



The Macclesfield Academy

Anti-fraud, bribery and corruption

Policy and Strategy

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SECTION A: INTRODUCTION

- 1 Introduction**
- 2 What are Fraud, Bribery and Corruption?**
- 3 Purpose of this Document**
- 4 Scope of this Document**
- 5 Anti-Fraud, Bribery and Corruption Culture and Stance**
- 6 Reporting Concerns**
- 7 Investigations of Fraud**

SECTION B: ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY STATEMENT

SECTION C: ANTI-FRAUD, BRIBERY AND CORRUPTION STRATEGY

- 1 Objectives of the Anti-Fraud, Bribery and Corruption Strategy**
- 2 How the Academy manages the risk of fraud, bribery and corruption**
- 3 Training**
- 4 Audit**
- 5 Working with others to prevent and fight fraud**
- 6 Culture**
- 7 Reporting Concerns**
- 8 Referrals to the Police**
- 9 Sanctions and Redress**

APPENDIX

- 1 Responsibilities**

THE MACCLESFIELD ACADEMY

ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY

SECTION A: INTRODUCTION

1 Introduction

Fraud, bribery, corruption or other dishonesty adversely affect the Academy's reputation and put at risk its ability to achieve its policies and objectives by diverting the Academy's limited resources from the provision of education to its pupils

The Macclesfield Academy will not, therefore, tolerate fraud, bribery or corruption in any area of Academy activity.

2 What are Fraud, Bribery and Corruption?

Fraud

Fraud is a range of abuse and malpractice that is covered by the Fraud Act 2006.

Fraud can be defined as an abuse of knowledge or position, or deception, that is done deliberately to create an unfair gain for the perpetrator or for a related person or entity and / or cause a disadvantage to another. It can take place in many ways; withholding information, deliberately misleading, misrepresenting a situation to others or by abuse of position. Irrespective of the definition applied, fraud is always deceitful, immoral, and intentional and creates an unfair gain for one party and / or a disadvantage for another.

Gains and losses do not have to be direct. A gain to a related party or company through intentional abuse of position, albeit not directly to the officer involved, is still fraudulent. In the same way, using the Academy's name to procure personal goods and services is also fraudulent; where there is deliberate abuse of position to make a gain in the form of goods and services at a discount price or to get the Academy to pay for them.

The Fraud Act 2006 came into force on 15th January 2007. The Act created a single offence of fraud and defined this in three classes:

- False representation.
- Failure to disclose information where there is a legal duty to do so.
- Abuse of position.

The Act also created four new offences of:

- Possession of articles for use in fraud.
- Making or supplying articles for use in fraud.
- Obtaining services dishonestly.
- Participating in fraudulent business.

Bribery

A bribe is:

“A financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would

constitute the improper performance of such a function or activity” [CIPFA].

There are four key offences under the Bribery Act 2010:

1. bribery of another person
2. accepting a bribe
3. bribing a foreign official
4. failing to prevent bribery.

Corruption

Corruption is:

The offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the body, its members or officers.

The term “fraud” is used throughout this document. For the purposes of the document the term also includes theft, bribery and corruption.

3 Purpose of this Document

The purpose of this document is to confirm the Academy’s commitment to preventing and detecting fraud, bribery and corruption.

4 Scope of this Document

The Anti-Fraud, Bribery and Corruption Policy applies to Governors and all employees (full time, part time, temporary and casual) of the Academy.

5 Anti-Fraud, Bribery and Corruption Culture and Stance

The Academy is determined that the culture and tone of the organisation will be one of honesty and opposition to fraud and corruption of any kind. The Trust expects that the governors and employees at all levels will lead by example in ensuring adherence to approved policies, financial regulations, codes of conduct and prescribed procedures and practices.

The Academy implements and maintains systems of accountability and controls to ensure that its resources are properly applied in the way it intended. These systems include, as far as is practical, adequate internal controls to detect not only significant errors but also importantly, fraud and corruption.

The Trust’s Finance and Resources Committee is responsible for overseeing internal controls, financial regularity and rigorous risk management.

6 Reporting Concerns

All actual or suspected incidents of fraud, corruption or bribery in a Academy should be reported without delay to the Headteacher or the Academy Business Leader. If this is not in the best interests of the Academy then the concern should be reported to the Chair of Governors or the Chair of the Finance and Resources Committee.

