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# ANTI-FRAUD AND ANTI-CORRUPTION

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## PREFACE

Chiltern Hills Academy is a learning environment at the heart of its community. We encourage every person in our community to:

**Create, Aspire and Excel to 'Live life in all its fullness' (John 10:10)**

We achieve this through our dedication to the seven Christian values of love, hope, self-discipline, compassion, forgiveness, respect and honesty.

We are a community in which staff, students and parents work collaboratively to develop a learning environment and organisation which is spiritual, safe, innovative, creative and exciting. All members of the Academy are motivated and inspired by the vision to give their best and to play a full part in the life of the school and in their own developing lives.

The Governors at Chiltern Hills Academy are committed to achieving the vision and values. They oversee and monitor this policy to ensure that this is being achieved.

## Summary

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

## Introduction

The Chiltern Hills Academy is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Academy has a responsibility in respect of preventing and detecting fraud. All staff and governors have a role to play. The Academy also recognises the role of others in alerting them to areas where there is suspicion of fraud.

Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect. It is the duty of all employees and Governors at The Chiltern Hills Academy to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Responsible Officer and Auditors to review the adequacy of the measures taken by the Academy to test compliance and to draw attention to any weaknesses or omissions.

Any investigation carried out in relation to alleged irregularities is linked to the Academy's Disciplinary & Dismissals procedure.

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## Definitions

### 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.

### Corruption

The term ‘corrupt practices’ is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by The Chiltern Hills Academy, its staff or Governors.

### 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 as per the Policy on the acceptance of gifts and hospitality.

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 Academy, which is carried out to conceal the misappropriation of assets or otherwise for gain.
- **Bribery and corruption (Gifts & Hospitality)** - 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; Academy's Procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

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;

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- manipulating documentation to increase salaries/wages received, e.g. false overtime claims;
- payment of invoices for goods received by an individual rather than the Academy;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Academy;
- 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 Finance Manager.

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 Principal.

## **Objectives**

The Academy 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 in the Conduct & Discipline Policy;
- 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 in the Whistleblowing Policy.

Both of these are published on the Academy's intranet.

## **Gifts & Hospitality**

Guide lines regarding the nature and procedures to follow regarding gifts and hospitality are included in the Gifts & Hospitality Policy.

## **Roles and Responsibilities**

### **Staff and Governors**

The Chiltern Hills Academy has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

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- All staff are made aware of the **Academy's Conduct & Discipline** Policy;
- The Finance & Audit 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 acceptance of gifts and hospitality.
- 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.

## Internal Scrutiny

The Academies Financial Handbook (AFH) requires all trusts to have a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively. The internal scrutiny work must focus on:

- evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures are effective and efficient, and checking whether agreed controls and procedures have been followed
- offering advice and insight to the board on how to address weaknesses in financial and non-financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for the day to day running of the trust
- ensuring all categories of risk are adequately identified, reported, and managed

The AFH, therefore, requires that trusts have effective oversight and monitoring of their internal control environment. The internal scrutiny function provides this. External auditors are prohibited from providing Internal Scrutiny audits to the same Academy/Trust.

## Finance Manager

The Finance Manager has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of The Chiltern Hills Academy.

In respect of fraud it is therefore the responsibility of the Finance Manager 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 Academy's financial position.

## External Audit

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The Academy'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 the Academy 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 of Education.

## Reporting a Suspected Fraud

All allegations of suspected fraud and irregularities are to be brought to the attention of the Finance Manager and also referred to the Principal, unless this individual is involved in the irregularity in which case the Chair of Governors should be informed. Please refer to the Academy Whistleblowing Policy for further guidance.

## Response to Allegations

The Principal will have initial responsibility for co-ordinating the initial response. In doing this he/she will consult with the Human Resource advisors regarding potential employment issues. The Principal will also seek legal advice from the Academy's solicitors on both employment and litigation issues before taking any further action.

The Finance Manager and Principal, unless either or both individuals involved, will ascertain whether or not suspicions aroused have substance. In every case, and as soon as possible after initial investigation, they will pass the matter on to the Chair of the Finance Committee. Even if there is no evidence to support the allegation the matter must be reported to the Chair of Governors, Finance Manager and Principal.

The Finance & Audit Committee 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 Chair of Governors.
- If further investigations are required, they will determine which outside agencies should be involved (police, auditors).

The Principal is required to notify the Governing Body 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 Chairman of the Governing Body fully informed between governor meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

If evidence of fraud is forthcoming then the Governing Body 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.

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## **Confidentiality and Safeguards**

The Chiltern Hills Academy 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 Academy 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.

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.

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

## **Links with other Policies**

The Governing Body 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 Anti-Fraud and Anti-Corruption policy attempts to consolidate those in one document and should be read in conjunction with the following Academy policies:

- Whistle-Blowing Policy
- Gifts and Hospitality Policy
- Financial Regulations Manual
- Disciplinary and Dismissal Policy
- Equality and Diversity Policy.

## **MONITORING, EVALUATION AND REVIEW**

This policy will be reviewed when there are changes in the law or annually to assess implementation and effectiveness.

This policy will be promoted and implemented throughout the Academy.