



# **Anti-Fraud, Bribery and Corruption Policy**

**2021-2024**

## **1. Introduction and Purpose**

- 1.1.** Academy Trusts are required by the Education, Skills and Funding Agency (ESFA) to be aware of the risk of fraud, including theft and irregularity, and to address this risk by putting in place proportionate controls. Academies must take action where fraud, theft or misappropriation is suspected or identified.
- 1.2.** For the purposes of this Policy, and to clarify, fraud includes all irregularities that may be described as theft, deception, corruption, or impropriety. The prevention of fraud and the protection of the Trust, its schools, its staff, students and assets, is the responsibility of every employee of The Denbigh Alliance and each and every school within it.
- 1.3.** For the purposes of this Policy, bribery is offering, promising or giving someone a financial or other advantage to induce or reward that person to perform their functions or activities improperly as per the Bribery Act 2010. It is also an offence to request, receive or accept a bribe. The Bribery Act 2010 also introduces a corporate offence of failing to prevent bribery, which requires adequate procedures to be in place and appropriately supported from the very top of the organisation.
- 1.4.** The Denbigh Alliance Multi Academy Trust is committed to discharging its responsibility to safeguard public money by making informed decisions on expenditure and applying the highest standards of integrity throughout the organisation.
- 1.5.** The Denbigh Alliance recognises that bribery and corruption are punishable by up to ten years of imprisonment and a fine. If our company is discovered to have taken part in corrupt activities, we may be subjected to an unlimited fine, be excluded from tendering for public contracts, and face serious damage to our reputation. It is with this in mind that we commit to preventing bribery and corruption in our business and take our legal responsibilities seriously.
- 1.6.** The Board of Trustees aims to prevent and eliminate fraud by putting in place procedures and policies to manage, minimise and mitigate significant fraud or corruption.
- 1.7.** The Denbigh Alliance Trust adopts a zero-tolerance strategy for dealing with any fraudulent activity that occurs.

*Appendix 1 provides a list of questions that are helpful to consider in reviewing the risk of fraud, and whether procedures, with robust processes, are in place and regularly reviewed and updated, in order to reduce and mitigate the risk of fraud.*

## **2. Conduct**

- 2.1.** The Board of Trustees demands that all staff, students, trustees and governors demonstrate and conform to the highest standards of honesty, probity, openness and integrity in the discharge of their functions.
- 2.2.** All employees, trustees, governors, and visitors to any School within The Denbigh Alliance is expected to comply with the appropriate legislation, codes of conduct, Trust policies, conditions of service, standards of appropriate professional bodies and any other standards, guidelines or instructions relevant to the particular service or activity.
- 2.3.** The Denbigh Alliance Anti-Fraud, Bribery and Corruption Policy will sit alongside the Trust's Confidential Reporting Whistleblowing Policy and the Trust's Finance Manual/Policy.
- 2.4.** Employees must not accept cash or personal gifts with a significant monetary value under any circumstances, although items of nominal value (approximately £25 or below) or free promotional pens, calendars, diaries or similar items of a trivial or seasonal nature may be accepted. As good practice, gifts given and received should always be disclosed to the Finance Director. Gifts from suppliers should always be disclosed.

## **3. Who is covered by the policy?**

- 3.1** This policy applies to all employees (whether temporary, fixed-term, or permanent), consultants, contractors, trainees, seconded staff, home workers, casual workers, agency staff, volunteers, interns, agents, sponsors, or any other person or persons

associated with us (including third parties), or any of our subsidiaries or their employees, no matter where they are located. The policy also applies to Officers, Trustees, Board, and/or Committee members at any level.

- 3.2 In the context of this policy, third-party refers to any individual or organisation The Denbigh Alliance meets and works with. It refers to actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies – this includes their advisors, representatives and officials, politicians, and public parties.
- 3.3 Any arrangements The Denbigh Alliance makes with a third party is subject to clear contractual terms, including specific provisions that require the third party to comply with this policy.

