

CRANMER EDUCATION TRUST

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# ANTI FRAUD AND CORRUPTION POLICY

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Policy approved by Audit, Risk and Finance  
Committee 7 July 2022

**Signed**



**Peter Winter**  
Chair of Audit, Risk and Finance Committee

**Date of Next Review: Summer 2023**

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## Summary

This policy and procedure define the expected conduct of all staff engaged at Cranmer Education Trust (the Trust), whether in paid or voluntary employment, 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. Also, reference is made to other Trust policies where appropriate.

### 1. Introduction

- 1.1 The 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 respect of preventing and detecting fraud. All staff and 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.
- 1.2 Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.
- 1.3 It is the duty of all staff and trustees and local governors of the Trust to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Internal Scrutineers 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.
- 1.4 Any investigation carried out in relation to alleged irregularities is linked to the Trust's Disciplinary Policy.

### 2. Definitions

#### 2.1 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.

#### 2.2 Corruption

The term 'corrupt practices' is defined for the purpose of this policy as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by the Trust, its staff, trustees, or local governors.

#### 2.3 Gifts and Hospitality

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.

The acceptance of gifts and hospitality is a sensitive area where actions can easily be misconstrued. Therefore, employees' actions should be such that they would not be embarrassed to explain them to anyone.

- 2.4 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 Trust, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- **Bribery and corruption (Gifts & Hospitality – see Point 4.)**- 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, Financial Regulations or Trust's Procedures** which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

2.5 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 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 Chief Finance Officer/Director of Operations

2.6 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 CEO.

### 3. Policy Statement

3.1 This policy and procedure defines Anti-Fraud & Corruption and Gifts & Hospitality and offers guidance for all staff in the Trust.

3.2 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.

- 3.3 This policy, in line with the Trust's corporate values of integrity, consistency, impartiality, fairness and best practice, provides both staff and management with mutually understood guidelines for the administration of this procedure.
- 3.4 The scope of this procedure extends to all Trust employees, permanent, voluntary and fixed term.
- 3.5 Time limits specified in this document may be extended by mutual agreement.

#### 4. Gifts & Hospitality

- 4.1 These guidelines will help you to judge what sort of gift, and what level of hospitality is acceptable.
- 4.2 The following general rules apply and must guide decisions on receipt of gifts and hospitality as an employee of the Trust:
- 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 – monetary gifts of any size are not permitted. All gifts and payments in kind from third parties received in the course of Trust duties and over £10 in value should be declared to the Central Finance Office and recorded on the 'Trust Gift Register'. All items with a value of over £25 should be declined – if such gifts are received these should be notified to the Chief Finance Officer and will be kept by the Trust unless permission of CEO is given for the employee to retain these. The Trust Gift Register is reviewed at the end of each Academic Year and signed off as checked and complete
  - 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 the School senior administrator to be used for charity raffles or other school approved purposes.
  - If you are in doubt about the acceptability of any gift or offer of hospitality it is your responsibility to consult relevant senior management such as the Headteacher of the Academy, the Trusts Director of Operations, the Chief Finance Officer or CEO.
- 4.3 A gauge of what is acceptable in terms of hospitality is whether this Trust would offer a similar level of hospitality in similar circumstances.
- Occasional working lunches with customers, 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 must each be judged on their merit. Provided the general rules have been taken into account, 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.

- But, 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 senior management such as the Headteacher, the Trusts Director of Operations or the Chief Finance Officer must be consulted.
- 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 are 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 CEO. 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.

## 5. Roles and Responsibilities

### 5.1 Trustees, Local Governors and staff

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

- Clear, regularly reviewed and communicated whistleblowing policy;
- A requirement for all trustees, local governors and staff to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for all members, trustees, local governors and staff to disclose personal interests;
- All trustees, local governors and staff are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures and staff appraisal system
- Employment manual establishing the principles and values of the Trust presented to staff as part of induction process
- Segregation of duties within support teams
- Secure procedures over sensitive information, computer access
- Use of authorised, authenticated suppliers
- Trust Gift register held centrally, reviewed and signed annually by senior administrator

Trustees, local governors and staff also have a duty to report another trustees, local governors and staff whose conduct is reasonably believed to represent a failure to comply with the above.

