



BORDESLEY MULTI ACADEMY TRUST

FRAUD, THEFT AND BRIBERY POLICY

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1 Introduction

This policy sets out individuals' responsibilities for the prevention and reporting of incidences or suspicions of fraud, theft, bribery and any financial irregularity with the Trust and the procedures to be followed in the event that it is suspected or discovered.

Employees must abide by the Trust's values and behaviours, which includes acting with honesty and integrity, and safeguarding the Trust's resources. It is primarily a line management responsibility for detecting and dealing with instances of financial irregularity.

This policy applies to all employees, contractors and volunteers.

1 Definition

For the purpose of this document:

- i) Members, Trustees and Governors are referred to as Trustees
- ii) Bordesley Multi Academy Trust is referred to as the Trust
- iii) The policy applies to all schools within the Trust

2 Rationale

The Trust's aim is to foster a culture where fraud, theft and bribery within our organisation is never acceptable and therefore we:

- Will put in place appropriate systems and procedures, incorporating efficient and effective internal controls, to prevent and detect fraud, theft and bribery
- Will investigate all reports of suspected fraud, theft or bribery and, where appropriate, with notify the police and seek to recover any losses
- Believe that members of the public, employees, contractors, volunteers and any other interested party should feel able to report any cases of malpractice or wrongdoing without fear of recrimination
- Ask all employees to exercise proper stewardship of our charitable funds, and carry out all business fairly, honestly and openly

3 Implications

Fraud, theft or bribery will usually result in direct financial loss but also presents a risk to our reputation and wider public in the organisation.

Bordesley Multi Academy Trust considers actual or attempted fraud, theft or bribery to be acts of gross misconduct and, if proven, may result in dismissal. Where supervisory negligence is found to be a contributory factor, disciplinary action may also be initiated against those manager/supervisors responsible.

The Trust will always seek to recover any losses as a result of any acts of fraud, theft or bribery.

4 Definitions and Examples of Fraud, Theft and Bribery

Fraud is the general term given to an act of deliberate deception with the intention of concealing the misappropriation of assets, any other personal gain or causing a financial loss to the Trust. Examples include:

- Falsification of claims such as expenses, timesheets etc
- Lying about qualifications on an application form or at interview
- Intentionally overpaying suppliers for personal gain
- Use of Bordesley Multi Academy Trust equipment, property or services for personal gain
- Failure to disclose information which would influence a decision
- Abuse of position to gain personal advantage for yourself or someone you know
- Manipulation or misstatement of accounting records or results

Theft is defined as when a person dishonestly appropriate property belonging to another with the intention of permanently depriving the other of it.

Bribery can be described as:

Active – offering or promising a bribe to influence someone’s actions or to reward them for acting improperly, or

Passive – the act of requesting, agreeing to receive or accepting a bribe

5 Responsibilities for preventing and dealing with fraud, theft and bribery

Employees, contractors and volunteers must abide by the Trust’s values and behaviours. This means:

- Safeguarding Trust resources
- Ensuring the appropriate use of Trust resources. This includes cash and/or payment systems, use of petty cash, expenses claims, dealing with suppliers and the use of Trust equipment
- Declaring any potential conflict of interest
- Where possible, avoiding line management of partners or family members. If this is not possible, ensuring complete transparency by involving others in decision making processes relating to aspects of employment such as pay, benefits, access to training
- Being vigilant for signs of fraud, theft or bribery
- Highlighting areas susceptible to the risk of fraud, theft or bribery to their line manager/Headteacher
- Reporting suspicions of fraud, theft or bribery immediately using the Confidential Reporting (Whistleblowing) Policy

If an employee, contractor or volunteer suspects fraud, theft or bribery is taking place, they **must not** do the following:

- Alert the person(s) they suspect as this may enable them to cover their tracks
- Discuss their suspicions or any related facts with anyone outside of the Trust unless specifically authorised to do so by their manager
- Discuss their suspicions or any related facts with anyone within the Trust other than in accordance with this policy or the Confidential Reporting (Whistleblowing) Policy
- Attempt to investigate the matter themselves

6 Line Managers

Where fraud, theft or bribery is suspected or detected it is the line manager's responsibility to ensure that a full investigation is carried out and the appropriate action is taken. This may include escalating the matter to their line manager, the police and/or taking disciplinary action. If the line manager is personally involved or implicated in the case, this responsibility passes to their line manager; in the case of the Headteacher responsibility passes to the Chair of Governors.

The Governing Body must be advised of all cases of suspected fraud, and in turn they must notify the Board of Trustees. Where considered appropriate, the appointed auditors may be engaged to investigate.

7 Internal/External Audit

Audit checks include data matching exercises for the purposes of the prevention and detection of fraud. This may include, for example, comparing computer records we hold for one purpose (eg payroll) against computer records for another purpose (eg suppliers) to identify any potential conflicts of interest, or checking personnel identification documents against payroll records to identify any potential fraudulent salary payments.

8 ESFA Anti-fraud Checklist for Academy Trusts

The ESFA have published an anti-fraud checklist for academy trusts. It is noted that fraud occurs in every sector and although the level of identified fraud in academies is low, trusts must be aware of the potential for it to occur. The ten questions included in the checklist are intended to help trustees, governors, accounting officers, financial officers and other senior staff review their arrangements for preventing, detecting and dealing with fraud should it occur.

The risk of fraud is considered on an ongoing basis through the risk register, which is discussed at each meeting of the Finance and Audit Committee, the cycle of Responsible Officer visits, the annual external audit and the annually reviewed Finance Policy and Procedures document.

The 10 questions that we must always be aware of are:

- 1 Are directors and the Accounting Officer aware of the risk of fraud and their responsibilities regarding fraud?
- 2 Is fraud included within the remit of the Trust's Finance & Audit Committee?
- 3 Has the role of external auditor and responsible office regarding fraud been established and is it understood?
- 4 Is fraud risk considered within the Trust's risk management process?
- 5 Does the Trust have a fraud strategy or policy and is there a "zero tolerance" culture to fraud in the Trust?
- 6 Is the strategy, policy and "zero tolerance" culture promoted within the Trust, for example through financial regulations, disciplinary procedures, checks on new staff, induction processes, staff training and the vetting of contractors?
- 7 Does the Trust have policies on whistleblowing, declaration of interests and the receipt of gifts and hospitality?

- 8 Does the Trust have appropriate segregation of duties?
- 9 Is it clear to whom suspicions of fraud in the Trust should be reported?
- 10 If there has been any fraud in the Trust, has a “lessons learned” exercise been undertaken?

9 Related Documents

- Confidential Reporting (Whistleblowing) Policy
- Conflict of Interests Policy
- Register of Interests
- Finance Policy
- Scheme of Financial Delegation
- Risk Register
- Gifts and Hospitality Policy

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