

**ANTI-FRAUD, CORRUPTION AND GIFTS & HOSPITALITY
POLICY**

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ANTI-FRAUD, CORRUPTION AND GIFTS & HOSPITALITY POLICY

This document defines the expected conduct of all staff engaged within the Hamwic Trust (the Trust), whether in paid or voluntary employment, in relation to deterring and/or detecting fraud & corruption and the acceptance of gifts & hospitality, including lines of reporting.

For the purpose of this document, the definition of staff includes all staff working for the Trust as well as staff within academies operating under Multi-Academy Trusts within the Trust.

Introduction:

The Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. All staff involved with the Trust have a responsibility in respect of preventing and detecting fraud. The Trust also recognises the role of others in alerting them to areas where there is a suspicion of fraud.

Recognising a potential fraud and being able to report it as just as important as the measures to prevent and detect fraud.

It is the duty of all staff to take reasonable steps to limit the possibility of corrupt practices and it is the responsibility of auditors to review the adequacy of the measures taken by the Trust to test compliance and to draw attention to any weaknesses or omissions.

Any investigation carried out in relation to alleged irregularities is linked to the Trust's Disciplinary & Dismissals procedure.

Definitions:

'Fraud' is a general term covering theft, deliberate misuse/misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these "others" are in ignorance of the fraud. Fraud is intentional deceit and for this reason it cannot include negligence.

Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts.

'Corruption' is defined as the offering, giving, soliciting or acceptance of an inducement/reward which may influence the actions taken by the Trust or its staff.

Categories of Fraud or Corruption:

The following broad categories cover the main areas covered by this document:

- **Theft** – the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession;
- **Fraud** – the intentional distortion of financial statements or other records, by persons internal & external to the Trust, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- **Bribery & Corruption** – involves the offering or the acceptance of a reward, for performing an act, or for failing to act, which leads to gain for the person offering the inducement;
- **Failure to observe** – involves breaches to schemes of delegation, financial regulations or Trust procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

Examples of what could constitute fraud & corruption are:

- Theft of cash;
- Non-receipt of income;
- Substitution of personal cheques for cash;
- Travelling & subsistence claims for non-existent journeys/events;
- Inflating travelling & subsistence claims;
- Manipulation of documents relating to salaries, including overtime claims;
- Payment of invoices for goods received by an individual rather than the Trust
- Failure to observe, or breaches of, regulations and/or other legislation laid down by the Trust;
- Unauthorised borrowing of equipment;
- Breaches of confidentiality regarding information;
- Failure to declare a direct pecuniary (or otherwise conflicting) interest;
- Concealing a generous gift or reward;
- Unfairly influencing the award of a contract;
- Creation of false documents;
- Deception;
- Using positions for personal rewards.

The above list is not exhaustive; fraud & corruption can take many different paths. If in any doubt about whether a matter is irregular or not, clarification must be sought from the Head of Finance.

Policy Statement:

The Trust aims to be an honest and ethical institution. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts its business. This document sets out the Trusts policy & procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the Trust's objectives are;

- To create a culture which deters fraudulent activities, encourages its prevention and promotes its detection & reporting and;
- To identify & document its response to cases of fraud and corrupt practices.

The scope of this procedure extends to all Trust staff members, permanent, voluntary and fixed term.

Time limits specified in this document may be extended by mutual agreement.

If requested, staff members may be accompanied by a recognised trade union representative or work colleague, not involved in any part of the investigation process, at any interviews.

Gifts & Hospitality:

The below guidelines will assist staff to judge what sort of gift, and what level of hospitality is acceptable.

The following general rules apply and must guide decisions on receipt of gifts & hospitality;

- Accepting gifts should be the exception. Staff may accept small 'thank you' gifts of token value amounting to no more than £30. Staff should notify their academies Business Manager or equivalent of any gift or hospitality over this value for entry in the Register of Business Interests.
- Staff should always say no if they think that the giver has an ulterior motive. Staff need to be sensitive to the possibility that the giver may think that even small gifts or simple hospitality will elicit a more prompt service or preferential treatment.
- Staff should never accept a gift of hospitality from anyone who is, or may be in the foreseeable future, tendering for any contract with the Trust, seeking employment with the Trust or is in dispute with the Trust, even if they are not directly involved in that service area or academy.
- Where items purchased for the Trust include a free gift, such gifts should be used for Trust business.
- If there is any doubt about the acceptability of any gift or offer of hospitality it is the responsibility of staff to consult with the academy's Business Manager or equivalent.

