

## **DUDLEY ACADEMIESTRUST**

### Anti-fraud, Bribery and Corruption Policy and Procedure (Including Gifts and Hospitality)

Issue number:	003
Responsible:	Finance and Resources
Approved by:	Trust Board
Date:	February 2022
Review date:	January 2023

## Contents

Introduction .....	3
Aims .....	3
Scope .....	4
Policy Statement .....	4
Fraud .....	4
Bribery .....	4
Corruption.....	5
Gifts and Hospitality .....	5
Responsibilities and Accountabilities.....	7
Roles .....	7
Chief Executive Officer (CEO) .....	7
Chief Finance Officer (CFO) .....	8
Senior Resourcing Group and Principals/Headteachers.....	8
All Staff.....	8
Detection and Reporting a Suspected Fraud.....	8
Response to Allegations .....	8
Recovery of losses.....	10
Confidentiality and Safeguards.....	10
Links with Other Policies.....	10
Appendix I: Gifts and Hospitality Guidelines.....	12

## Introduction

This policy and procedure define the expected conduct of all staff, Trustees, and local advisory committee members (Local Governors) engaged within Dudley Academies Trust, whether in paid employment or engaged in voluntary activity, in relation to deterring and/or detecting fraud and corruption, and who to report it to.

It includes clear guidelines on what is acceptable in terms of gifts and hospitality and how these matters are declared.

Fraud is a serious matter, and the Board of Trustees is committed to investigating all cases of suspected fraud. Any member of staff, regardless of their position or seniority, against whom evidence of fraud is found, will be subject to disciplinary procedures that may result in dismissal. The Trust will normally involve the Department for Education (DfE) and the police and may seek redress via civil proceedings.

Dudley Academies Trust is committed to carrying out its academic and business activities in an honest, transparent, and ethical manner within the UK and internationally. Bribery is illegal and has no place in our Trust as such the Trust's stance on bribery is one of zero tolerance. The [2010 Bribery Act](#) creates several new bribery and corruption offences. Sanctions for these offences include up to ten years' imprisonment.

Dudley Academies Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Trust has a responsibility in terms of preventing and detecting fraud. All staff, Trustees and Local Governors have a role to play. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.

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

It is the duty of all staff, Trustees and Local Governors 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.

Any investigation carried out in relation to alleged irregularities is linked to the Trust's staff discipline and grievance procedure.

## Aims

The aims of this policy are to:

- Ensure that everyone is aware of what constitutes fraud, bribery, or corruption.
- Maintain high standards of business practice.
- Demonstrate a high level of integrity in our business transactions.
- Protect our reputation.
- Ensure that the public money is spent for the purposes intended by parliament.

## Scope

This policy applies to all members of staff at all levels and grades, including the Board of Trustees, Local Governors, senior managers, directors, consultants, agency staff, volunteers or any other person associated with the Board of Trustees. It covers permanent, fixed term and temporary employees.

## Policy Statement

This policy and procedure define fraud, bribery, corruption and gifts and hospitality. It offers guidance for all staff, Trustees and Local Governors.

Dudley Academies 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 school business. This document sets out the Trust's policy and procedures for dealing with the risk of significant fraud or corruption. 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.

This policy, in line with the Trust's corporate values of probity, accountability, consistency, fairness and best practice, provides both staff and management with mutually understood guidelines for the administration of this procedure.

The scope of this procedure extends to all Trust staff, permanent, voluntary, and fixed term. Time limits specified in this document may be extended by mutual agreement. If requested, staff may be accompanied by a recognised trade union representative or work colleague, not involved in any part of the process, at any interviews. Definitions

### 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.

### Bribery

Bribery is an inducement or reward offered, promised, or provided in order to gain commercial, contractual, regulatory or personal advantage. Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly.

The aim of this policy is to prevent bribery throughout Dudley Academies Trust in compliance with the [Bribery Act 2010](#). It is an offence to:

- Offer a bribe, whether cash or other inducement, whatever the size.
- Receive a bribe.
- Consent or connive to the commission of a bribery offence by anyone associated with the academy.

All staff have a responsibility to prevent, detect and report bribery. Relevant guidance will be available to assist staff in fulfilling this duty.

Any suspicion of bribery or attempted bribery committed by or against a member of staff, agent or other party acting on behalf of the Trust must be reported immediately to the Chief Executive and Principal/Head Teacher and to the Board of Trustees.

