

STRATEGY AGAINST FRAUD AND CORRUPTION

1. Introduction

1.1 The Tandridge Learning Trust is required by law to protect the public funds it administers. In delivering its objectives the Trust maintains a zero tolerance approach to fraud and corruption, whether it is attempted from outside the Trust (the public, clients, partners, contractors, suppliers or other organisations) or within (employees). It is committed to this Strategy against Fraud and Corruption, which:

- acknowledges the threat of fraud;
- encourages prevention;
- promotes detection;
- identifies a clear pathway for investigation; and
- sets out the appropriate sanctions, including the recovery of losses.

1.2 The Audit Commission's 'Protecting the Public Purse' defines fraud as an intentional false representation, including failure to declare information, or an abuse of position carried out to make gain, cause loss or expose another to the risk of loss.

1.3 Corruption is the offering, giving, soliciting or acceptance of an inducement or reward, which may influence the action of any person or the misuse of entrusted power for personal gain. The Bribery Act 2010 makes it an offence to offer, promise or give a bribe and to request, agree to receive or accept a bribe. In addition it is a corporate offence for an organisation to fail to prevent bribery in the course of its business.

2. Expectation

2.1 The Tandridge Learning Trust promotes a culture of openness with the core values of trust, respect and responsibility enshrined within it. The Trust has zero tolerance to any form of fraud and corruption.

2.2 The Trust's expectation on propriety and accountability is that staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices. The Trust also expects that individuals and organisations (the public, partners, suppliers, contractors and other service providers) with whom it deals will act towards the Trust with integrity and without thought or actions involving fraud and corruption. All would be expected and encouraged to tell the Trust about any fraud or corruption they suspect. There is advice on how to do this in Appendix A.

- 2.3 The Trust will ensure that all allegations received are taken seriously and investigated in an appropriate manner. Anonymous allegations will be considered within the limitations of the information available. Investigations will be subject to the requirements of the Human Rights Act 1998 and the Regulation of Investigatory Powers Act 2000.
- 2.4 Senior management are expected to deal swiftly and firmly with those who defraud or seek to defraud the Trust, or who are corrupt. The Trust will always be robust in dealing with financial malpractice or those who breach statutory and legal obligations and its code of conduct. A Fraud Response Plan is included as Appendix B

3. Roles and responsibilities

The Role of Members/Trustees

- 3.1 All Members/Trustees of the Trust have a duty to act in the public interest and do whatever they can to ensure that the Trust uses its resources in accordance with statute.
- 3.2 This is achieved through Members/Trustees operating with regard to the Funding Agreement, Academies Financial Handbook, Academies Accounts Direction, Companies Act 2006, appropriate Charities SORP and the Trusts Finance Policy.
- 3.3 The Academies Financial Handbook requires Members/Trustees to declare and register disclosable pecuniary interests to the Clerk as these may cause potential areas of conflict between Members/Trustees duties and responsibilities and any other areas of their personal or professional lives.

The Role of Employees

- 3.4 Employees are Tandridge Learning Trusts first line of defence and the Trust will expect and encourage them to be alert to the possibility of fraud and corruption and report any suspected cases.
- 3.5 Employees are expected to comply with each School's Staff Behaviour Policy (Code of Conduct) for staff, which forms part of each employee's contract of employment. Employees should also follow standards of conduct laid down by their own professional body or institute (where applicable).
- 3.6 Employees are responsible for ensuring that they follow the instructions given to them by management and comply with the procedures and rules laid down by the School/Trust. They have a statutory duty to account for money and property committed to their charge.
- 3.7 All senior employees are required to comply with the Academies Financial Handbook. This requires a written declaration of any pecuniary or close personal interests in contracts that have been, or it is proposed will be, entered into by the School/Trust. The legislation also prohibits the acceptance of fees or rewards other than by means of proper

- 3.8 remuneration, guidance regarding this is available in the Gifts and Hospitality Policy - Annexe M of the Finance Policy. Failure to disclose an interest or the acceptance of an inappropriate reward may result in disciplinary action or criminal liability.
- 3.9 Managers at all levels are responsible for the communication and implementation of this Strategy in their teams. They are also responsible for ensuring that their employees are aware of the arrangements to secure corporate governance, and that the requirements are being met.
- 3.10 Managers are expected to create an environment in which their members of staff feel able to approach them with any concerns that they may have about suspected irregularities.

Others

- 3.11 The Tandridge Learning Trust expects the public, clients, partners, contractors, suppliers and any other organisations to act honestly and will check contractors' and suppliers' references as well as carrying out suitable financial checks.

