



**South East Cornwall Multi Academy Regional Trust**

# **Counter Theft, Fraud and Corruption Policy**

<b>Date</b>	<b>Changes</b>
23/03/17	Adopted by Trust Board
Feb 2018	Reviewed by CFO
05/03/18	Approved by Trust Board
Nov 2018	Reviewed by CFO
Jan 2019	Approved by Trust Board
Feb 2020	Reviewed by CFO
27/03/20	Approved by Trust Board
Feb 2021	Reviewed by CFO
30/03/21	Approved by Trust Board following review by the Resources Committee
Mar 2022	Reviewed by CFO
07/04/22	Approved by Trust Board

Adopted Date: 7<sup>th</sup> April 2022

Status: Approved

Review Date: Spring Term 2023

# Contents

Introduction	3
Theft, Fraud and Corruption	3
Policy Aims and Scope	3
Culture	3
Prevention	4
Deterrence	5
Detection and Investigation	5
Awareness and Training	6
Summary	6
Links with Other Policies and Procedures	7

## Introduction

South East Cornwall Multi Academy Regional Trust has a duty to protect the public and donated funds, assets and resources under its control against theft, fraud and corruption, both from within the Trust and from external sources. This Counter Theft, Fraud and Corruption Policy reflects the Trust's commitment to protecting public and donated funds, assets and resources. Through its systems, checks and controls, the Trust aims to prevent theft, fraud and corruption, but will act as necessary to identify suspected instances and will take appropriate action against those responsible.

The Trust recognises the threat of theft, fraud and corruption is both internal and external. The Trust's expectation is that Members, Trustees, Governors and employees at all levels will lead by example to ensure high standards of propriety, regularity and accountability are established and adhered to, and that personal conduct is above reproach at all times.

The Trust acknowledges the responsibility it has for the administration of public and donated funds, assets and resources, and emphasises the importance it places on probity and financial control as well as honest and transparent administration.

The Trust has a **zero tolerance** policy on any form of theft, fraud or corruption.

## Theft, Fraud and Corruption

Prevailing legal definitions will apply in all cases, but to illustrate:

- Theft is the taking of property without permission or consent with the intent to deprive the rightful owner of it.
- Fraud is an intentional deception made for gain or to damage another.
- Corruption is payment, inducement or reward for services or material which the recipient is not due.

## Policy Aims and Scope

The Policy aims to make clear to employees (permanent, temporary, casual and voluntary), Members, Trustees, Governors and contractors, other organisations and the general public, the Trust's approach to theft, fraud and corruption. When the Trust is aware of an alleged or actual case of theft, fraud or corruption, this Policy will, to the extent necessary and lawful, take precedence over related Trust procedures or policies.

## Culture

The culture of the Trust is one of openness and transparency. The Trust is committed to sound corporate governance and supports the Nolan Committee's "Seven Principles of Public Life", namely: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

There is an expectation and requirement that all individuals and organisations associated in whatever capacity with the Trust will act with integrity and that Trust's Members, Trustees, Governors and employees, at all levels, will lead by example in these matters.

This Policy clearly lays out the Trust's commitment to the fight against theft, fraud and corruption. The Trust will deal with such matters seriously and act as necessary both to prevent occurrences and to detect and then deal with identified cases.

The Trust will act to raise awareness at all levels of its zero tolerance policy.

## Prevention

All Members, Trustees and Governors as representatives of the Trust, have a duty to the students and community that they serve to protect the public and donated funds, assets and resources from any acts of theft, fraud and corruption. This is enacted through the setting and reviewing of effective policies, the appointment of external auditors and the Audit Committee, by complying with the Code of Conduct, Funding Agreement and Articles of Association, as well as through application of the other relevant regulations and legislation, including the Academy Trust Handbook. All personal, social or business interests will be declared to and recorded by the Clerk at all Trust meetings and activities, including recruitment.

Trust Managers at all levels are responsible for implementing and maintaining an effective control environment to prevent theft, fraud and corruption. Managers are also responsible for ensuring that their staff and volunteers are aware of the Trust's policies, procedures and regulations, and that they are being met in their everyday business activities. Managers are expected to create an environment in which their staff and volunteers feel able to approach them with any concerns they may have about suspected irregularities.

The Trust recognises that a key preventative measure in dealing with theft, fraud and corruption is for Managers and Trustees to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary, casual or voluntary posts, or agency staff. Personnel recruitment must, therefore, be in accordance with the Trust's procedures, including access to at least two verified references from reliable sources.

Employees are governed in their work by their Code of Conduct as well as other policies, procedures and statutory requirements. Employees are responsible for ensuring that they follow the instructions given to them by management, particularly in relation to the safekeeping of the funds, assets and resources of the Trust. Employees are expected to always be aware of the possibility that theft, fraud and corruption may exist in the workplace and be able to share their concerns with appropriate persons. Concerns can be raised and dealt with in accordance with the Trust's Whistle Blowing Policy. The Trust is required to comply with legislation relating to money laundering, and, although unlikely, there is a legal requirement for employees to report any financial transactions which could be indicative of criminal action.