When staff report suspected fraud it is important that their suspicions are treated

seriously and that all details provided by the reporting employee are recorded accurately and in a timely manner. They should be signed by the reporting employee to confirm understanding. It is essential that staff are treated sensitively, since the decision to report the suspected fraud may be traumatic for the individual concerned. Those reporting fraud should be assured that all information will initially be dealt with in the strictest confidence, however anonymity may not be able to be preserved if it is incompatible with a full and fair investigation.

The Public Interest Disclosure Act 1998 protects workers from detrimental treatment or victimisation from their employer if, in the public interest, they blow the whistle on wrongdoing.

<https://www.gov.uk/government/publications/the-public-interest-disclosure-act/the-public-interest-disclosure-act>

7 Investigation of fraud

The Academy maintains a continuous overview of its arrangements for managing the risk of fraud.

The Academy will take appropriate action whenever fraud, bribery or corruption are suspected or identified.

The Academy will follow the guidance in the Academies Financial Handbook and report to the ESFA any instances of fraud or other irregularity above the current level – currently £5,000. Any unusual or systematic fraud, regardless of value, must also be reported.

SECTION B: ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY STATEMENT

The Macclesfield Academy expects all Governors, employees and those acting as its agents to conduct themselves in accordance with the seven principles of public life defined by the Nolan Committee 1995. The seven principles are:

- **Honesty** - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest
- **Integrity** - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties
- **Selflessness** - Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends
- **Objectivity** - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit
- **Openness** - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands
- **Accountability**- Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office
- **Leadership** - Holders of public office should promote and support these principles by leadership and example.

The Academy requires Governors and employees at all levels to lead by example in adhering to legal requirements, financial rules, contract procedure rules, codes of conduct, and prescribed procedures and practices.

The Academy requires Governors, Headteacher and other senior staff to design and operate systems and procedures that will minimise losses due to fraud, bribery, corruption and other dishonest action.

The Academy expects Governors, Headteacher and employees to be alert to the possibility of fraud, bribery and corruption in all their dealings.

The Academy will provide clear routes by which concerns can be raised internally by both Governors, Headteacher and employees, and externally by other stakeholders and the public.

The Academy will not tolerate fraud. Employees found to be defrauding the Academy face dismissal under the disciplinary process. Employees and any other parties defrauding the Academy e.g. claimants or contractors will have their cases referred to the Police.

SECTION C: ANTI-FRAUD, BRIBERY AND CORRUPTION STRATEGY

1 Objectives of the Anti-Fraud, Bribery and Corruption Strategy

The Strategy describes the Academy's approach to minimising the risk of fraud. The key objectives of the Strategy are to enable the Academy to reduce the opportunity for fraud and to create a culture where fraud is unacceptable.

2 How the Academy manages the risk of fraud, bribery and corruption

Some of the ways in which the Academy manages the risk of fraud, bribery and corruption are:

Roles and Responsibilities (Leadership and Management)

The responsibility for anti-fraud arrangements is widely dispersed. Governors give clear support to the Academy's arrangements. The Academy's Governing Body and Headteacher provide strong leadership by advocating the Academy's arrangements and supporting strong action when these are ignored.

The Governing Body are responsible for ensuring there are strong and effective arrangements in place for managing the risk of fraud and ensuring the Academy's interests are safeguarded, including its reputation. Risk is managed through the existence and application of appropriate policies and procedures.

Other parties have a range of responsibilities and actions to carry out. A full list of respective responsibilities can be found in **Appendix 1**.

Policy and Strategy

This document contains and explains the Academy's Policy and Strategy.

Procedures / deterring fraud

The wide range of procedures in place to minimise the risk of fraud constitute a major part of the Academy's system of Internal Control, which is designed to ensure the Academy conducts its business properly and effectively and completes its transactions fully, accurately and properly.

The Academy aims to have in place efficient and effective systems of control that as far as possible prevent potential fraudsters from exploiting weaknesses. The prime responsibility for maintaining such systems lies with the Headteacher.