## 4. Employee Responsibilities

- 4.1 As an employee of The Denbigh Alliance, you must ensure that you read, understand, and comply with the information contained within this policy, and with any training or other anti-bribery, anti-fraud and corruption information you are given.
- 4.2 All employees and those under our control are equally responsible for the prevention, detection, and reporting of fraud, bribery and other forms of corruption. They are required to avoid any activities that could lead to, or imply, a breach of this policy.
- 4.3 If you have reason to believe or suspect that an instance of bribery or corruption has occurred or will occur in the future that breaches this policy, you must notify the Finance Director.
- 4.4 If any employee breaches this policy, they will face disciplinary action and could face dismissal for gross misconduct. The Denbigh Alliance has the right to terminate a contractual relationship with an employee if they breach this policy.

## 5. What happens if I need to raise a concern?

### 5.1 This section of the policy covers 3 areas:

- a. How to raise a concern.
- b. What to do if you are a victim of bribery or corruption.
- c. Protection.

### 5.2 How to raise a concern

If you suspect that there is an instance of fraud, bribery or corrupt activities occurring in relation to The Denbigh Alliance, you are encouraged to raise your concerns at as early a stage as possible. If you're uncertain about whether a certain action or behaviour can be considered bribery or corruption, you should speak to your line manager, the Finance Director, or the Head of HR.

### 5.3 Training

Training will be provided that will familiarise all employees with the organisation's whistleblowing procedures so employees can vocalise their concerns swiftly and confidentially.

### 5.4 What to do if you are a victim of bribery or corruption

You must tell the Finance Director as soon as possible if you are offered a bribe by anyone, if you are asked to make one, if you suspect that you may be bribed or asked to make a bribe in the near future, or if you have reason to believe that you are a victim of another corrupt activity.

### 5.5 Protection

If you refuse to accept or offer a bribe or you report a concern relating to potential act(s) of bribery or corruption, The Denbigh Alliance understands that you may feel worried about potential repercussions. The Denbigh Alliance will support anyone who raises concerns in good faith under this policy, even if investigation finds that they were mistaken.

- 5.6 The Denbigh Alliance will ensure that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption.
- 5.7 Detrimental treatment refers to dismissal, disciplinary action, threats, or unfavourable treatment in relation to the concern the individual raised.
- 5.8 If you have reason to believe you've been subjected to unjust treatment as a result of a concern or refusal to accept a bribe, you should inform your line manager or the Finance Director immediately.

## **6. Procedures to prevent and detect fraud**

- 6.1. The Denbigh Alliance has in place the following framework and controls in place:
  - 6.1.1. An effective system of internal financial and management controls detailed in The Denbigh Alliance's Finance Manual. The Finance Manual prescribes procedures, processes and controls that include the segregation of authorisation and duties, in particular with regard to the procurement of goods and services, and in regard to payment to suppliers/creditors, for the supply of goods, services, and contracts.
  - 6.1.2. The Finance Manual is reviewed and updated annually for review by the Audit and Risk Committee and approval by the Board of Trustees.
  - 6.1.3. An Audit and Risk Committee exists that reports to the Board of Trustees, (see Terms of Reference for the Audit and Risk Committee in the Trust's Terms of Reference) to provide advice and recommendations in respect of the control and mitigation of the risk of fraud and conducts a cyclical Responsible Officer/Internal Audit programme of reviews to test and report on the adequacy of effectiveness of the systems and controls in place.
  - 6.1.4. An annual financial statutory audit conducted by an approved firm of chartered accountants.
  - 6.1.5. An Internal Audit is carried out a minimum of three times per year by an approved firm of chartered accountants (noting this firm will not be the same as those who conduct the external annual statutory audit).
  - 6.1.6. Transparency of financial records and transactions are made available for inspection by the Trustees at any time.
  - 6.1.7. A Risk Management Policy and Risk Register is in place, that is regularly reviewed by the Trust's Audit and Risk Committee and authorised by the Board of Trustees.
  - 6.1.8. Budget holders adhere to the financial regulations as prescribed in the Finance Manual and must, at all times, receive the appropriate authorisations prior to committing to any expenditure.
  - 6.1.9. Employees are encouraged to report suspicions or concerns as prescribed in the section relating to the reporting and dealing with such matters.

