress should be provided.

Any variation from the approved fraud response plan, together with the reasons for the variations, shall be reported promptly to the Chair of Board of Trustees and Chair of Finance.

A written report shall be submitted to the resources committee describing the incident, value of loss, individuals involved and the means of perpetrating the fraud, the measures taken to prevent a recurrence and any actions needed to strengthen future responses to fraud.

Review of plan:

The fraud response plan will be reviewed annually, or after each use.
Any need for change will be reported to the Finance committee for approval.

Review of this policy

The Board of Trustees through its Finance Committee review this policy every three years. It may however review this policy earlier than this if the government produces new regulations, or if it receives recommendations on how this policy might be improved.

Approved by Finance Committee of the Board of Trustees of ALT on 11 July 2017.

Signed: (Chair of Trustees)

Signed : (Chief Executive Officer)

Date for Review: July 2020