The following general rules apply and must guide decisions on receipt of the offer of hospitality;

- Occasional working lunches with customers, suppliers or partners are generally acceptable as a way of doing business, provided they are not at an unreasonable level of cost.
- Invitations to corporate hospitality events must each be judged on their merit, subject to the above rule. Consideration should be given to the number of these events attended with consideration taken as to what public perception may be.
- Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited staff member. In all such cases the Head Teacher must be consulted.
- Paid holidays or concessionary travel rates are not to be accepted. Neither are offers of hotel accommodation or the use of company apartments.
- If visiting a company to view equipment that the Trust is considering purchasing, staff should ensure that expenses for the trip are paid for by the Trust. Acceptance of refreshments and/or a working lunch may be acceptable, but care must be taken to ensure that the Trust's purchasing and/or tendering procedures are not compromised.
- Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to work are acceptable.
- Offers to speak at corporate dinners and networking events, or events organised by a third party, where there is a genuine need to impart information or represent the Trust must be agreed in advance with the Head of Finance. Where a spouse or partner of a staff member is included in the invitation, and approval has been granted, it will be acceptable for that person to attend, but if expenses are incurred, these must be met personally and not incurred by the Trust.
- Any invitation accepted should be made in the professional capacity of the staff member, as a representative of the Trust.

Roles & Responsibilities:

Staff & Directors/Governors

- All staff are to be made aware of the Trust Code of Conduct for Employees;
- All staff and directors/governors must declare prejudicial interests and not contribute to business related to that interest;
- All staff and directors/governors must disclose personal interests;
- All staff and directors/governors are to be made aware of the expectations on the acceptance of gifts & hospitality;
- Clear recruitment policies and procedures are to be implemented.
- All staff and directors/governors have a duty to report another member of staff or director/governor whose conduct is reasonably believed to represent a failure to comply with the above.

Internal Audit

The Internal Audit function of the Trust has the specific responsibility of overseeing the financial arrangements on behalf of the Directors of the Trust.

The main duties of the Internal Audit function are to provide the Board of Directors with on-going assurance that:

- The financial responsibilities of the Board of Directors are being properly discharged;
- That resources are being managed in an efficient, economical and effective manner;
- Sound systems of financial control are being maintained;
- Financial considerations are fully taken into account in reaching decisions.

External Audit

The Trust's Annual Report and Financial Statement include an Independent Auditor's report. This report includes a view as to whether the financial statements give a true & fair view and whether proper accounting records have been kept by the Trust throughout the year. In addition, it reports on compliance with the accounting requirements of the Companies Act and confirms compliance with the financial reporting & annual accounting requirements issued by the Department for Education.

Head of Finance

The Head of Finance has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of the Trust.

In respect of fraud it is the responsibility of the Head of Finance to ensure internal controls prevent & detect any frauds promptly. This includes:

- Proper procedures and financial systems;
- Effective management of financial records;
- Management of the Trust's financial position.

Reporting a Suspected Fraud:

All allegations of suspected fraud or irregularity are to be brought to the attention of the Head of Finance and also referred to the academy's Head Teacher, unless this individual is involved in the irregularity, in which case the Deputy CEO should be informed.

Please refer to the Trust's Whistleblowing Policy for further guidance.

Response to Allegations:

The Head of Finance will ascertain whether or not the suspicions aroused have substance. They will, if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required. The findings, conclusions and any recommendations arising from this preliminary investigation will be reported to the CEO. If the Head of Finance is implicated or suspected of financial irregularities the initial investigation will be carried out by the Deputy CEO.

The CEO will have initial responsibility for co-ordinating the Trust's response. In doing this, they will consult with HR advisors regarding potential employment issues. The CEO will also seek legal advice from the Trust's solicitors on both employment and litigation issues before taking any further action.

The CEO is required to notify the Board of Directors of any serious financial irregularities. This action will be taken at the first opportunity following the completion of the initial investigation(s) and will involve keeping the Chair of the Board of Directors fully informed between Board meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

If evidence of fraud is forthcoming then the Board of Directors will inform the Department of Education as required by the Trust's Funding Agreement and will consider whether or not to refer the matter to the police.

Confidentiality and Safeguards:

The Trust recognises that the decision to report a concern can be a difficult one to make. The Trust will not tolerate harassment or victimisation and will do what it lawfully can to protect an individual when a concern is raised in good faith.

This does not mean that if the person raising the concern is already the subject of a disciplinary, redundancy or other procedure, that those procedures will be halted as a result of the concern being reported.