## Corruption

The term 'corrupt practices' is defined for 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, Trustees and Local Governors.

## Gifts and Hospitality

The Trust should be able to show that all decisions are reached based on value for money and for no other reason. Any consideration of whether the principles of this policy have been breached will be determined by reference to this provision. Any breach of this policy could lead to disciplinary action and may constitute gross misconduct.

Staff shall not use their authority or office for personal gain and shall seek to uphold and enhance the standing of the Trust by:

- Complying with the letter and spirit of the law, and contractual obligations, rejecting any business practice that might be deemed improper.
- At all times in their business relationships acting to maintain the interests and good reputation of the Trust.

Any personal interest that may impinge or might reasonably be deemed by others to impinge on a member of staff's impartiality or conflict with the duty owed to the Trust in any matter relevant to a member of staff's duties (such as conflicting business interests) should be declared in writing. Any member of staff who is aware of any business dealings conferring personal gain or involving relatives or associates of members of staff must supply details of such transactions for entry into the register of business interests.

As a general guide, business gifts, hospitality, awards, prizes, or any other benefit should not be accepted by anybody employed or associated with the Trust except as outlined in this policy. Any gifts, rewards and benefits that are disproportionately generous or that could be seen as an inducement to affect a business decision should be declared and where accepted should be recorded in the Register of Gifts.

The acceptance of gifts and hospitality is a sensitive area where actions can easily be misconstrued. Therefore, staff actions should be such that they would not be embarrassed to explain them to anyone. Guidelines to help staff understand what sorts of gifts and hospitality are acceptable can be found in [Appendix I](#).

If there is any doubt as to whether an action might constitute fraud or bribery the matter should be referred to the Chief Executive, Principal/Head Teacher or the academy's Finance and Operations Manager for guidance.

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 Academy, which is carried out to conceal the misappropriation
  - of assets or otherwise for gain.
- **Bribery and corruption (Gifts & Hospitality):** involves 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, Scheme of Delegation and Financial Regulations.
- **Failure to observe,** or breaches of, Academy's Procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.
- **Tax Fraud:** the misrepresentation of status to avoid payment of tax or the deliberate evasion of tax. For example, a sub-contracted worker claiming to be self-employed to avoid payment of PAYE income tax, or a cash payment to a supplier to avoid the application of VAT.

Examples of what could constitute fraud and corruption are:

- 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 academy.
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the academy.
- 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 Business Manager.

Similarly, if there is concern or doubt about any aspect of a matter which involves an irregularity, or an on-going investigation into a suspected irregularity, the best approach is to seek advice from the Principal.

## Responsibilities and Accountabilities

- All staff have a responsibility to prevent, detect and report fraud, corruption, and bribery. Relevant guidance will be available to assist staff in fulfilling this duty.
- Any suspicion of bribery or attempted bribery committed by or against a member of staff, agent or other party acting on behalf of the Trust must be reported immediately to the Chief Executive, Principal/Head Teacher or the academy's Finance and Operations Manager.
- The whistleblowing policy is in place to protect anyone reporting reasonable suspicions.
- The Board of Trustees is responsible for ensuring that the Trust complies with legislation and that this policy, and its related procedures are implemented.
- The Chief Executive is responsible for the implementation of this policy within the Trust and for ensuring that all staff are aware of this policy.
- The Chief Executive must ensure that this policy is covered during the staff induction process.

## Roles

### Trustees

There is a specific duty expected of Dudley Academy Trust Trustees and Local Governors to set an example to the staff of the Trust and the community by acting with integrity, honesty and in a trustworthy manner befitting the Trust. Members of the Board of Trustees will set the standard for the Trust and therefore give their full support to all systems and controls in place, to assure probity.

The Board of Trustees has a legal responsibility for the Academy Trust budget and will ensure a sound system of internal control is in place in the use of delegated and other funds given to the Trust.

### Chief Executive Officer (CEO)

The Chief Executive Officer (CEO), Chief Finance Officer (CFO), Principals/ Headteachers, and senior members of staff are expected to set high examples of conduct in their day-to-day work, and which are beyond reproach. The Accounting Officer (CEO) has ultimate responsibility for overseeing the financial arrangements on behalf of the Board of Trustees and bears overall responsibility for systems of financial control across the Trust, including providing assurance to the Board of Trustees that:

- The financial responsibilities of the Governors of each Academy are being properly discharged
- Resources are being managed in an efficient, economical, and effective manner
- Sound systems of financial control are being maintained
- Financial considerations are fully considered in reaching decisions.

