



**Title:** Anti Fraud & Corruption Strategy

**Date:** November 2018

**Prepared by:** COO

## 1 INTRODUCTION

1.1 Spencer Academies Trust is a large and complex organisation and is committed to discharging its responsibility to safeguard public funds and the highest standards of integrity. It is committed to fighting fraud and corruption whether attempted from inside or outside. The Spencer Academies Trust is committed to having effective measures to prevent and detect fraud and corruption.

1.2 Spencer Academies Trust expects all members and employees to carry out their duties in accordance with appropriate legal requirements, internal codes of practice, rules and regulations and to act at all times with honesty and probity in the discharge of their functions.

1.3 In carrying out its duties and responsibilities, Spencer Academies Trust is determined to do everything it reasonably can to protect itself and the public from fraud and corruption and is committed to the rigorous maintenance of this Anti Fraud & Corruption Strategy which will provide a framework for:

- encouraging fraud deterrence and prevention;
- raising awareness of fraud and corruption and promoting their detection;
- performing investigations and facilitating recovery of losses;
- invoking disciplinary proceeding and referrals to the Police; and
- monitoring, publishing and updating the Strategy and its related procedures and performance.

1.4 Spencer Academies Trust also expects that all outside individuals and organisations, including suppliers, contracting partners and claimants will act toward it with honesty and integrity without thought or actions involving fraud and corruption.

1.5 This Strategy is part of Spencer Academies Trust's Anti-Fraud and Corruption Framework and sits alongside policies and guidance including Whistleblowing Policy and employees' Code of Conduct, which are laid out in employee handbooks.

## 2 DEFINITIONS

Spencer Academies Trust defines the following:

Theft is 'the dishonest taking of property belonging to another person with the intention of permanently depriving the owner of its possession'.

Fraud is 'the intentional distortion of the financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain.' This differs from "theft" where no attempt at concealment is made. It is also important to distinguish this from negligence and accidental error where no intent exists. This may involve:

- ☒ Falsification or alteration of accounting records or other documents
- ☒ Suppression or omission of the effects of transactions from records or documents
- ☒ Recording transactions which have no substance
- ☒ Wilful misrepresentation of transactions or of Spencer Academies Trust's state of affairs

Corruption is 'The offering, giving, soliciting or acceptance of an inducement or reward which may influence actions taken by the body, its members or officers.' Main areas of activity, which are susceptible to corruption may include:

- ☒ Contracts
- ☒ Asset Disposal
- ☒ Planning consents and licenses

### **3 OPERATING CULTURE**

3.1 Spencer Academies Trust is determined that the culture and tone of the origination meets the expectations of the Committee on Standards of Public Life and the Standards Board for England. It is committed to the ten principles of public life: objectivity, openness, stewardship, leadership, accountability, honesty & integrity, selflessness, personal judgement, duty to uphold the law and respect for others.

3.2 Employees are expected, and are positively encouraged to raise any concerns relating to fraud and corruption, which they become aware of. These can be raised in a number of ways including with the employees line manager, Head of Compliance, or the Chief Operating Officer.

3.3 Spencer Academies Trust expects members and employees to lead by example in ensuring opposition to fraud and corruption, and in ensuring adherence to rules and regulations, and to relevant Codes of Conduct, and that all procedures and practices are beyond reproach. The responsibility of senior managers is to ensure that all employees are aware of what is expected of them.

3.4 Spencer Academies Trust requires all individuals and organisations with whom it deals in any capacity to behave with integrity and without intent or actions involving fraud and corruption.

3.5 Spencer Academies Trust employees and members of the public are important elements in the stance against fraud and corruption and are positively encouraged to raise any concerns they may have on these issues which may impact on Spencer Academies Trust activities using Spencer Academies Trust's Complaints Procedures, which can be found on our website

3.6 As part of its responsibilities the Trust Executive is required to investigate activities suspected of involving fraud and corruption, audit and training plans should provide adequate coverage of the risk of fraud and corruption and also to reflect the requirements of its staff to be properly and regularly trained.

3.7 Where appropriate, Spencer Academies Trust co-operates with other local authorities and public sector bodies in the prevention, detection and investigation of fraud and corruption.

3.8 Although Spencer Academies Trust encourages its employees to report concerns acting in good faith, any maliciously motivated and unfounded allegations may be dealt with through its disciplinary procedures.

## **4 PREVENTION**

4.1 It is the corporate responsibility of Spencer Academies Trust to put in place preventative measures to fight fraud and corruption to minimise risk.

4.2 Spencer Academies Trust's Procedure Rules, Standing Orders, Schemes of Delegation together with Financial Regulations, Codes of Conduct and Codes of Practice set out a framework for dealing with the affairs of Spencer Academies Trust and all members and employees have a duty to comply with their provisions. This includes the duty of employees to act within statutory regulations.

4.3 Members and staff must operate in accordance with Spencer Academies Trust's Procedure Rules and Code of Conduct.

4.4 Spencer Academies Trust has put in place systems and procedures to manage and discharge its functions in an efficient and effective way. These systems incorporate internal controls to prevent and deter fraud and corruption. Employees must ensure that working practices comply with the systems and Audit Services will regularly evaluate the appropriateness and effectiveness.

4.5 Thorough documentation, including manuals and operating procedures, effective control is expected of all financial and operational systems and they must be issued to relevant staff. These must be regularly reviewed to ensure in line with best practice and effective internal controls.

4.6 Employee recruitment is required to be in accordance with procedures laid down in the Trust's human resources procedures and, in particular adequate checks made appropriate to the posts and before any appointment is made.

## **5 DETECTION AND INVESTIGATION**

5.1 All colleagues are responsible for the prevention and detection of fraud, corruption and other irregularities, and should be alert to any circumstance which may indicate irregularity.

5.2 It is the responsibility of all employees to immediately inform their line manager, the Head of Governance, or the Chief Operating Officer if a fraud or other irregularity is suspected. If there are concerns about the Chief Operating Officer the disclosure should be made to the CEO.

They should also ensure that:

- ☒ any supporting documentation or other evidence is secured; and
- ☒ confidentiality is maintained so as to not prejudice any subsequent investigation.

5.3 Reporting of suspected irregularities is essential because it:

- ensures the consistent treatment of information;
- facilitates proper investigation, including compliance with statutory;
- meets requirements and appropriate liaison at correct stages with the Police;
- ensures the proper implementation of relevant system improvements.

5.4 Spencer Academies Trust will take appropriate action following an investigation which may include disciplinary action, civil recovery, referral to the Police.

5.5 Spencer Academies Trust will work in partnership with other organisations for the detection and investigation of fraud and corruption. These organisations include but are not limited to, the Police/Fraud Squad, and Audit Commission.

## **6 TRAINING**

6.1 Training and guidance is vital in maintaining the effectiveness of this Strategy and its general credibility. Spencer Academies Trust supports induction and work related training, particularly for employees involved in internal control systems, to ensure that their responsibilities and duties are regularly highlighted and reinforced and best practice is followed across the Spencer Academies Trust.

## **7 REVIEW**

7.1 Spencer Academies Trust has in place a clear framework of systems and procedures to deter and investigate fraud and corruption. It will ensure that these arrangements are fair, monitored and updated to keep pace with future developments in preventative, deterrent and detection techniques.