



PRINCE REGENT

STREET TRUST

Anti-Fraud, Corruption & Bribery Policy

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Purpose

The purpose of this policy is to confirm Prince Regent Street Academy Trust's commitment against fraud.

The fulfillment of this Anti-Fraud, Corruption and Bribery Policy will assist in the delivery of more effective risk management, on which the Trust has produced its own separate policy.

Introduction

Prince Regent Street Academy 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 school activity.

The Trust considers that all instances of fraud, corruption and other dishonesty endanger the achievement of the Trust's policies and objectives as they divert 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 also threatens its sound financial standing.

The purpose of this Policy Statement is to set out for Trustees and employees, the Trust's main objectives for countering fraud and corruption.

This policy statement:

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



- Sets out responsibilities for countering fraud

Definitions

Fraud

Fraud is the deliberate use of deception and dishonesty to deprive, disadvantage or cause a loss or the risk of loss (usually financial) to another person or party.

Under the **Fraud Act 2006**, the offence of fraud can be committed in one of three ways:

- by false representation;
- by failing to disclose information; or
- abuse of position.

In each case, the perpetrator's conduct must be dishonest and their intention must be to make a gain or cause a loss or the risk of a loss to another (no gain or loss needs actually to have been made).

The Fraud Act 2006 also introduced other new offences such as:

- possession, making or supplying articles for use in frauds; and
- obtaining services dishonestly with intent to avoid payment.

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 Academy 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 get the Academy Trust to pay for them.

Corruption

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

Theft

Under the **Theft Act 1968**, theft is defined as 'dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.'

Bribery

The Bribery Act 2010

There are four key offences under the Act:

- bribery of another person (section 1)
- accepting a bribe (section 2)
- bribing a foreign official (section 6)
- failing to prevent bribery (section 7)

Bribery is not tolerated. It is unacceptable to:

- 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;
- 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;
- 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;
 - 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;
 - 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.

Gifts and Hospitality

This policy is not meant to change the requirements of the Academy Trust's approach to gifts and hospitality as set out within the Code of Conduct for Employees and the Gifts and Hospitality policy. These make it clear that all offers of gifts and hospitality of a value of £50 or over should be registered whether they are accepted or not.

Other Irregularities

Other irregularities could apply to the Trust as well as individual academies, and includes:

- failure to observe the Trust's Financial Regulations, policies and procedures;
- breach of our Funding Agreement with the ESFA;
- breach of the requirements of the Academy Trust Handbook; and
- spending grant income in ways inconsistent with the purposes for which it was intended.

Scope of Policy

The Policy Statement applies to all members of the Board of Trustees, and all employees (full time, part time, temporary and casual) who work for the Trust.

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 all governors, employees and those acting as its agents to conduct themselves according to them.

The seven principles are worthy of being read by all:

Honesty - Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.



Integrity - Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Selflessness - Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Objectivity - In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Openness - Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Accountability - Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Leadership - Holders of public office should promote and support these principles by leadership and example.

Through observance of these principles the Trust requires the Trustees, local 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 endeavor to minimise losses due to fraud, corruption, and other dishonest action and abuse.

Culture & stance against fraud & corruption

Prince Regent Street Academy 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 the governing body and its employees at all levels will lead by example in ensuring adherence to legal requirements, financial rules, codes of conduct and prescribed procedures and practices.

The Trust implements and maintains systems of accountability and control 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 Academy Trust's Finance and Resources Committee is responsible for overseeing internal control and financial management.



Raising Concerns

Trustees, local governors and employees are an important element in the Trust's defence against fraud and corruption; they are expected to raise any concerns that they may have on these issues where they are associated with the Trust's activities.

The Trust's senior management, Trustees and local governors, will be robust in dealing with financial malpractice of any kind.