### Chief Operating Officer (COO)

The Chief Operating Officer of the Trust has strategic financial responsibility for the Trust and supports the CEO in ensuring that all the above are met.

## Chief Finance Officer (CFO)

The CFO has a responsibility for ensuring that effective systems of internal controls are maintained to safeguard the resources of the Trust and to prevent and detect any fraudulent activity promptly. This includes:

- Proper procedures and financial systems.
- Effective management of financial records.
- Management of the academy trust's financial position.

## Senior Resourcing Group and Principals/Headteachers

The Principal/Headteachers of each Dudley Academies Trust academy, with assistance from the academy Business Manager, Chief Operating Officer, Chief Finance Officer, bears overall responsibility for systems of financial control within their own academy and may be liable to be called to account for specific failures.

## All Staff

This policy applies to all staff of Dudley Academies Trust. It also applies to temporary staff, contractors, and any other parties with a business relationship with the Trust. All members of staff are expected to share this commitment to help the Trust protect the public funds to which it has been entrusted. All staff have a duty to assist the Trust in the prevention of fraud and are expected to alert their line manager, or appropriate alternative, where they believe the opportunity for fraud exists because of poor procedures or lack of appropriate supervision. All staff are expected to report any cases of suspected fraud, no matter how trivial they may seem.

## Detection and Reporting a Suspected Fraud

Individuals' patterns of behaviour among staff dealing with financial transactions should be investigated, for example, living beyond apparent means, taking few holidays, regularly working alone out of normal hours and resistance to delegation. Any indication of addiction to drugs, alcohol or gambling should be addressed promptly, for the welfare of the individual and to minimise the risks to the Trust.

All allegations of suspected fraud and irregularities are to be brought to the attention of the Chief Executive and/or Principal/Head Teacher unless this individual is involved in the irregularity in which case the Chair of the Board of Trustees should be informed.

Anyone suspecting fraud may use the Trust's whistleblowing policy that can be accessed via the Trust's website, which provides protection against reprisal for any such disclosure.

## Response to Allegations

Members of staff, Trustees, Local Governors or learners may suspect fraud or irregularity in the Trust or within any of its academies and if so the Principal/Head Teacher will have initial responsibility for co-ordinating the immediate response to any suspicions of fraud or wrongdoing. In doing this they will consult with the Trust's Senior Human Resources Adviser regarding potential employment issues and the academy's Finance and Operations Manager. Legal advice should be sought from the Trust's solicitors on both employment and litigation issues before taking any further action.

The Principal/Head Teacher will ascertain whether the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, they will pass the matter on to the Chair of the Business and Audit Committee. Even if there is no evidence to support the allegation, the matter must be reported.

Where initial investigation provides reasonable grounds for suspecting a member or members of staff of fraud, the Principal and/or Chief Executive will decide on how to prevent further loss and will arrange for an investigation to be conducted in accordance with the Trust Disciplinary procedure. Where the Principal and/or Chief Executive is of the view that a member or members of staff may have been guilty of fraud the continuing attendance of the member of staff may not be permitted and they may be suspended as a neutral act whilst the investigation and any subsequent disciplinary hearings are undertaken.

In the event of suspicions involving the Chief Executive, this responsibility will fall to the Chair of the Trust Board who will arrange for an investigation to be conducted in accordance with the Trust Disciplinary procedure. Where the Chair of the Trust Board is of the view that the Chief Executive may have been guilty of fraud the continuing attendance of the Chief Executive may not be permitted and they may be suspended as a neutral act whilst the investigation and any subsequent disciplinary hearings are undertaken.”

The Business and Audit Committee will be responsible for ensuring a suitable investigation takes place.

They will, if appropriate, ask the Principal/Head Teacher to conduct a preliminary investigation in accordance with the Trust’s Disciplinary policy, to gather facts and reach an initial view. They will consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the individuals may have had opportunities to misappropriate the Trust’s assets.

They will determine whether the findings, conclusions and any recommendations arising from the preliminary investigation indicate fraud has occurred which could include further action under the Trust Disciplinary policy. If further investigations are required, they will determine which outside agencies should be involved (for example police or auditors). If a serious matter has occurred, the Chair of the Business and Audit Committee will report their findings to the ESFA as detailed in the Academies Financial Handbook.

