

Anti-Fraud Policy and Procedure

1. Aims and Objectives

The Academy 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 Academy business. This document sets out the Academy's policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the Academy's objectives are: -

- to create systems which prevent and deter fraudulent activity, encourage its prevention and promote its detection and reporting
- to identify and document its response to cases of fraud and corrupt practice.

In order to achieve these objectives, the Academy has taken the following steps:

1. The publication of a formal Code of Conduct statement of expectations on standards of personal conduct, propriety and accountability;
2. The establishment of adequate and effective systems of internal financial and management control (and a clear requirement to comply with them), the Finance and Audit Committee with an ongoing responsibility to review and report on these systems;
3. The development and publication of a formal statement of the procedures to be followed by employees who have a suspicion of, or concern about, possible or actual malpractice within the Academy.

2 Personal Conduct

The Academy aims to promote an organisational culture, which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct. To help ensure that all employees are fully aware of the Academy's expectations regarding standards of personal conduct, appropriate guidance is provided by the following key statements:

- These regulations are binding on all governors, members of staff and constituent parts of the Academy. Refusal to observe them will be grounds for disciplinary action.
- In disbursing and accounting for all funds, the Academy must demonstrate that it is adopting high standards of financial probity. Implicit within this regime is the requirement that governors and employees of the Academy must at all times conduct financial affairs in an ethical manner.
- All members of staff and members of Academy committees are responsible for disclosing any personal, financial or beneficial interest in any transaction with respect to the Academy or related companies.

- Any person who is responsible for placing an order with a supplier (whether a contractor or not) with whom they have a personal interest must disclose this interest to the Finance Administrator.
- Governors or employees of the Academy shall never use their office or employment for personal gain and must at all times act in good faith with regard to the Academy's interests.
- All Budget Holders are expected to adhere to the Financial Regulations at all times and to use their best efforts to prevent misuse or misappropriation of funds and other Academy property.

Taken together, these represent a statement of the framework within which Governors and employees are expected to conduct themselves.

3 Systems of Internal Control

The next line of defence against fraud is the establishment of operational systems which incorporate adequate and effective internal controls designed to minimise the incidence of fraud, limit its impact and ensure its prompt detection. These controls include high level management controls such as budgetary control (designed to identify fraud which results in shortfalls in income or overspendings against expenditure) and organisational controls such as separation of duties, internal checks and staff supervision. Recruitment and selection procedures are also a key part of setting the culture and deterring fraud. This includes seeking to reduce the risk of employing dishonest staff by checking information supplied by employees, references obtained during the course of the recruitment process and DBS checks.

The general framework of responsibilities for financial management and the policies relating to the broad control and management of the Academy are documented in the Finance Manual. The Financial Regulations are issued and updated by the EPM Finance team in conjunction with the Headteacher following approval by the Finance and Audit Committee on behalf of the Governing Body. They are binding on all governors, members of staff and constituent parts of the Academy.

The Academy has established a Finance and Audit Committee to provide advice in respect of control matters and to conduct an annual programme of reviews of the adequacy and effectiveness of the systems which have been put in place (including those intended to minimise the potential exposure to fraud and corruption).

4 Fraud Response (whistle blowing)

The Whistle Blowing Policy sets out the Academy's policy and procedures for ensuring that all allegations and reports of fraud or dishonesty are properly followed-up, are considered in a consistent and fair manner and that prompt and effective action is taken to:

- minimise the risk of any subsequent losses;
- reduce any adverse operational effects;

- improve the likelihood and scale of recoveries;
- demonstrate that the Academy retains control of its affairs in a crisis; and
- make a clear statement to employees and others that it is not a soft target for attempted fraud.

The policy includes a statement of general policy and specific steps to be taken to reduce the following risks:

- inadequate communication so that action is late or inappropriate;
- lack of leadership and control so that investigators are not properly directed and waste time and effort;
- failure to react fast enough so that further losses are incurred or the evidence required for successful recovery or prosecution is lost;
- adverse publicity which could affect confidence in the Academy; and
- creation of an environment which, because it is perceived as being ill-prepared, increases the risk of fraud.

The main elements of the Academy's policy are:-

1. All governors, members of staff, pupils and constituent parts of the Academy are required to immediately notify the Headteacher of any financial irregularity, or any circumstance suggesting the possibility of irregularity, affecting the financial procedures, cash, stores or other property of the Academy.

However, if the Headteacher is suspected of the malpractice, you should contact the Chair of Governors.

2. The Headteacher 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 the preliminary investigation will be reported to the Chair of Governors.
3. The Chair of Governors will have the initial responsibility for co-ordinating the Academy's response. In doing this they may consult with internal audit (The Chair of Finance and Audit Committee), external audit (Accountants) or EPM regarding potential employment issues.
4. The Chair of Governors is required to notify the Members of any serious financial irregularity. This action will be taken at the first opportunity following the completion of the initial investigations and will involve, inter alia, keeping the Members fully informed of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

5. If evidence of a fraud is forthcoming then the Members will inform the ESFA as required by the Funding Agreement and will consider whether or not to refer the matter to the police.
6. Fidelity guarantee - cover. The Academy is insured against loss of money, stock or equipment caused by any act of fraud or dishonesty committed by Members, governors or employees. The insurance provision will be reviewed annually by EPM Finance Services.

Approved: February 2025

Next Review Due: February 2026