Acting on the suspicions – what to do and not to do

Where staff have raised concerns or reported their suspicions to senior management

Do:

- ✓ **Be responsive to staff concerns**
The Trust expects all managers to encourage staff to voice any reasonably held suspicion as part of developing an anti-fraud culture. Managers should treat all staff concerns seriously and sensitively.
- ✓ **Note details**
Note all relevant details. Get as much information as possible from the reporting staff member. If the staff member has made notes, obtain these also. In addition, note any documentary evidence which may exist to support the allegations made, but do not interfere with this evidence in any way.
- ✓ **Evaluate the allegation objectively**
Before taking the matter further, determine whether any suspicions appear to be justified. Be objective when evaluating the issue. Consider the facts as they appear, based on the information to hand.
- ✓ **Advise the appropriate person**
If a suspicion is justified, deal with the matter promptly as any delay may cause the Trust to suffer further financial loss. Full details should be recorded and reported in one of the following ways:
 - reporting suspicions to a senior manager, an Academy Headteacher, the CEO, CFOO as appropriate; or
 - reporting suspicions by following the guidance issued in the **Academy Trust's Whistleblowing Policy** and associated procedures.

Do not:



X **Ridicule suspicions raised by staff**

The Trust cannot operate effective anti-fraud and whistleblowing policies if staff are reluctant to pass on their concerns to management. All staff concerns should be given a fair hearing. In addition, staff should be reassured that they will not suffer recrimination as a result of raising any reasonably held suspicion.

X **Approach or accuse any individuals directly**

X **Convey your suspicions to anyone other than those with the proper authority**

X **Try to investigate the matter yourself**

All concerns reported, by whatever method, will be treated in confidence and will be reviewed and investigated by a member of staff deemed to be appropriate and best placed to do so. This may mean that, depending on the level, type and details of the concerns you raise, that your concerns are investigated by senior Academy Trust's managers, Trustees, local governors or in the case of very serious concerns, the Police.

Investigation of Suspected Fraud and Irregularity

In order to protect the Trust and those accused of suspected fraud and irregularity, initial enquiries may be made to decide whether an investigation is appropriate and, if so, what form it should take. In cases of suspected fraud or financial crime, an initial strategy meeting should take place at the earliest opportunity to determine the initial response. This should usually involve the CEO, the CFOO and Chair of the Trust Board, the Headteacher and/ or Chair of the local Governing Body. However, exactly who is involved will depend on the particular case.

Each case will be different and the approach taken will be dependent upon the circumstances, nature and seriousness of the allegations and the potential remedies being sought.

The course of action to be taken is likely to be one or more of the following:

- an investigation may be conducted by management, the Internal Audit Team, or through the disciplinary process;
- referral to the police or other investigative agencies;
- referral to an appropriate professional body;
- referral to the external auditor; and/or
- referral to the ESFA Investigations Team.

Where a decision is made to investigate the matter internally, the case will be referred to an individual, an Investigating Officer, appointed by the CEO, or Chair of the Trust Board who has the appropriate expertise and seniority to plan and undertake the preliminary fact finding and/or formal investigation(s). It is critical that any investigation is conducted in a professional manner, in accordance with relevant procedures, e.g. whistleblowing procedure, disciplinary



procedure(s) and investigation practice guidance as appropriate.

The purpose of an investigation is to establish the facts associated with the concerns or allegations in order to determine whether or not there is a case to answer.

The Investigating Officer should adopt a holistic approach examining the case from all angles, collecting evidence from management, employee and organisational perspectives. The Investigating Officer should interview all relevant people and analyse any related documentation in order to determine the facts and relevant mitigating circumstances.

Some investigations (e.g. involving fraud or financial crime) may require the use of technical or specialist expertise in which case an internal or external specialist may be employed as the Investigating Officer or to contribute to the investigation.

The CEO / CFOO will normally inform the Chair of the Trust Board and the Chair of the Audit Committee that an investigation is taking place. The Investigating Officer should, where possible, quantify any potential or actual financial loss and ensure that steps are taken at an early stage to prevent further loss occurring.

Where the case is sufficiently serious, an individual who is accused of fraud or irregularity may be suspended, with or without pay, while an investigation is under way, in accordance with the Trust's disciplinary procedures. HR should be consulted before any such action is taken. It should be noted that suspension is a neutral act intended to facilitate enquiries, protect the Trust and the individual(s) involved and does not imply any presumption of guilt.

If the individual under suspicion is to be suspended the timing of suspension should be carefully planned. The suspect should be approached unannounced. They should also be supervised at all times before leaving Trust premises. They should be required to reveal relevant computer passwords and not remove any records or data (either manual or on disk or electronically) from the premises. They should be allowed to collect personal property under supervision but should not be able to remove any property belonging to the Trust. Any security passes and keys to premises, offices and furniture should be returned.

