



# Anti-Fraud Policy

Richard Huish Trust



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<b>Policy owner</b>	Chief Finance Officer
<b>Approving board/committee</b>	RHT Board
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## Summary

This policy and procedure defines the expected conduct of all staff engaged by the Trust, whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and who to report it to.

There are separate policies covering Gifts and Hospitality for Trust Staff and RHT Trustees/Local Governing Body (LGB) Governors/ Members. This policy re-affirms what the Trust deems to constitute acceptable and unacceptable practice and how any such matters are to be declared.

## 1. Introduction

1.1 The Richard Huish Trust (the Trust) was established by Richard Huish College to provide governance and oversight to those academies that are part of the Trust. These include:

- i. The Taunton Academy
- ii. West Buckland Primary
- iii. North Curry CofE Primary
- iv. Nerrols Primary and Nursery
- v. North Town Primary
- vi. Nerrols Primary School and Nursery
- vii. Richard Huish College

This Policy applies to each of the Academies listed above.

1.2 Richard Huish Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Trust or any of its member organisations has a responsibility in respect of preventing and detecting fraud. All staff and governors have a role to play. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.

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

1.4 It is the duty of all employees, Trustees, Governors and Members of Richard Huish Trust to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Chief Accounting Officer and Auditors to review the adequacy of the measures taken by the Trust to test compliance and to draw attention to any weaknesses or omissions.

1.4 Any investigation carried out in relation to alleged irregularities is linked to the Trust's Disciplinary & Dismissals procedure and Code of Conduct for Trustees, Members and LGB Governors.

## 2. Definitions

2.1 Fraud

Fraud is a general term covering theft, deliberate misuse or 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 in fact 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.

2.2 Gifts and Hospitality

Any gifts, rewards and benefits that are disproportionately generous or that could be seen as an inducement to affect a business decision should be declared.

The acceptance of gifts and hospitality is a sensitive area where actions can easily be misconstrued. Therefore, employees' actions should be such that they would not be embarrassed to explain them to anyone.

2.3 Irregularities fall within the following broad categories, the first three of which are criminal offences –

- **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 and external to the Trust, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- **Bribery and corruption (see separate Anti-Bribery and Corruption Policy)** involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement;
- **Failure to observe**, or breaches of, Scheme of Delegation and Financial Regulations; Trust procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

2.4 Examples of what could constitute fraud are -

- theft of cash;
- non-receipt of income;
- substitution of personal cheques for cash;
- travelling and subsistence claims for non-existent journeys/events;
- travelling and subsistence claims inflated;
- manipulating documentation to increase salaries/wages received, e.g. false overtime claims;
- payment of invoices for goods received by an individual rather than the individual Academy or School;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Trust;
- breaches of confidentiality regarding information;
- creation of false documents;
- deception;
- using position for personal reward.

The above list is not exhaustive, fraud can take many different paths. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the Chief Finance Officer of the Richard Huish Trust or the Academy/School Business Manager/Secretary.

2.5 Similarly, if there is concern or doubt about any aspect of a matter which involves an irregularity, or an ongoing investigation into a suspected irregularity, the best approach is to seek advice from the Head Teacher. If the Headteacher/Principal is suspected of the fraud staff are advised to contact the Chair of the Local Governing Body.

### 3. Policy Statement:

3.1 This policy and procedure defines our stance on Fraud and offers guidance for all Trust staff.

3.2 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 Trust business. This document sets out the Trust's policy and procedures for dealing with the risk of significant fraud. In order to minimise the risk and impact of fraud, our objectives are, firstly, to create a culture which deters fraudulent activity, encourages its prevention and promotes its detection and reporting and, secondly, to identify and document its response to cases of fraud and corrupt practices.

- 3.3 This policy, in line with the common values of integrity, consistency, impartiality, fairness and best practice, provides both staff and management with mutually understood guidelines for the administration of this procedure.
- 3.4 The scope of this procedure extends to all Trust employees, permanent, voluntary and fixed term.
- 3.5 Time limits specified in this document may be extended by mutual agreement.
- 3.6 If requested, employees may be accompanied by a recognised trade union representative or work colleague, not involved in any part of the process, at any interviews.