Academy Trusts **must** notify the [ESFA](#) as soon as possible of any instances of fraud, theft and/or irregularity exceeding £5,000.00 individually, or £5,000.00 cumulatively in an academy’s financial year. Any 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.

The Finance and Operations Manager or Financial Planning & Analysis Manager are required to notify the Board of Trustees 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 Principal/Head Teacher, Chief Executive and Chair of the Board of Trustees fully informed of any developments relating to serious control weaknesses, fraud, or major accounting breakdowns.

If evidence of fraud is forthcoming, then the Board of Trustees will inform the DfE and will consider whether to refer the matter to the police. On completion of a special investigation, a written report, normally prepared by the Financial Planning & Analysis Manager or an internal auditor, shall be submitted to the Chair of the Board of Trustees containing:

- A description of the incident, including the value of any loss, the people involved, and the means of perpetrating the fraud.
- The measures taken to prevent a recurrence.
- Any action needed to strengthen future responses to fraud, with a follow-up report on whether the actions have been taken.

## **Recovery of losses**

The Financial Planning and Analysis Manager assisted by the internal/external auditors will endeavour to ensure that the amount of any loss is quantified. Repayment of losses will be sought in all cases. Where the loss is substantial, legal advice should be obtained about the need to freeze the individual's assets through the court, pending conclusion of the investigation. Legal advice may be obtained about prospects for recovering losses through the civil court, where the perpetrator refuses repayment. The Trust will normally expect to recover costs in addition to losses.

## **Confidentiality and Safeguards**

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.

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 because of the concern being reported.

There is a need to ensure that the process is not misused. For further guidance refer to the Trust's staff Disciplinary policy.

## **Links with Other Policies**

The Board of Trustees is committed to preventing fraud, bribery, 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, bribes, and corruption. This anti-fraud, bribery, and corruption policy attempts to consolidate those in one document and should be read in conjunction with the following policies:

- Procurement policy
- Register of business interests
- Staff discipline, conduct and grievance
- Whistleblowing policy.

## Appendix I: Gifts and Hospitality Guidelines

These guidelines will help you to judge what types of gifts and hospitality are acceptable. The following general rules apply and should guide decisions on receipt of gifts and hospitality as a member of Dudley Academies Trust staff.

To accept gifts should be the exception. You may accept small 'thank you' gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £25 in value. You should notify the Finance and Operations Manager of any gift or hospitality over this value for entry in the register of business interests.

Always say 'no' if you think the giver has an ulterior motive. Be sensitive to the possibility that the giver may think that even small gifts or simple hospitality will elicit a prompter service or preferential treatment.

Never accept a gift or hospitality from anyone who is, or may be in the foreseeable future, tendering for any contract with the Trust, seeking employment with the Trust or is in dispute with the Trust, even if you are not directly involved in that service area.

- Where items purchased for the Trust include a 'free gift', such a gift should either be used for Trust business or handed to Finance and Operations Manager to be used for charity raffles.
- If you are in doubt about the acceptability of any gift or offer of hospitality, it is your responsibility to consult the Principal/Head Teacher or Financial Planning and Analysis Manager.
- A gauge of what is acceptable in terms of hospitality is whether the Trust would offer a similar level of hospitality in similar circumstances.
- Occasional working lunches with suppliers, providers or partners are generally acceptable as a way of doing business provided, they are not to an unreasonable level or cost.
- Invitations to corporate hospitality events should be judged on their merit. Provided the general rules have been considered, it may be acceptable to join other company/organisation guests at:
  - sponsored cultural and sporting events, or other public performances, as a representative of the Trust.
  - special events or celebrations.
- However, consider the number of these events, and always take into consideration what public perception is likely to be if they knew you were attending.
- Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited employee. In all such cases the Principal/Head Teacher or Financial Planning and Analysis Manager should be consulted.



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- Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.
- If you are visiting a company to view equipment that the Trust is considering buying, you should ensure that expenses of the trip are paid by the Trust. Acceptance of refreshments and/or a working lunch may be acceptable, but care must be taken to ensure that the Trust's purchasing and/or tender procedures are not compromised.
- Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to your work is acceptable.
- Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent the Trust, must be agreed in advance with the Chief Executive. Where your spouse or partner is included in the invitation, and approval has been given for you to attend, it will be acceptable for your spouse or partner to attend as well, but if expenses are incurred, these will be met personally.

Any invitation you accept should be made to you in your professional/working capacity as a representative of the Trust.