ONEIT should be instructed to immediately withdraw access permissions to the Trust's computer systems.

The terms of suspension should bar staff from contacting colleagues about any work-related matter without the written consent of the Headteacher or CEO, as appropriate. Should suspended staff breach the terms of suspension, this could be grounds for disciplinary action in its own right.

The Investigating Officer shall also consider whether it is necessary to investigate systems other than those which have given rise to suspicion, through which the suspect may have had opportunities to misappropriate the Trust's assets.

Any investigation will be carried out in accordance with the principles of natural justice and with due regard to the statutory rights of all individuals involved in the case. The Trust will take



all reasonable measures to ensure that an investigation is concluded as quickly as possible.

If the decision is reached that there is a prima facie case to answer, the person or persons implicated should be informed of this, shown the supporting evidence and be offered an opportunity to respond as part of the investigation.

At the conclusion of the investigation, the Investigating Officer will produce an Investigation Report with details of the facts relevant to the case and the supporting evidence. This will enable the Trust to determine what, if any, disciplinary or other sanctions may be considered appropriate under the circumstances.

Internal investigations will be conducted in a manner which ensures that those involved in the investigation will be different from those who may be required subsequently to conduct any disciplinary proceedings.

If information was disclosed or reported by an individual(s) initially they will be kept informed of what action, if any, is to be taken. If no action is to be taken the individual concerned will be informed of the reason for this. However, any information relevant to an investigation of suspected fraud or financial crime must not be disclosed except for the purposes of the investigation or subsequent proceedings.

Should any officer responsible for this procedure be implicated in any way or have or be perceived to have any potential conflict of interest in an allegation of fraud or irregularity, he or she will not take part in the procedure, the role being taken by an appropriate alternative.

Senior management will establish and maintain contact with the police or other investigative agencies, where appropriate. The decision will be reported to the Chair of the Audit Committee and to the Chair of the Trust Board.

Sanctions

Depending on the circumstances of each case, the outcome of an investigation and the materiality of the sums involved, the Trust may apply any or all of the following sanctions, as appropriate:

- disciplinary action in accordance with relevant disciplinary procedures (including referral to an appropriate professional body);
- civil proceedings;
- criminal proceedings.

In some circumstances, it may be appropriate for the CEO to liaise directly or indirectly with the parties involved to seek a resolution (through negotiation). Should a satisfactory resolution not be attainable through these means, the alternative courses of action set out above may then be followed.



Redress (Recovery of Losses)

The Investigating Officer shall, where possible, quantify the amount of any loss. The Chief Financial Officer, with the Deputy Chief Executive and Chief Executive shall consider what redress is appropriate in each particular case.

Where a loss is considered to be significant, legal advice will be obtained without delay about the need to trace and/or freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice will also be obtained on the recovery of losses through the civil and criminal courts, or deducting losses from any salary payments outstanding, where the perpetrator is a member of staff and refuses repayment. The Trust would normally expect to recover costs in addition to losses.

An individual may, in the course of an investigation, offer to repay the amount that has been obtained improperly. The Investigating Officer should neither solicit nor accept such an offer (as it may be construed as having been obtained under duress). Any offer made should be recorded and the individual referred to the CEO.

If an offer of restitution is made while disciplinary or legal proceedings are still under way, legal advice will be sought before such an offer is accepted.

In certain circumstances it may be possible, at the completion of the investigation, to make a claim against the Trust's insurance policy. The CEO and Investigating Officer should provide the insurers with any information that is required to substantiate a claim, or to support an attempt by the insurers to secure recovery from the perpetrator.

Notifying the ESFA and External Auditor

The Academy Trust Handbook includes a requirement that: "The Trust must notify the ESFA, as soon as possible, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or systematic fraud, regardless of value, must also be reported."

The ESFA reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity. At an appropriate point in time, the Deputy Chief Executive or Chief Executive will notify the ESFA and/or the Trust's External Auditors, where appropriate. They will also formally notify the Audit Committee and Trust Board.

Responsibility for this Policy

The CEO has overall responsibility for the maintenance and operation of this policy. From time to time they will review and report on this policy.

This policy will be regularly reviewed, and any significant amendments proposed to the Trust Board. The Academy Trust's arrangements for the deterrence, prevention and detection of fraud will be regularly reviewed by those officers charged with responsibility for the policy.