Key Procedures and Controls

The following key procedures and controls operate within the Academy:-

- a. The Academy has an effective Anti-Fraud, Bribery and Corruption Policy and Strategy, and maintains a culture that will not tolerate fraud, bribery or corruption
- b. Governors and employees comply with respective Codes of Conduct
- c. A Register of Interests is maintained to enable Governors and employees to record any financial or non-financial interests that may bring about conflict with the Academy's interests
- d. A Register of Gifts and Hospitality is maintained to enable Governors and employees to record gifts and hospitality either received, or offered and declined,

from the Academy's contractors and suppliers

- e. Whistle blowing procedures are in place and operate effectively
- f. Suitable and enforced financial and contract procedure rules are in place
- g. There are robust recruitment and selection procedures
- h. There are clear and active disciplinary arrangements
- i. Sanctions are pursued against those who commit fraud, bribery and corruption through an agreed prosecutions and civil recovery policy.

The Academy is fully committed to ensuring that the examples of best practice indicated above are an integral part of its operations.

Deterring fraud

The Academy uses a number of ways to deter potential fraudsters from committing or attempting fraudulent or corrupt acts (including bribery) whether they are inside and / or outside of the Academy, including:-

- Publicising at every opportunity the Academy's determination to prevent and detect fraud, bribery and corruption e.g. clause in contracts,
- Acting robustly and decisively when fraud, bribery and corruption are suspected and proven – e.g., the termination of contracts, dismissal, prosecution etc.
- Taking action to recover any losses through fraud – e.g. through agreement, Court action, penalties, insurance etc.
- Having sound internal control systems, which allow for innovation while limiting opportunities for fraud, bribery and corruption.

Detection and Investigation

It is the responsibility of Governors, Headteacher and employees to prevent and help detect fraud, bribery and corruption. In high risk areas, the Governing Body and Headteacher will specifically apply controls aimed at preventing and detecting frauds.

It is often the alertness of employees and the Public that enables frauds to be detected
Employees who suspect irregular activity

SHOULD:

- ✓ Make an immediate note of all relevant details. Include date and time of the event, record of conversations (including telephone), names of persons present (or description if the name is not known), vehicle details where appropriate e.g. type, colour, registration etc.
- ✓ Report your suspicions as rapidly as possible together with the relevant details to an appropriate level of authority and experience. This can either be your line manager, a member of the Senior Leadership Team or the Headteacher.

All reported suspicions will be dealt with sensitively.

SHOULD NOT:

- × Confront or accuse anyone directly.
- × Try to investigate the matter themselves.
- × Discuss their suspicions with anyone else than the appropriate level of authority.
- × Be afraid to report a matter on the basis that your suspicions may be groundless;

all reports will be treated on the basis that they are made in good faith.

Reporting and Monitoring

The Academy Business Leader will ensure that a log is maintained of all reported incidents at the Academy.

A decision will then be made as to who is best placed to investigate any concerns raised.

The Academies Financial Handbook guidance will be followed regarding reporting to the funding body.

The Academy Business Leader will report all irregularities to the auditors.

3 Training

The Academy recognises that the success of its Anti-Fraud, Bribery and Corruption Strategy and its general credibility depends significantly on the effectiveness of training, communication, and the responsiveness of employees throughout the Academy. The Academy will provide suitable induction and training programmes that ensure Governors and staff are kept up to date on the Academy's arrangements for managing the risk of fraud. These training programmes also ensure casual, temporary and agency staff are aware of the high standards of probity required by the Academy.

The investigation of small scale fraud, bribery and corruption rests on a day to day basis with the Headteacher.

4 Audit

Internal and external audit are a key elements of the Academy's internal control system.

5 Working with others to prevent and fight fraud

The Academy exchanges information with other local and national agencies in order to identify and prevent fraud. Any employee found to be perpetrating fraud elsewhere is liable to face disciplinary action where this has implications for the Academy's trust and confidence in the employee. With the rapid increase in frauds committed against multiple organisations, the necessity for liaison with other organisations is important. Consequently, the Academy works with other bodies to prevent and detect fraud, bribery and corruption. Other bodies include:

- The Police
- The National Fraud Authority
- National Anti - Fraud Network
- Auditor; Baker Tilly
- The Student Loans Company
- The Department for Works and Pensions
- HM Revenues and Customs
- Other Public and Investigatory Bodies.

The Academy expects that the individuals and organisations with which it deals (e.g. partners, suppliers, contractors, and service providers) will act with integrity and without

thought or actions involving fraud, bribery and corruption. Where relevant, the Academy will include appropriate clauses in its contracts about the consequences of fraud, bribery and corruption. Evidence of such acts is most likely to lead to a termination of the particular contract and will normally lead to prosecution.