4. Tandridge Learning Trusts Commitment

- 4.1 Theft, fraud and corruption are serious offences against the authority and employees and Members will face disciplinary action if there is evidence that they have been involved in these activities. Where appropriate, cases will be referred to the Police.
- 4.2 A key measure in the prevention of fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees in terms of their propriety and integrity. Employee recruitment should, therefore, be in accordance with the procedures laid down in the Recruitment and Selection Policy, which include:
- obtaining references and checking qualifications;
 - confirming the right to work in the United Kingdom; and
 - checks by the Disclosure and Barring Service.
- The recruitment of temporary and permanent employees is dealt with in a similar manner.
- 4.3 In all cases where financial loss to the trust has occurred, the trust will take appropriate action to recover the loss.
- 4.4 Updates on counter fraud and corruption activity, including updates to this Strategy, will be publicised in order to make employees aware of the trusts continuing commitment to taking action on fraud and corruption when it occurs.

5. Detection and Investigation

- 5.1 It is the responsibility of management to maintain an adequate internal control environment to prevent and detect fraud and corruption. It is often the alertness of staff enables detection and appropriate action to be taken. The investigation of fraud and corruption is undertaken by the Director of Finance and Operations.

- 5.2 The Trusts Whistle Blowing Policy requires all suspected financial irregularities to be reported (orally or in writing) to the Head Teacher of each School as appropriate so that an internal investigation of the allegations can be undertaken in line with the Fraud Response Plan included as Appendix B. This is essential to the Strategy to ensure consistency of treatment, adequate investigation and protection of the School/Trust's interests.
- 5.3 The Director of Finance and Operations will ensure that individual reporting of any suspected irregularity is appropriately supported, particularly because of the likely sensitive nature of such an investigation.
- 5.4 The Trust expects the Police to be made aware of any impropriety which constitutes a criminal offence. Any decision to refer a matter to the Police will be made by the Trust Chief Executive Officer and/or the Director of Finance and Operations.
- 5.5 The Trust's Disciplinary and Capability Procedure will be used where the outcome of an investigation indicates improper behaviour by a member of staff. Referral to the Police will not prohibit disciplinary action under the Disciplinary and Capability Procedure.
- 5.6 In the case of allegations against Trustees being in breach of the Academy Handbook requirements, these are reported to the CEO and will be investigated appropriately either internally or independently.

6. Awareness and Training

- 6.1 Tandridge Learning Trust recognises that the continuing success of its Strategy against Fraud and Corruption and its general credibility will depend partly on the effectiveness of training and the responsiveness of employees throughout the organisation.
- 6.2 The Trust supports induction training, staff appraisal and development. It supports governance and fraud-awareness training. All staff and Trustees/Members, especially those involved in internal control systems, need to understand their responsibilities and duties in regard to the prevention and reporting of suspected fraud and corruption. It is important to regularly highlight and reinforce this.

7. Availability

- 7.1 This Strategy is available to all employees and trustees on the Tandridge Learning Trust website.

8. Conclusion

- 8.1 The Tandridge Learning Trust has in place systems and procedures to assist in the fight against fraud and corruption. The Director of Finance and Operations will continually monitor and improve these measures to ensure the prevention and detection of fraudulent or corrupt activity. This strategy will be subject to regular review by the Trust Finance and Audit Committee and approved by the Board of Trustees.

Advice on reporting suspected fraud or corruption

Tandridge Learning Trust expects all its employees, Trustees/Members, partners, contractors, the public, clients and organisations to provide information to the relevant senior leader, if fraud or corruption is suspected. This should be undertaken in accordance with the Trusts Whistleblowing Policy. In addition, an employee, raising concerns in good faith, should be aware of the protection afforded to them by the Public Interest Disclosure Act (PIDA) 1998.

Examples of concerns may include the following:

- criminal offence;
- false documentation;
- failure to comply with a statutory or legal obligation;
- improper use of public or other funds;
- abuse of the School/Trust's systems;
- maladministration, misconduct or malpractice;
- endangering health and safety;
- damage to the environment;
- misuse of an individual's personal position; the offer or acceptance of a bribe; and/or
- deliberate concealment of any of the above.

All information or concerns received will be treated seriously and in strict confidence. Employees should raise issues with their line manager in the first instance or the manager directly responsible for the area concerned. If anyone feels unable to speak to their line manager or the officer directly responsible for the area they are concerned about, they should contact their Head Teacher, the Chief Executive Officer (CEO) and/or the Director of Finance and Operations (DFO)

Trustees/Members, the public, partners, contractors and organisations can also contact the Tandridge Learning Trust via these contacts if they suspect theft, fraud or corruption. The CEO and the DFO should be made aware of all fraud and corruption allegations.

If anyone feels unable to raise their concerns in the above ways, then they may wish to consult Public Concern at Work on 020 7404 6609, which is a registered charity providing free and strictly confidential advice.

All allegations of theft, fraud or corruption received will be investigated and should be referred to the CEO and/or DFO for a decision on how an investigation should proceed in line with the Fraud Response Plan included as Appendix B.

Fraud Response Plan

Introduction

1.1 This Fraud Response Plan forms part of each School's overall Strategy against Fraud and Corruption and covers the Trusts response to suspected or apparent irregularities affecting resources belonging to or administered by the Trust, or fraud perpetrated by contractors and suppliers against the Trust.