#### **4. Gifts & Hospitality:**

- 4.1 Please refer to the separate policy on Gifts and Hospitality.

#### **5. Roles and Responsibilities:**

- 5.1 Staff, Directors, Members and LGB Governors

Richard Huish Trust has adopted the following measures to demonstrate its commitment to the prevention and detection of fraud:

- RHT Audit and Risk Committee meets regularly;
- A requirement for all staff and governors to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for staff and governors to disclose personal interests;
- All staff and governors are made aware of the understanding on the acceptance of gifts and hospitality;
- A Code of Conduct; and
- Clear recruitment policies and procedures.

Staff and governors also have a duty to report another member of staff or governor whose conduct is reasonably believed to represent a failure to comply with the above.

- 5.2 Chief Accounting Officer (CFO)

The CFO has specific responsibility for overseeing the financial arrangements on behalf of the governors.

The main duties of the CFO Officer are to provide the governors with on-going independent assurance that:

- the financial responsibilities of the governors are being properly discharged;
- the resources are being managed in an efficient, economical and effective manner;
- sound systems of financial control are being maintained; and
- financial considerations are fully taken into account in reaching decisions.
- the Trust complies with the Regulatory arrangements in place with the funding body on the use of public funds

- 5.3 The CFO has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources across Richard Huish Trust.

In respect of fraud it is therefore the responsibility of the CFO to ensure internal controls prevent and detect any frauds promptly. This includes:

- proper procedures and financial systems;
- effective management of financial records;
- management of the Trust's financial position, including individual member organisations.

## 5.4 External Audit

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

## 6. Reporting a Suspected Fraud

6.1 All allegations of suspected fraud and irregularities are to be brought to the attention of the Trust CFO and also referred to the Headteacher/Principal, unless this individual is involved in the irregularity in which case the Local Governing Body Chair of Governors should be informed.

Please refer to the Trust Whistleblowing Policy for further guidance.

## 7. Response to Allegations

7.1 The Headteacher/Principal will have initial responsibility for co-ordinating the initial response. In doing this they will consult with the Human Resource Service Provider regarding potential employment issues. The Headteacher, supported by the HR Services manager, will also see legal advice from the Trust's solicitors on both employment and litigation issues before taking any further action.

7.2 The CFO and Headteacher/Principal will ascertain whether or not the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, they will pass the matter on to the Trust Chair of Audit and Risk Committee. Even if there is no evidence to support the allegation, the matter must be reported.

7.3 The Trust HR department will undertake the management of the investigation.

- They will, if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required.
- They will determine whether the findings, conclusions and any recommendations arising from the preliminary investigation should be reported to the Trust Chair of Directors.
- If further investigations are required, they will determine which outside agencies should be involved (police, auditors).

7.4 The CFO is required to notify the Trustees of any serious financial irregularities. This action will be taken at the first opportunity following the completion of the initial investigations and will involve keeping the Chair of Trustees and Chair of the Trust Audit and Risk Committee fully informed between Trustee meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

7.5 If evidence of material fraud is forthcoming the Trustees will inform the Department for Education as required by the Funding Agreement and will consider whether or not to refer the matter to the police.

## 8. Confidentiality and Safeguards

8.1 Richard Huish Trust recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. 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.

8.2 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.

8.3 There is a need to ensure that the process is not misused. For further guidance refer to the Trust Disciplinary, Grievance and Capability policy.

## **9. Related Policies**

9.1 The Trustees of Richard Huish Trust are committed to preventing fraud. To help achieve this objective there is a clear network of systems and procedures in place for the prevention, detection and investigation of fraud. This Anti-Fraud policy attempts to consolidate those in one document and should be read in conjunction with the following Trust policies:

- Whistleblowing Policy
- Financial Regulations and procedures
- Disciplinary procedure
- Gifts and Hospitality Policy for Trust staff
- Anti-Bribery and Corruption Policy
- Code of Conduct for Trustees, Members and LGB Governors