## 5.2 Internal Scrutiny

The main aspects of the Internal Scrutiny are to provide the Trust Board with on-going independent assurance that:

- The financial and non-financial responsibilities of the Trustees are being properly discharged and risks identified on the Trust Risk Register are mitigated as far as possible;
- 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.

The results of the Internal Scrutiny's undertaken during the year are reported back to the Dept of Education annually as part of the accounts return in December.

## 5.3 Chief Finance Officer

The Chief Finance Officer 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 Chief Finance Officer 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.

## 5.4 External Audit

The Trust's Annual Report and Financial Statements include an Independent Auditors' Report. This report 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 relevant Companies Act and confirms compliance with the financial reporting and annual accounting requirements issued by the Dept of Education.

## 6. Reporting a Suspected Fraud

6.1 All allegations of suspected fraud and irregularities are encouraged to be brought to the attention of the designated individual within each academy in the first instance. The whistle-blower is invited to decide which of those individuals would be the most appropriate person to deal with the matter [The investigating officer(s)].

### **Name & Position**

#### **Cranmer Education Trust**

Julie Hollis, Chief Executive Officer, Accounting Officer  
Janet Gregory, Chair of Trust Board

### **Contact details**

} through the Clerk to the Trust  
} through the Clerk to the Trust

#### **The Blue Coat School**

Rob Higgins, Headteacher  
Tori Thompson Boyle, Deputy Headteacher  
Eddie Moore, Chair of Governors

} at the School  
} at the School  
} at the School or via Heads PA

#### **St Anne's C of E Academy**

Chris Heyes, Headteacher

} at the School

Andrew Chapman, Deputy Headteacher } at the School  
Tim Mitchell, Chair of Governors } at the School or via Heads PA

### **East Crompton St George's C of E Primary School**

Rachel Ross, Headteacher } at the School  
Amanda Robinson, Deputy Head teacher } at the School  
Thomas Keeley, Chair of Governors } at the School or via Executive Assistant to the CEO

### **Mayfield Primary School**

Mark Couper-Barton, Head teacher } at the School  
Sarah Davies, Deputy Headteacher } at the School  
Stephen Cartwright, Chair of Governors } at the School or via Executive Assistant to the CEO

### **The Brian Clarke Church of England Academy (From Sept 2022)**

Allison Ash, Headteacher } at the School  
Mary Skillings, Deputy Headteacher } at the School  
Sean Curley, Chair of Governors } at the School or via Executive Assistant to the CEO

Please refer to the Trust Whistleblowing Policy for further guidance.

## **7. Response to Allegations**

- 7.1 The investigating officer(s) will have responsibility for co-ordinating the initial response. In doing this they will gather factual information, consult with the Principal HR officer of the Trust regarding potential employment issues, the Chief Finance Officer (or if appropriate the auditors) to ascertain whether or not the suspicions aroused have substance and may take legal advice from the Trust's solicitors on both employment and litigation issues before taking any further action.
- 7.2 In every case, and as soon as possible after the initial investigation, they will pass the matter on to the Audit Risk and Finance Committee. Even if there is no evidence to support the allegation, the matter must be reported, and the Committee will reach an initial view as to whether further action is required.
- 7.3 If further action is concluded, the Audit Risk and Finance Committee will undertake the management of this
- They will report the findings, conclusions and any recommendations arising from the preliminary investigation to the Chair of the Trust Board for approval of the further action to take.
  - They will determine which outside agencies should be involved (police, auditors).
  - They will keep the Trust Board informed regularly of progress
- 7.4 If evidence of fraud is forthcoming then the Trust Board will inform the Department for Education as required by the Funding Agreement and will consider whether or not to refer the matter to the police.

## **8. Confidentiality and Safeguards**

- 8.1 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.



8.2 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.

8.3 There is a need to ensure that the process is not misused. For further guidance refer to the Trust Whistle blowing, Disciplinary, Grievance and Capability policies.

## 9. [Links with other Policies:](#)

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

- Whistle-Blowing Policy
- Financial Regulations Manuals
- Disciplinary Policy & Procedure
- Complaints Policy