



Watererton
Academy Trust

Anti-Fraud, Bribery and Corruption Policy



Contents

Contents.....	2
Context.....	3
Policy Statement.....	3
Prevention.....	3
Risks.....	3
Procedures/Systems to deal with risks.....	4
Developing and promoting an Anti-fraud culture.....	4
The Role of Auditors.....	4
Employee Screening.....	5
Detection and Reporting.....	5
Public Interest Disclosure ('Whistleblowing') Procedure.....	5
Investigation of Suspected Irregularity.....	6
Prevention of Further Loss.....	7
Establishing and securing evidence.....	8
Notifying the ESFA.....	8
Recovery of losses.....	9
Cybercrime.....	9
Document Detail.....	10
Version Control.....	10

Context

There is no legal requirement for schools and academies to have an anti-fraud, bribery and corruption policy. However, the Academy Trust Handbook (ATH) 2024 outlines the responsibilities and actions required, stating that Academy trusts **must** be aware of the risk of fraud, theft and irregularity and address it by putting in place proportionate controls.

Trusts **must** take appropriate action where fraud, theft or irregularity is suspected or identified and the ATH has a clear definition of this, and action to be taken in the event of any cases identified.

Policy Statement

The Trust and its constituent schools have a duty to protect public assets; to ensure that management and other practices accord with the standards of probity expected of public sector bodies; and to ensure that the resources available to it are used only in furtherance of the Trust's objectives as an educational body. Fraud, corruption, or any other kind of financial misconduct or irregularity will not be tolerated.

An irregularity may be defined as any breach of the standards of financial integrity required by the Academy and/or Trust. Irregularities fall broadly into the following categories:

- **Theft** - the act of stealing property belonging to another with the intention of depriving that person permanently of its possession;
- **Fraud** - the intentional distortion of financial statements or other records by persons external or internal to the Academy and/or Trust, to conceal the misappropriation of assets or otherwise. This includes the distortion of records to conceal losses caused accidentally or by a third party;
- **Bribery** - the offering, giving or receiving a benefit in exchange for an action which is illegal, unethical or in breach of trust;
- **Corruption** - the offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions of any person. Both parties are equally guilty of an offence.

Other irregularity may include failure to observe the Academy's and/or Trust's Financial Regulations, policies and procedures. This includes failure to take appropriate action after becoming aware of such failure by another person.

The aftermath of financial misconduct is costly, time-consuming, disruptive and unpleasant. The Trusts' strategy is, therefore, prevention.

Prevention Risks

The largest irregularities in educational establishments typically have involved regular misappropriations over a period of years. The four areas most vulnerable to fraud in schools are cash handling, cheque handling, credit card handling and purchasing. The misuse of information technology is also a major risk and one that is potentially growing in importance with the development of technology and associated risks.

Procedures/Systems to deal with risks

Fraud can be minimised through carefully designed and consistently operated management control procedures, in particular, financial policies and procedures and financial regulations. The Trust will therefore ensure that key financial management procedures, as described below, are effective and that staff receive appropriate training and updates;

- Segregation of duties in the use of financial systems is practiced, so that no one person completes all stages of a task e.g. no individual can order, receive and pay for goods and services;
- Bank reconciliation is undertaken monthly to detect any misappropriation at the earliest stage;
- Regular review and random checking of transactions, to ensure transactions are valid;
- Monthly management accounting information identifies discrepancies;
- The trust has clear roles and responsibilities, with set levels of delegated authority for authorising transactions;
- IT Systems will be protected with access restrictions to prevent the possible misuse of data and information.

Developing and promoting an Anti-fraud culture

Key drivers for standards of behaviour in any organisation are the standards observed and promoted by senior management, and the policies/procedures in place. All layers of governance across the trust, including the executive team and school leaders should therefore ensure that their behaviour is always demonstrably selfless, acting with Integrity at all times.

The Chief Operations & Finance Officer (COFO) routinely shares DfE publications and often extracts from ESFA audit investigation reports. The Trust will respond quickly and effectively to fraud when it arises and will work with our auditors to advise the Trust Board and Audit & Risk Committee on the effectiveness of anti-fraud measures and any fraud risks.

The Role of Auditors

The COFO will seek advice from the external auditor as necessary, when designing new systems or modifying existing policies and procedures, to ensure that the appropriate levels of internal control are in place. Auditors will have regard to fraud preventative measures as part of its ongoing work.

