



# **SNMAT FRAUD POLICY**

<b>Policy:</b>	SNMAT Fraud Policy
<b>Approved by:</b>	SNMAT Board of Directors
<b>Date:</b>	3 October 2023
<b>Review cycle:</b>	3 yearly

VERSION CONTROL			
VERSION	DATE	AUTHOR	CHANGES
2020	08.12.2020	SKP	Paragraphs 7.3 and 7.4 added to reflect reporting requirement to ESFA set out in the Academies Financial Handbook paras 6.11 and 6.12. Staff, Directors and Governors Expenses Policy added to list of links with other policies.
2023	22/09/2023	SKP	None

## **1 Introduction:**

- 1.1 The Diocese of Southwell and Nottingham Multi Academy Trust (SNMAT) is committed to ensuring that it acts with integrity. Everyone involved with SNMAT has a responsibility in respect of preventing and detecting fraud. All staff, Local Governors and Directors have a role to play. SNMAT also recognises the role of others in alerting them to areas where there is suspicion of fraud. Recognising potential fraud and being able to report it, is just as important as the measures to prevent and detect.
- 1.2 It is the duty of all employees, Local Governors and Directors of SNMAT 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 SNMAT to test compliance and to draw attention to any weaknesses or omissions.
- 1.3 Any investigation carried out in relation to alleged irregularities is linked to SNMAT's Disciplinary Procedure.

## **2 Policy Statement:**

- 2.1 This policy and procedure defines Fraud and offers guidance for all staff employed by SNMAT.
- 2.2 SNMAT 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 SNMAT business. This document sets out SNMAT's policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, SNMAT's 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.
- 2.3 This policy, in line with SNMAT's corporate values of integrity, consistency, impartiality, fairness and best practice, provides both staff and management with mutually understood guidelines for the administration of this procedure.
- 2.4 The scope of this procedure extends to all SNMAT employees, permanent, voluntary and fixed term.
- 2.5 Time limits specified in this document may be extended by mutual agreement.

## **3 Definitions:**

### **3.1 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.

### 3.2 Corruption

The term 'corrupt practices' is defined for the purpose of this policy as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by SNMAT, its staff or Directors.

### 3.3 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. Much of what is acceptable practice in the private sector is not acceptable in public sector employment. Unlike private industry, actions of employees are totally open to public scrutiny. Therefore, employees' actions should be such that they would not be embarrassed to explain them to anyone. SNMAT has a specific Gifts Policy to which reference should be made.

### 3.4 Irregularities

Failure to observe, or breach of, SNMAT procedures can, in some circumstances, constitute an irregularity, with potentially significant financial consequences.

### 3.5 Examples of what could constitute fraud and corruption 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 SNMAT;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by SNMAT;
- 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 position for personal reward.

The above list is not exhaustive, and fraud and corruption can take many different paths. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the SNMAT Business Director.

- 3.5 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 SNMAT Business Director.

#### **4 Objectives:**

- 4.1 SNMAT has taken the following steps to communicate expectations to staff:
- the development and publication of a formal statement of its expectations on standards of personal conduct, propriety and accountability (Code of Conduct);
  - 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 Trust (Confidential Reporting/Whistleblowing Policy).

#### **5 Gifts & Hospitality:**

- 5.1 Guidelines to help staff to judge what sort of gift, and what level of hospitality is acceptable are available in the Gifts policy, which should be read in conjunction with this document.

#### **6 Roles and Responsibilities:**

- 6.1 Staff, Local Governors and Directors

SNMAT has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- all staff are made aware of the Staff Code of Conduct;
- the Finance Committee meets regularly;
- a requirement for all senior staff, Local Governors and Directors to declare prejudicial interests and not contribute to business related to that interest;
- a requirement for senior staff, Local Governors and Directors to disclose personal interests;
- all staff, Local Governors and Directors are made aware of the understanding on the acceptance of gifts and hospitality;
- clear recruitment policies and procedures.

Staff, Local Governors and Directors also have a duty to report another member of staff, Governor or Director whose conduct is reasonably believed to represent a failure to comply with the above.

## **6.2 Responsible Officer/Internal Controls Assurance Review**

The Responsible Officer/Internal Controls Assurance Reviewer has specific responsibility for overseeing the financial arrangements on behalf of the Directors.

The main duties of the Responsible Officer/Internal Controls Assurance Reviewer are to provide the Directors with on-going independent assurance that:

- the financial responsibilities of the Directors are being properly discharged;
- the 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.

## **6.3 Business Director**

The Business Director has a responsibility for ensuring that effective systems of internal control are maintained and safeguarding the resources of SNMAT.

In respect of fraud, it is therefore the responsibility of the Business Director 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 SNMAT's financial position.

## **6.4 External Audit**

SNMAT's Annual Report and Financial Statements include an Independent Auditors' 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 SNMAT 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 Department for Education.

## **7 Reporting a Suspected Fraud**

- 7.1 All allegations of suspected fraud and irregularities are to be brought to the attention of the Business Director and referred to the Headteacher of the relevant academy unless this individual is involved in the irregularity in which case the Chief Executive Officer should be informed. In the case of the Chief Executive Officer being suspected of fraud, the Chair of the Board of Directors is to be notified. Further guidance is provided in the SNMAT Confidential Reporting/Whistleblowing Policy.

- 7.2 All reported irregularities will be thoroughly investigated in accordance with the SNMAT's Disciplinary Procedures. In the case of the Chief Executive Officer being suspected of fraud the Chair of the Board of Directors would, in accordance with SNMAT's Disciplinary Procedures, arrange the investigation.
- 7.3 The Trust 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 must be provided:
- Full details of the event(s) with dates
  - The financial value of the loss
  - Measures taken to prevent recurrence
  - Whether it was referred to the police (and if not why)
  - Whether insurance or the RPA have offset any loss.
- 7.4 The ESFA may conduct or commission investigations into actual or potential fraud, theft or irregularity, either because of a notification from the Trust itself or from other information received. ESFA may involve other authorities, including the police.

## **8 Confidentiality and Safeguards**

- 8.1 SNMAT 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. SNMAT 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.

## **9 Links with other Policies:**

- 9.1 The Board of Directors is committed to preventing fraud and corruption. To help achieve this objective there is a clear network of systems and procedures in place for the prevention, detection and investigation of fraud and corruption. This Fraud Policy should be read in conjunction with the following SNMAT policies:
- Confidential Reporting/Whistleblowing Policy
  - Gifts Policy
  - Financial Regulations Manual
  - Staff Code of Conduct
  - Staff, Directors and Governors Expenses Policy
  - Disciplinary Procedure
  - Equal Opportunities Policy