



Date of approval by Trust Board	11 October 2023
Review cycle	3 years or when legislation or guidance dictates

ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY

1. Fraud Policy Statement

Alternative Learning Trust (the Trust) has a duty to its stakeholders to take all responsible steps to prevent fraud occurring, whether perpetrated by Members, Trustees, Governors, and all employees (full-time, part-time, temporary and casual), students, contractors or any member of the public.

The Trust will maintain robust control mechanisms to prevent and detect fraud. All managers have a responsibility for maintaining agreed, documented control systems and must be seen to be setting an example by complying fully with procedures and controls. The effectiveness of controls is subject to cyclical review by the internal audit system.

All members of staff have a responsibility to protect the assets and reputation of the Trust and are expected to be alert to the potential for fraud.

Confidential mechanisms have been established to report concerns.

2. Introduction

Alternative Learning Trust is determined to demonstrate that it will not tolerate fraud, corruption or abuse of position for personal gain, wherever it may be found, in any area of the Trust's activities.

The Trust considers that all instances of fraud, corruption and other dishonesty endanger the achievement of the Trust's policies and objectives, diverting its limited resources from the provision of education. There is a clear recognition that the abuse of the Trust's resources, assets and services undermines the Trust's reputation and threatens its sound financial standing.

The purpose of this policy is to set out the Trust's main objectives for countering fraud and corruption.

For the purposes of this document the terms school and academy refer to any school/academy which is part of Alternative Learning Trust.

This policy:

- Defines fraud, corruption and bribery.
- Identifies the scope of the applicability of the policy.
- Sets out the Trust's intended culture and stance against fraud, corruption and bribery.
- Identifies how to raise concerns and to report malpractice.

3. Definitions

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 applies, fraud is always deceitful, immoral, and intentional and creates an unfair gain for one party and/or 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 school or Trust'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 cause the school or Trust to pay for them.

Corruption

Corruption will normally involved the above with some bribe, threat or reward being involved.

Bribery

There are four key offences under the Bribery Act 2010:

- 3.1 Bribery of another person.
- 3.2 Accepting a bribe.
- 3.3 Bribing a foreign official.
- 3.4 Failing to prevent bribery.

Bribery is not tolerated. It is unacceptable to:

- a) Give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given.
- b) Give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to 'facilitate' or expedite a routine procedure.
- c) Accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them.
- d) Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return.
- e) Retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.

Facilitation Payments

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

4. Scope of Policy

The Policy Statement applies to all Members, Trustees, Governors, and all employees (full-time, part-time, temporary and casual).

The Trust expects that individuals and organisations (e.g. partners, suppliers, contractors, and service providers) with which it deals will act with integrity and without thought or actions involving fraud and corruption. Where relevant, the Trust 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.

The Trust recognises the importance of the Seven Principles of Public Life defined by the Nolan Committee 1995 and expects its Members, Trustees, Governors, employees and those acting as its agents to conduct themselves according to them. The Seven Principles of Public Life are recommended reading for all:

Selflessness – Holders of public office should act solely in terms of the public interest.

Integrity – Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity – Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability – Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness – Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty – Holders of public office should be truthful.

Leadership – Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Through observance of these principles, the Trust requires that all Members, Trustees, Governors, employees and its agents to be alert to the possibility of fraud, corruption and dishonesty in all their dealings. The Trust also requires that those employees responsible for its systems and procedures should design and operate systems and procedures which endeavour to minimise losses due to fraud, corruption, and other dishonest action and abuse.

5. Culture and Stance against Fraud and Corruption

The Trust 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 its Members, Trustees, 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 Trust 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 Audit, Risk and Finance Committee is responsible for oversight of internal controls, financial regularity and rigorous risk assessment.

6. Reporting Concerns

All actual or suspected incidents of fraud, corruption or bribery in a school should be reported immediately to the Executive Principal/CEO/Accounting Officer (Emma Bradshaw) who will, in turn, report the matter immediately to the Chief Finance Officer (CFO) for the Trust (Christopher Cann). If the Executive Principal/CEO/Accounting Officer is not available on the day the incident is reported or, if there are concerns about reporting to the Executive Principal/CEO/Accounting Officer, the incident should be reported immediately to the CFO for the Trust.

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. These should be signed by the reporting employee to confirm understanding. It is essential that staff are put at ease, 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 be dealt with in the strictest confidence and that anonymity will be preserved if requested in the first instance; however, anonymity may not be able to be preserved if it is incompatible with a full and fair investigation.

The Trust's Finance Manual section 23 applies.

When fraud is identified the Executive Principal/CEO/Accounting Officer and CFO will be responsible for the initial enquiries of fraud, theft or irregularity – they will then pass on their findings to the Trust Board for further inspection to:

- Determine whether further investigation is warranted.
- Determine the initial response to the alleged perpetrator when this is a member of staff.
- Determine who will carry out the investigation.
- Determine which outside agencies will be involved.
- Assess the risk of the fraud and the perpetrator to the academy.
- Determine to whom day-to-day management of the response will be given.
- Allocate responsibility for damage limitation.
- Determine the course of action to recover losses.
- Determine the course of action to be taken against the perpetrator.
- Evaluate the events which enabled the fraud to occur.
- Ensure preventative action is taken to prevent recurrence.
- Report any excessive fraud (over £5,000) to ESFA.

Even if there is no evidence to support the allegation, the Executive Principal/CEO/Accounting Officer must report the matter to the Chair of the Audit, Risk and Finance Committee and the Chair of the Trust Board.

Staff adhering to procedures, and who are not inhibited to challenge matters which do not appear to be correct, provide the best protection against fraud and corruption. It is essential, therefore, that this policy is fully communicated to staff. The policy must be published to staff. Regular staff notices regarding financial procedures must be communicated to staff.

This policy should be read in conjunction with Alternative Learning Trust's Whistleblowing Policy.

All concerns by whistleblowers are responded to properly and fairly in line with the Whistleblowing Policy which is available on the Trust's website or by contacting the Trust's Governance Manager pedwards@alternativelearningtrust.org

7. Links with other Trust Policies

This policy is linked to:

- Staff Code of Conduct.
- Staff Disciplinary Procedures.
- Gifts and Hospitality Policy.
- Whistleblowing Policy.
- Alternative Learning Trust's Finance Manual.

Persons responsible for updating this policy:

**Executive Principal/CEO/Accounting Officer
Chief Finance Officer**

APPENDIX A

Education & Skills Funding Agency (ESFA) anti-fraud checklist for academy trusts.

ESFA has 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 academy trusts is low, trusts must be aware of the potential for it to occur. The 10 questions included in the checklist are intended to help Members, Trustees, Governors, Accounting Officers and finance leads to 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 Trust and schools' risk registers which are reviewed termly at Audit, Risk and Finance Committee meetings and at least annually by the Trust Board.
- Through the schedule of internal audit (internal scrutiny).
- Through the annually updated Trust Finance Manual.
- Through the annually updated delegated levels of authority and the overall compliance with ESFA's Academy Trust Handbook.
- Driven by the staff in the Trust's central team through their own independent checks and training update sessions.

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

1. Are Trustees 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 Audit, Risk and Finance Committee?
3. Has the role of the external auditor and responsible officer or equivalent regarding fraud been established and is 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 process, 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?