6 Culture

The importance of a positive culture towards anti-fraud, bribery and corruption cannot be overstated. The effectiveness of the Academy's arrangements can be undermined by a culture that does not apply the public standards and supporting policies and procedures routinely on a day to day basis. Maintaining appropriate arrangements, continually advocating them and taking robust action where they are not applied all help to build the right underpinning culture.

The Academy will continue to assess the culture and ensure its actions to promote its arrangements provide a positive influence on the culture.

7 Raising Concerns

In accordance with the Academy's Whistleblowing Policy, anyone with any concerns about the Academy's activities should normally raise concerns through their immediate manager, or a member of the Senior Leadership Team or the Headteacher. However, it is recognised that this may not be possible or in the Academy's best interests in certain circumstances. Where this is the case concerns should be raised directly to the Chair of Governors or the Chair of the Finance and Resources Committee

8 Referrals to the Police

Any referrals to the Police should be made only by or after consultation with Headteacher.

The Police and Criminal Evidence Act 1984 codes of practice regulate police powers and protect public rights. Further guidance can be found at <https://www.gov.uk/guidance/police-and-criminal-evidence-act-1984-pace-codes-of-practice>

8 Sanctions and Redress

After any investigation, sanctions should be applied where fraud has been found to have been committed. The Academy will pursue criminal and civil action in a robust, consistent and proportionate manner.

ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY

APPENDIX 1: RESPONSIBILITIES

Roles and Responsibilities

The Governing Body – will:-

- ✓ be responsible for the overall management arrangements of the Academy
- ✓ promote an organisational culture that accords with the Nolan Committee's 7 principles of public life
- ✓ ensure controls are put in place that minimise the risk of fraud
- ✓ develop and maintain an Anti-Fraud, Bribery and Corruption Policy.
- ✓ Promote and maintain high standards of conduct.

The Headteacher - will:-

- ✓ maintain adequate and effective internal control arrangements
- ✓ ensure that all suspected financial irregularities are reported to the Head of Internal Audit
- ✓ advise the Police where sufficient evidence exists to believe that a criminal offence may have been committed
- ✓ develop vetting and barring procedures which are intended to deliver high quality personnel with suitable levels of integrity into the Academy's employment
- ✓ provide advice to employees wishing to raise concerns
- ✓ advise departmental managers required to make decisions with regards to suspension and disciplinary proceedings.

Senior Staff - will:-

- ✓ ensure that all suspected financial irregularities or financial impropriety brought to their attention are reported to the Headteacher and/or the Head of Internal Audit
- ✓ instigate the Academy's disciplinary procedures where the outcome of an investigation indicates improper behaviour.
- ✓ Implement and maintain effective control systems designed to prevent and detect fraud within their responsibility
- ✓ ensure all their staff are adequately trained on procedures and controls to be complied with
- ✓ ensure proper procedures are being followed
- ✓ follow prescribed recruitment procedures aimed at recruiting high quality and honest staff.

Internal Audit - will:-

- ✓ support managers in preventing and detecting fraud, bribery and corruption
- ✓ provide assurance on the appropriateness and effectiveness of systems and procedures.
- ✓ investigate serious suspected financial irregularity and will liaise with managers to recommend changes in procedures to prevent further losses to the authority.

The External Auditor- will:-

- ✓ carry out specific reviews that are designed to test (amongst other things) the adequacy of the authority's internal financial and other controls and arrangements for preventing and detecting fraud and irregularity

- ✓ review the Council's accounts to ensure they are free from significant fraud.

Employees - will:-

- ✓ uphold a positive anti-fraud, bribery and corruption culture
- ✓ always be alert to the possibility of theft, fraud and corruption occurring in the workplace and be aware of the mechanisms available for reporting such issues to management within the authority.
- ✓ comply with the Council's Code of Conduct together with any additional code relating to their professional qualifications.
- ✓ act in accordance with The Macclesfield Academy's Financial Regulations
- ✓ declare any interests and offers of gifts and hospitality that are in any way related to the performance of their duties of employment at the Academy
- ✓ make annual declarations of interest to enable the Headteacher to effectively manage situations where a conflict of interest may occur.