External audit's reviews of financial checks, balances and validation testing provide further deterrence. Waterton's external auditor has full access to the financial management software and can interrogate any transactions.

Both internal and external auditors have a full right of access at all reasonable times to all Academy and Trust property, assets, documents and financial and other records. The auditors are also entitled to seek explanations from any member of the Academy and/or Trust's staff.

In addition, the Trust will regard the misleading of auditors, including the withholding of relevant information, as gross misconduct.

Employee Screening

New members of staff will be screened before appointment, particularly for posts with financial responsibility. For example:

- References should cover a reasonable, continuous period; and any gaps should be explained;
- An official employer's reference should be obtained;
- Offers of appointment to be made subject to receipt of satisfactory references and any doubts about the contents of the reference should be resolved before confirming the appointment. If this is done by telephone, a written record of the discussion should be kept complying with employment law;
- Essential qualifications and DBS checks are made;
- Recruitment procedures require that members of recruitment panels declare any relationships or connections with candidates prior to their involvement with the process.

Detection and Reporting

Efficient management systems are imperative if fraud is to be detected rapidly; the systematic review of every transaction minimises the risk of processing an irregular transaction. Fundamental checks are integrated into all systems and applied consistently to ensure that appropriate levels of internal control exist to minimise loss.

Public Interest Disclosure ('Whistleblowing') Procedure

If an individual has reason to suspect that fraud is taking place, or has taken place, they are expected to bring it to the attention of senior management within the Academy and/or Trust as described in the Trust's Whistleblowing Policy. This describes to whom an individual should report their suspicions, and the protection offered to employees raising such a suspicion.

Potentially Suspicious Behaviour

Staff members who have committed serious financial irregularities may attempt to conceal this by taking few holidays, regularly working alone late or at weekends, being resistant to delegation or resenting questions about work. If any suspicions are raised they should be discussed with the Executive Leadership Team (ELT) or Headteacher. Likewise, any indication that a member of staff may be addicted to drugs, alcohol or gambling should also be discussed with these officers. This is both for the welfare of the individual and to minimise the risks to the Academy, which might include fraud. Any action should be taken with an assessment of the scale of risk in mind, and any suspicion will be investigated and dealt with in accordance with the procedure described in below.

Investigation of Suspected Irregularity

Once an irregularity is suspected, reported or disclosed, whether it relates to fraud, a whistleblowing disclosure or an ethical issue, it is critical that any investigation is conducted in a professional manner, in accordance with the following procedures.

The COFO should be informed of a suspected irregularity without delay. At this point, the full circumstances of the case will be considered to determine the best course of action, which may include one or more of the following:

The matter can be referred to an individual, an Investigating Officer, appointed by ELT who has the appropriate expertise and seniority to decide whether there is a prima facie case to answer. In cases of fraud, this will normally be the COFO. The COFO, with ELT and potentially the Headteacher, will decide whether an investigation should be conducted and if so, the remit of the investigation, who should undertake the investigation, what form it should take and the scope of the concluding report. Internal investigations will be conducted in a manner which ensures that those involved in the investigation will be different from those who may be required subsequently to conduct any disciplinary proceedings.

Some special investigations may require the use of technical or specialist expertise in which case an external specialist e.g. external auditor may be engaged to take on the role of Investigating Officer or to contribute to the investigation.

The report of the investigation may conclude that there is no case to answer, that disciplinary procedures should be applied or that there should be some other special investigation, either internal or external. If it is decided that more than one of these means is appropriate, the COFO and ELT/Headteacher should satisfy themselves that such a course of action is warranted.

The Chief Executive Officer will inform the Chair of the Board of Trustees and the Chair of the Audit & Risk Committee that an investigation is taking place.

At an appropriate point in time, the COFO will, subject to the potential materiality of the irregularity and/or financial loss, consider informing:

- The Trust Insurers
- The Trust External Auditors

If it is not appropriate to disclose information to the Headteacher, concerns will be raised directly with the Chair of the Audit & Risk Committee

Should any officer responsible for this procedure be implicated in any way or have or be perceived to have any potential conflict of interest in an allegation of fraud, he or she will not take part in any part of the process.

