

GIPPESWYK COMMUNITY EDUCATIONAL TRUST

This Policy has been adopted and approved by Gippeswyk Community Educational Trust and is to be used by all members of the Trust.

FRAUD POLICY	
Approved by GCET	06.03.2018
Date of next Review	Summer Term 2020-2021 <i>(Two Yearly – even years)</i>
Responsible Officer	Trust CFO – Mrs T Goodchild
Policy Number	TF6

Introduction

GCET requires all Staff, Trustees and Governors to act honestly and with integrity at all times and to safeguard the public resources for which they are responsible. GCET will not accept any level of fraud or corruption; consequently, any case will be thoroughly investigated and dealt with appropriately. GCET is committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk.

What is Fraud?

Many of the offences referred to as fraud are covered by the Fraud Act 2006. 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. With respect to GCET this applies to all areas of the GCET’s business and activities.

“Fraud” is usually used to describe depriving someone of something by deceit, which might either be straight theft, misuse of funds or other resources, or more complicated crimes like false accounting and the supply of false information. In legal terms, all of these activities are the same crime – theft.

Some useful definitions:

Theft - Dishonestly appropriating the property of another with the intention of permanently depriving them of it. This may include the removal or misuse of funds, assets or cash.

False Accounting - Dishonestly destroying, defacing, concealing, or falsifying any account, record, or document required for any accounting purpose, with a view to personal gain for another, or with intent to cause loss to another or furnishing information which is or may be misleading, false or deceptive.

Bribery and Corruption - The offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the authority, its members or officers (Prevention of Corrupt Practices Act 1889 and 1916).

Deception - Obtaining property or pecuniary advantage by deception and obtaining services or evading liability by deception.

Collusion - The term “collusion” in the context of reporting fraud to the Treasury is used to cover any case, in which someone incites, instigates aids and abets, or attempts to commit any of the crimes listed above.

Avenues for Reporting Fraud

GCET has in place avenues for reporting suspicions of fraud. Trustees, Governors and members of staff should report any such suspicions in line with the GCET’s Whistle Blowing Policy. All matters will be dealt with in confidence and in strict accordance with the terms of the Public Interest Disclosure Act 2013. This statute protects the legitimate personal interests of staff. The GCET’s Whistle Blowing Policy provides further information. Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud discovered or reported.

Responsibilities

The Academies Financial Handbook is the Department for Education’s financial guide for the Trustees, Governing bodies and managers of academies. Drawing on the overall financial requirements specified in academy Funding Agreements, it provides detailed guidance on a wide range of financial management, funding and accounting issues.

The Academies Financial Handbook sets out the overall governance framework for academies and describes the key systems and controls that should be in place. It describes the grants that the Department makes available and specifies the financial reporting/budget management arrangements that must be followed by academies to ensure accountability over the substantial amount of public funds that they control. It also discusses in detail the requirements for preparing an annual trustees report and accounts in order to comply with Company Law, Accounting Standards and Charity Commission expectations.

The CEO as the **Accounting Officer** is responsible for establishing and maintaining a sound system of internal control that supports the achievement of GCET’s policies, aims and objectives. The system of internal control is designed to respond to and manage the whole range of risks that GCET faces. The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk will be seen in the context of the management of this wider range of risks.

Overall responsibility for managing the risk of fraud has been delegated to the **CFO**.

The responsibilities of the CFO therefore include:

- Developing a fraud risk profile and undertaking a regular review of the fraud risks associated with each of the key organisational objectives in order to keep the profile current;
- Establishing an effective anti-fraud policy and fraud response plan, commensurate to the level of fraud risk identified in the fraud risk profile;
- Designing an effective control environment to prevent fraud commensurate with the fraud risk profile;
- Establishing appropriate mechanisms for:
 - reporting fraud risk issues;
 - reporting significant incidents of fraud to the Accounting Officer;
 - external reporting in compliance with Company Law, Accounting Standards and Charity Commission expectations.

- coordinating assurances about the effectiveness of anti-fraud policies to
 - support the Statement of Internal Control;
- Liaising with the Trustees, the Trustees Finance and Audit Committee on issues of fraud prevention, detection, and management;
 - Making sure that all staff are aware of the organisation's anti-fraud policy and know what their responsibilities are in relation to combating fraud;
 - Developing skill and experience competency frameworks;
 - Ensuring that appropriate anti-fraud training and development opportunities are available to appropriate staff in order to meet the defined competency levels;
 - Ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected;
 - Taking appropriate legal and/or disciplinary action against perpetrators of fraud;
 - Taking appropriate disciplinary action against supervisors where supervisory failures have contributed to the commission of fraud;
 - Taking appropriate disciplinary action against staff who fail to report fraud;
 - Taking appropriate action to recover assets;
 - Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.

All managers are responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- Preventing and detecting fraud;
- Assessing the types of risk involved in the operations for which they are responsible;
- Reviewing and testing the control systems for which they are responsible regularly;
- Ensuring that controls are being complied with and their systems continue to operate effectively;
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

The Responsible Officer and External Auditor are responsible for:

- Delivering an opinion to the Accounting Officer on the adequacy of arrangements for managing the risk of fraud and ensuring that the Academy promotes an anti-fraud culture;
- Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure/risk in the various segments of the department's operations;
- Ensuring that management has reviewed its risk exposures and identified the possibility of fraud as a business risk;
- Assisting management in conducting fraud investigations;
- Reporting to GCET's Trustees on the efficiency of controls for the prevention, detection and management of fraud.

Every member of staff is responsible for:

- Acting with propriety in the use of official resources and the handling and use of public funds whether they are involved with cash or payments systems, receipts or dealing with suppliers or the GCET's decision making bodies;

- Conducting themselves in accordance with the seven principles of public life set out in the first report of the Nolan Committee “Standards in Public Life”. They are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

Trustees are responsible for:

- The Chair is responsible for ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- All members are responsible for abiding by GCET’s policies and regulations and the guidance on Codes of Practice for Board Members of Public Bodies.
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations

Fraud Response Plan

The Academy has a Fraud Response Plan that sets out how to report suspicions, how investigations will be conducted and concluded. This plan forms part of the Academy’s Anti-Fraud Policy. (See Whistleblowing Policy – who to report to and how investigations will be conducted and concluded)