## **7. Reporting and dealing with matters in response to suspected fraud and/or corruptive practices**

- 7.1. All employees are expected and positively encouraged to raise any concerns relating to suspected fraud and/or corruption that they become aware of. These concerns may be raised in a number of ways including with their direct line manager, or through any member of the Senior Leadership Team.
- 7.2. If it considered more appropriate (for example, if a member of the Senior Leadership Team, other than the Headteacher is possibly involved), the concerns should be reported directly to the CEO, or the Chair of the Audit and Risk Committee. If the concern is with the Headteacher of any school of the Trust or the CEO or CFO, the matter should be reported directly to the Chair of the Board of Trustees, the Chair of the Audit and Risk Committee, or in his or hers absence, the Vice-Chair of the Board of Trustees.

- 7.3.** All investigations at every stage, must be kept confidential to reach an initial view as to whether further action is required.
- 7.4.** The reporting, findings, conclusions, and any recommendations arising from the preliminary investigation must be reported in writing to the Chair of the Board of Trustees, the Chair of the Audit and Risk Committee and the CEO.
- 7.5.** Once initial enquiries are considered, and if it is deemed necessary to conduct further enquiries, it will be necessary to validate the findings and conduct a full investigation. If a full investigation is considered necessary, this will be undertaken by the appointment and implementation of an investigative subcommittee.
- 7.6.** The investigative sub-committee will be appointed, where appropriate, and will consist of the Chair of the Board of Trustees and the Chair of the Audit and Risk Committee plus one other Trustee.
- 7.7.** Once appointed the investigative sub-committee must deal with the matter in the strictest confidence and with expediency, and will:
  - 7.7.1.** Determine whether the findings and data or information captured warrant further investigation.
  - 7.7.2.** If further investigations are warranted, determine which, if any outside agencies should be involved or advice taken from (i.e. Police, auditors, ESFA).
  - 7.7.3.** The Board of Trustees must notify ESFA as soon as possible of any instances of fraud, theft and/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 by the ESFA:
    - 7.7.3.1.** Full details of the event(s) with dates
    - 7.7.3.2.** The financial value of the loss
    - 7.7.3.3.** Measures taken to prevent recurrence
    - 7.7.3.4.** Whether it was referred to the Police (and if not why)
    - 7.7.3.5.** Whether insurance or the RPA have offset any loss
  - 7.7.4.** Assess and quantify any risk that has occurred.
  - 7.7.5.** Consider the findings thoroughly and rigorously, and as soon as is practicable and timely, in order to determine the management of any response.
  - 7.7.6.** Determine what course of action should be taken if it necessary for any wrongful conduct by an individual or individuals and decide whether to implement Disciplinary Procedures.
  - 7.7.7.** Determine any course of action to recover losses, i.e. insurance or direct recovery from the wrongdoers.
  - 7.7.8.** Evaluate the events that enabled the fraud to occur.
  - 7.7.9.** Ensure preventative action, revised procedures and processes as an example, are implemented to prevent future incidents.

## Appendix 1 - Anti-fraud checklist/questions

The 10 questions below are intended to help trustees, accounting officers and chief financial officers to review their arrangements for preventing, detecting and dealing with fraud should it occur.

Checklist Item	Our response
Are the trustees, the accounting officer and chief financial officer aware of the risk of fraud and of their responsibilities regarding fraud?	
Is fraud included within the remit of the trust's audit committee?	
Has the role of the trust's external auditor and responsible officer/internal auditor (or equivalent) regarding fraud been established and is it understood?	
Is fraud risk considered within the trust's risk management process?	
Does the trust have a fraud strategy or policy and a 'zero tolerance' culture to fraud?	
Is the fraud strategy or policy and 'zero tolerance' culture promoted within the trust? For example, through financial regulations, disciplinary procedures, checks on new staff, induction process, staff training, vetting of contractors?	
Does the trust have policies on whistleblowing, declarations of interest and receipt of gifts and hospitality?	
Does the trust have appropriate segregation of duties around financial transactions, including, but not limited to, accounting, processing and banking arrangements	
Is it clear to whom suspicions of fraud in the AT should be reported?	
If there has been any fraud in the trust, has a 'lessons learned' exercise been undertaken?	