Independent external audit is an essential safeguard of the stewardship of public and donated funds, assets and resources. The Trust's appointed auditors and Audit Committee

play a vital preventative role in ensuring that systems, processes and procedures are in place to prevent and deter theft, fraud and corruption. The auditors deliver an annual opinion to the Trust Board on the Trust's risk management, control and governance arrangements. In relation to loss, this includes examination of the adequacy of arrangements for managing the risk of loss so that the Trust actively promotes a counter-loss culture and awareness. In addition, although not their primary aim, the auditors assist in deterring and preventing loss by examining and evaluating the effectiveness of control, commensurate with the risk. This includes ensuring that management has reviewed its risk exposure and identified, and mitigated, the possibility of fraud as a business risk. The Trust's auditors and its Audit Committee liaise with the Trust Board and management to recommend changes in procedures to reduce risks and prevent losses to the Trust.

The Trust's Chair of the Trust Board has overall responsibility for ensuring that suspected theft, fraud, corruption and irregularity is investigated.

Where appropriate and lawful, the Trust will exchange information with other agencies on a national and local basis for the purposes of preventing and detecting theft, fraud and corruption activity.

The Trust acknowledges that it cannot afford to work in isolation and must liaise with other organisations, including (but not limited to) the Police, the Department for Education, the Education and Skills Funding Agency and HM Revenue and Customs. All liaisons are subject to strict adherence to Data Protection legislation and due regard to the proper handling of confidential information.

## **Deterrence**

In cases where there is evidence to suggest that a criminal offence may have been committed, it is the responsibility of the Chair of the Trust Board to authorise the case to be submitted to the Police for investigation and prosecution as appropriate.

Theft, fraud and corruption are serious offences against the Trust and will be regarded as gross misconduct. Employees will face disciplinary action if there is evidence that they have been knowingly or recklessly involved in these activities. Disciplinary action will be taken in addition to, or instead of, criminal proceedings depending on the circumstances of each individual case, but in a consistent manner.

Members, Trustees and Governors will face appropriate action under this Policy if they are found to have been involved in theft, fraud or corruption against the Trust. Action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner.

## **Detection and Investigation**

It is the responsibility of management to prevent and detect theft, fraud and corruption. However, the Trust's Chief Financial Officer, appointed auditors and its Audit Committee play an important role in detection through their normal course of work, but more specifically through a wide range of pro-active counter-loss tests and reviews.

While there are numerous systems and management controls in place to deter theft, fraud and corruption, it is often the vigilance of employees that aids detection. In some cases, losses are discovered by chance or "tip-off" and arrangements are in place to enable such information to be properly dealt with.

Any person who has concerns of theft, fraud, corruption or irregularity having been or being perpetrated against the Trust, must report the concern. The report should be made to the Trust's Chief Financial Officer, unless the Officer is concerned that the Chief Financial Officer may be involved, in which case the report should be to the Chief Executive Officer or Chair of the Trust Board. The report should be made immediately the concern has been identified. This is to: ensure the protection of public assets; ensure the consistent treatment of information regarding theft, fraud, corruption or irregularity; facilitate, if required, a proper and thorough investigation by appropriate officers in accordance with agreed procedures; maximise the chances of a prompt and satisfactory outcome, with appropriate sanctions being applied; help identify commonalities of irregularity and associated control weaknesses with a view of improving arrangements and processes. Depending on the nature of the suspicions, the Trust's Chief Financial Officer will work closely with the Finance Trustee and, where necessary, appropriate external advisors (e.g. HR, Legal Services, the Police) to identify and agree how any required investigation will be carried out and by whom.

In all cases where the Trust has suffered a financial loss, it will seek to recover the loss, utilising the Proceeds of Crime Act where appropriate.

## **Awareness and Training**

The Trust recognises that the effectiveness of this Policy, and its general credibility, will depend largely on the effectiveness of training, awareness and communication. This Policy will be an integral part of the induction programme for Members, Trustees, Governors and employees, including volunteers. It is the responsibility of line managers to communicate this Policy to their staff and promote a greater awareness of counter-theft, fraud and corruption within their business units.

## **Summary**

The Trust has a clear commitment to minimising the possibility of theft, fraud, corruption or other misuse of public or donated funds, assets and resources. It pledges to take all action necessary to identify theft, fraud and corruption and to pursue the recovery of losses and the punishment of those responsible.

The Trust has implemented a clear network of systems and procedures to assist in the fight against theft, fraud and corruption. These arrangements will keep pace with any future developments, in both preventative and detection techniques regarding theft, fraud or corrupt activity that may affect the Trust's business or related responsibilities. This Policy fully supports the Trust's desire to maintain an honest and transparent organisation, free from theft, fraud and corruption.

## **Links with Other Policies and Procedures**

This Policy links to, and should be read in conjunction with, the following:

- Employee Code of Conduct
- Governors Code of Conduct
- Whistleblowing Policy
- Disciplinary Procedure