Any investigation will be carried out with due regard to the statutory rights of all individuals involved in the case. The Trust will take all reasonable measures to ensure that an investigation is concluded as quickly as possible. If information was disclosed or reported by an individual(s) initially they will be kept informed of what action, if any, is to be taken.

If no action is to be taken the individual concerned will be informed of the reason for this.

If the decision is reached that there is a clear case to answer, the person or persons implicated will be informed of this, shown the supporting evidence and be offered an opportunity to respond as part of the investigation.

Prevention of Further Loss

Where the case is sufficiently serious, an individual who is accused of fraud may be suspended, with or without pay, while an investigation is under way, in accordance with the Trust's disciplinary procedures. It should be noted that suspension is a neutral act intended to facilitate enquiries and does not imply any presumption of guilt.

If the individual under suspicion is to be suspended, it may be necessary to plan the timing of suspension to prevent the suspect from destroying or removing evidence that may be needed to support disciplinary or criminal action. The suspect should be approached unannounced, and they should be supervised at all times before leaving the premises. They should be required to reveal relevant computer passwords and should be allowed to collect personal property under supervision but should not be able to remove any property belonging to the Trust/Academy. Any security passes and keys to premises, offices and furniture should be returned.

The terms of suspension should also bar staff from contacting colleagues about any work-related matter. If the terms of suspension are breached then this should be grounds for disciplinary action in its own right.

The IT Manager should be instructed to immediately withdraw access permissions to the Trust's IT systems.

The Investigating Officer shall consider whether it is necessary to investigate systems other than that which has given rise to suspicion, through which the suspect may have had opportunities to misappropriate the Academy's assets.

Establishing and securing evidence

Trust management or the Investigating Officer will:

- Maintain familiarity with the Academy's disciplinary procedures, to ensure that evidence requirements will be met during any fraud investigation;
- Ensure that staff involved in fraud investigations are familiar with and follow rules on the admissibility of documentary and other evidence in criminal proceedings;
- Establish whether there is a need for audit staff to be trained in the evidence rules for interviews under the Police and Criminal Evidence Act (1984);
- Establish and maintain contact with the police, where appropriate. The decision will be reported to the Chair of Trustees and the Audit & Risk Committee.

Notifying the ESFA

The ATH includes a requirement that the board of trustees **must** notify the ESFA, as soon as possible, of all instances of fraud, theft or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year. Unusual or systematic fraud, regardless of value, **must** also be reported. The following information is required:

- full details of the event(s) with dates
- the financial value of the loss
- measures taken to prevent recurrence
- whether it was referred to the police (and if not why)
- whether insurance or the RPA have offset any loss.

The ESFA may conduct or commission investigations into actual or potential fraud, theft or irregularity in any academy trust, either because of a notification from the trust itself or from other information received. The ESFA may involve other authorities, including the police.

The COFO will ensure any instances of fraud or theft committed against the Trust which meet the Threshold set in the Academy Trust Handbook are reported in without undue delay.

Recovery of losses


The Investigating Officer shall where possible quantify the amount of any loss. ELT will determine whether to, and how to go about, seeking the repayment of any losses.

If the loss is substantial, legal advice will be obtained without delay about the need to freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice will also be obtained about prospects for recovering losses through the civil court, or deducting losses from any salary payments outstanding, where the perpetrator refuses repayment. The Academy would normally expect to recover costs in addition to losses.

Cybercrime

Academy trusts must also be aware of the risk of cybercrime, put in place proportionate controls and take appropriate action where a cyber security incident has occurred. Trusts should take appropriate action to meet DfE's cyber security standards, which were developed to help them improve their resilience against cyber-attacks.

Trusts must obtain permission from ESFA to pay any cyber ransom demands. The ESFA supports the National Crime Agency's recommendation not to encourage, endorse, or condone the payment of ransom demands. Payment of ransoms has no guarantee of restoring access or services and is likely to result in repeat incidents.

Document Detail			
Document Name:		Anti-Fraud, Bribery & Corruption	
Version:		1	
Chief Officer Signature:		 Pam Knox - COFO	
Effective From:		March 2025	
Approved by:		Trust Board	
Approval Meeting Reference:		18/03/2025	
Next Review Date:		27/02/26	
Version Control			
Version	Date	Author	Change/Reference
1	27/02/2025	Pam Knox	New Policy