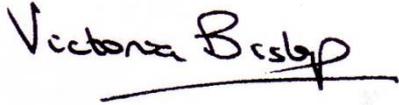


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| <b>Title</b>               | <b>Anti-Fraud and Corruption Policy</b>  |
| <b>Reviewed</b>            | <b>June 2016</b>   |
| <b>Next Review</b>         | <b>June 2018</b>   |
| <b>Associated Policies</b> |  |
| <b>Originator</b>          | <b>Mr Colin Hinds</b>  |
| <b>Approved</b>            |  |

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## Anti-Fraud and Corruption Policy

### 1. Introduction

Hatton Academies Trust is a large and complex organization and is committed to discharging its responsibility to safeguard public funds and the highest standards of integrity. It is committed to fighting fraud and corruption whether attempted from inside or outside. The Trust is committed to having effective measures to prevent and detect fraud and corruption.

The Trust expects all members and employees to carry out their duties in accordance with appropriate legal requirements, internal codes of practice, rules and regulations and to act at all times with honesty and probity in the discharge of their function.

In carrying out its duties and responsibilities, the Trust is determined to do everything it reasonable can to protect itself and the public from fraud and corruption and is committed to the rigorous maintenance of this Anti-Fraud & Corruption Strategy which will provide a framework for:

- Encouraging fraud deterrence and prevention
- Raising awareness of fraud and corruption and promoting their detection
- Performing investigation and facilitating recovery of losses
- Invoking disciplinary proceedings and referrals to the Police; and
- Monitoring, publishing and updating the Strategy and its related procedures and performance

The Trust also expects outside individuals and organisations, including; suppliers, contracting partners and claimants will act towards it with honesty and integrity without through or actions involving fraud and corruption.

This strategy is part of the Trust's Anti-Fraud and Corruption Framework and sits alongside policies and guidance including Whistleblowing Policy and Employees Code of Conduct.

### 2. Definitions

The Academy defines the following:

**Theft** is the 'dishonest taking of property belonging to another person with the intention of permanently depriving the owner of its possession'.

**Fraud** is the 'intentional distortion of the financial statements or other records by persons internal or external to the organization which is carried out to conceal the misappropriation of assets or otherwise for gain'. This differs from 'theft' where no attempt at concealment is made. It is also important to distinguish this from negligence and accidental error where no intent exists. This may involve:

- Falsification or alteration of accounting records of other documents
- Suppression or omission of the effects of transactions from records or documents
- Recording transactions which have no substance
- Wilful misrepresentation of transactions or of the Trust's state of affairs

**Corruption** is 'The offering, giving, soliciting or acceptance of an inducement of reward which may influence actions taken by the body, its members or officers'. Main areas of activity, which are susceptible to corruption may include:

- Contracts
- Asset Disposal
- Planning consents and licenses

### **3. Operating Culture**

The Trust is determined that the culture and tone of the organization meets the expectations of the Committee on Standards of Public Life and the Standards Board for England. It is committed to the ten principles of public life: objectivity, openness, stewardship, leadership, accountability, honesty & integrity, selflessness, personal judgement, duty to uphold the law and respect for others.

Employees are expected, and are positively encouraged to raise any concerns relating to fraud and corruption, and in ensuring adherence to rules and regulations, and to relevant Codes of Conduct, and that all procedures and practices are beyond reproach. The responsibility of senior managers is to ensure that all employees are aware of what is expected of them.

The Trust expects members and employees to lead by example in ensuring opposition to fraud and corruption, and in ensuring adherence to rules and regulations, and to relevant Codes of Conduct, and that all procedures and practices are beyond reproach. The responsibility of senior managers is to ensure that all employees are aware of what is expected of them.

The Trust requires all individuals and organisations with whom it deals in an capacity to behave with integrity and without intent or actions involving fraud and corruption.

The Trust employees and members of the public are important elements in the stance against fraud and corruption and are positively encouraged to raise any concerns they may have on issues which may impact on the Trust's activities using the Trust's Whistleblowing Policy or Complaints Procedures.

As part of its responsibilities, audit is required to investigate activities suspected of involving fraud and corruption, its audit and training plans are required to provide adequate coverage of the risk of fraud and corruption and also to reflect the requirements of its staff to be properly and regularly trained.

Where appropriate the Trust operates with other local authorities and public sector bodies in the prevention, detection and investigation of fraud and corruption. This includes as part of the National Anti Fraud Network (NAFN).

Although the Trust encourages its employees to report concerns acting in good faith, any maliciously motivated and unfounded allegations may be dealt with through its disciplinary procedures.

### **4. Prevention**

It is the corporate responsibility of the Trust to put in place preventative measures to fight fraud and corruption to minimize risk.

The Trust's internal financial controls, procedures and Scheme of Delegation together with Financial Regulations, Codes of Conduct and Codes of Practice set out a framework for

dealing with the affairs of the Trust and all members and employees have a duty to comply with the provision. This included the duty of employees to act within statutory regulations.

Members must operate in accordance with the Trust's procedures and Code of Conduct.

The Trust has put in place systems and procedures to manage and discharge its functions in an efficient and effective way. These systems incorporate internal controls to prevent and deter fraud and corruption. Employees must ensure that working practices comply with the systems and the Board of Directors Audit Committee regularly evaluates the appropriateness and effectiveness.

Through documentation, including manuals and operating procedures, effective control is expected of all financial and operational systems and they must also be issues to relevant staff. These must be regularly reviewed to ensure in line with best practice and effective internal controls.

Employee recruitment is required to be in accordance with the Trust's recruitment policy and in particular adequate checks made appropriate to the posts and before any appointment is made.

Employees are required to disclose any offers of gifts, hospitality or interests that could conflict with the interests of the Trust or might affect their judgment. This Trust will maintain a register to record and monitor disclosures.

## **5. Detection and Investigation**

All managers are responsible for the prevention and detection of fraud, corruption and other irregularities. Managers should pay special attention to particular circumstances, which may indicate an irregularity.

It is the responsibility of all employees, in particular managers to immediately inform the Director of Finance & Operations if a fraud or other irregularity is suspected.

They should also ensure that:

- Any supporting documentation or other evidence is secured and;
- Confidentiality is maintained so as not to prejudice any subsequent investigation.

Reporting of suspected irregularities to the Director of Finance & Operations is essential because it:

- Ensures the consistent treatment of information
- Facilitates proper investigation, including compliance with statutory requirements and appropriate liaison at correct stages with the Police
- Ensures the proper implementation of relevant system improvements.

The Trust will take appropriate action following an investigation including disciplinary action, civil recovery and referral to the Police.

The Trust will work in partnership with other organisations for the detection and investigation of fraud and corruption. These organisations include the Police/Fraud Squad, Heads of Internal Audit Groups, National Anti-Fraud Network and Audit Commission.

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## **6. Training**

Training and guidance is vital in maintaining the effectiveness of this strategy and its credibility. The Trust supports induction and work related training, particularly for employees involved in internal control systems, to ensure that their responsibilities and duties are regularly highlighted and reinforced and best practice is followed.

## **7. Review**

The Trust has in place a clear framework of systems and procedures to deter and investigate fraud and corruption. It will ensure that these arrangements are fair, monitored and updated to keep pace with future developments in preventative, deterrent and detection techniques.