1.2 It is important that managers know what to do in the event of fraud so that they can act without delay. The Fraud Response Plan provides such guidance to ensure effective and timely action is taken. Other documents that should be referred to when reading the Plan include:

- Staff Behaviour Policy (Code of Conduct)
- Disciplinary and Capability Procedure
- Finance Policy
- Whistle Blowing Policy

Objective of the Fraud Response Plan

2.1 To ensure that prompt and effective action can be taken to:

- Prevent further loss of funds or other assets where fraud has occurred and to maximise recovery of losses
- Identify the perpetrator and maximise the success of any disciplinary or legal action taken
- Reduce adverse impacts on the business of the School
- Minimise the occurrence of fraud by taking prompt action at the first sign of a problem
- Minimise any adverse publicity for the organisation suffered as a result of fraud
- Identify any lessons which can be acted upon in managing fraud in the future

How to respond to an allegation of theft, fraud or corruption

Initial Response

3.1 Listen to the concerns of staff and treat every report seriously and sensitively.

3.2 Obtain as much information as possible from the member of staff, including any notes or evidence to support the allegation. Do not interfere with this evidence and ensure it is kept secure.

3.3 Contact the Trust Chief Executive Officer and/or Director of Finance and Operations. Details of the case should include the following:

- Outline of allegations
- Officers involved, including job role and line manager
- Amount involved / materiality / impact
- Involvement of any other parties
- Timescales – one off or ongoing
- Evidence – where held and access

3.4 Where it is appropriate to do so (i.e. without alerting the alleged perpetrator), initial enquiries may be made, to determine if there actually does appear to be an issue of fraud or other irregularity.

3.5 During the initial enquiries, the CEO/DFO should:

- Determine the factors that gave rise to the suspicion
- Examine the factors to determine whether a genuine mistake had been made or whether a fraud or irregularity has occurred
- Where necessary, carry out discreet enquiries with staff and/or review documents

3.8 Where the initial enquiry appears to indicate misconduct, the next steps will be:

- All the evidence gathered; and
- Actions proposed with regard to the employee (e.g. suspension or redeployment) or any other action taken to prevent further loss.

3.9 The CEO/DFO will have regard to the disciplinary process. If suspension is necessary, approval for this is as specified in the Scheme of Delegation.

3.10 If it is found that an allegation has been made frivolously disciplinary action may be taken against the person making the allegation. If it is found that an allegation has been made maliciously, or for personal gain, then disciplinary action should be taken against the person making the allegation.

Internal Investigation

4.1 Depending on the size of the fraud or the circumstances of its perpetration, the CEO/DFO will consider who should undertake the investigation.

- 4.2 The DFO will review the outcome of the investigation to ensure that appropriate action is taken and make recommendations to strengthen internal control systems.

Investigating Officer

- 4.3 The Investigating Officer will:
- Deal promptly with the matter;
 - Record all evidence that has been received;
 - Ensure that evidence is sound and adequately supported;
 - Secure all of the evidence that has been collected;
 - The CEO will contact other agencies if required (e.g. Police, Serious Fraud Office);
 - The DFO will arrange for the notification of the School's insurers (RPA);
 - Report to the CEO and, where appropriate, recommend disciplinary and/or criminal action in accordance with this Strategy and the School's Disciplinary and Capability Procedures;
 - Seek advice if criminal acts are being investigated to ensure any interview of potential suspects is in line with the guidance of the Police and Criminal Evidence Act 1984 (PACE); and
 - Not employ surveillance techniques without seeking advice on the Regulation of Investigatory Powers Act 2000 (RIPA), as modified by the Protection of Freedoms Act 2012, to ensure actions are compliant with RIPA and appropriate authorisation is obtained
- 4.4 Where circumstances merit, close liaison will take place between the Investigating Officer, the CEO, the DFO, Head Teacher, and relevant outside agencies as appropriate.

Sanctions and Recovery of Losses

Disciplinary Action

- 5.1 The most relevant senior manager as directed by the CEO is responsible for taking the appropriate disciplinary action as set out in the School's Disciplinary and Capability Procedures.
- 5.2 If a criminal offence is discovered, it may be appropriate to pursue a criminal prosecution. This could be instigated by the Trust under S222 of the Local Government Act 1972 or by referring the evidence to the police.

Police

- 5.3 The Trust CEO will determine whether the police need to be involved either from the start or at a later stage in the investigation. If the police are involved, the CEO/DFO will support the police investigation as necessary.

Recovery of Losses

- 5.4 Where the Trust has suffered a loss, restitution will be sought of any benefit or advantage obtained and the recovery of costs will be sought from individual(s) or organisations responsible.
- 5.5 Where an employee is a member of an occupational pension scheme and is convicted of fraud, the Trust may be able to recover the loss from the capital value of the individual's accrued benefits in the scheme, which are then reduced as advised by the actuary.
- 5.6 The Trust will also take civil action, as appropriate, to recover the loss.

Any instances of fraud or theft: above £5,000 against the Trust whether by employees, trustees or third parties; or where fraud is unusual or systematic in nature must be reported to the ESFA.