



**CtKCC**  
Christ the King  
Catholic Collegiate  
Together as one community  
with Christ at the centre



## **ANTI-FRAUD AND CORRUPTION POLICY**

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### **Summary**

This policy and procedure defines the expected conduct of all staff engaged at Christ the King Catholic Collegiate (CtKCC) Multi-Academy Company (MAC), whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption, and who to report it to.

It includes clear guidelines on what is acceptable in terms of gifts and hospitality and how these matters are declared.

Also, reference is made to other multi academy policies where appropriate.

### **1. Introduction:**

Christ the King Catholic Collegiate (“Collegiate”) is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Collegiate has a responsibility in respect of preventing and detecting fraud. All employees, Directors and academy representatives have a role to play. Christ the King Catholic Collegiate also recognises the role of others in alerting it to areas where there is suspicion of fraud.

1.1 Recognising a 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, Directors and academy representatives of the Company to take reasonable steps to

1.3 Limit the possibility of corrupt practices, and it is the responsibility of the Audit Committee to review the adequacy of the measures taken by the Collegiate to test compliance with systems and procedures and to draw attention to any weaknesses or omissions.

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

## **2. Definitions:**

### **2.1 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.

Fraud incorporates theft, larceny, embezzlement, fraudulent conversion<sup>1</sup>, false pretenses, forgery, corrupt practices and falsification of accounts.

### **2.2 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 Christ the King Catholic Collegiate, its employees, Directors or academy representatives.

It is the duty of the Collegiate and its employees and Directors to take reasonable steps to limit the possibility of corrupt practices, and;

It is the responsibility of the Audit & Risk committee to review the adequacy of the measure taken by the Collegiate, to test compliance and to draw attention to any weaknesses or omissions.

### **2.3 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. Therefore, employees' actions should be such that they would not be embarrassed to explain them to anyone. Full details can be found in the policy for acceptance of gifts, hospitality, awards, prizes, entertainment and other services (benefits).

2.4 Irregularities fall within the following broad categories, the first three of which are criminal offences –

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<sup>1</sup> Allowing a cheque intended to be of benefit to one party/person to be converted to the benefit of another

- **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.

## 2.5 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 the Academy;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Company;
- 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 Chief Financial Officer.

2.6 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 Headteacher.

## 3. Policy Statement:

3.1 This policy and procedure defines Anti-Fraud & Corruption and offers guidance for all employees in the Collegiate.

3.2 The Collegiate 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 its business. This document

sets out the company policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the Collegiate'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.

- 3.3 This policy, in line with the corporate values of integrity, consistency, impartiality, fairness and best practice, provides both employees and management with mutually understood guidelines for the administration of this procedure.
- 3.4 The scope of this procedure extends to all CtKCC employees, permanent, voluntary and fixed term.
- 3.5 Time limits specified in this document may be extended by mutual agreement.
- 3.6 If requested, employees may be accompanied by a recognised trade union representative or work colleague, not involved in any part of the process, at any interviews.

#### **4. Roles and Responsibilities:**

##### **4.1 Staff, Academy Committees and Directors.**

Christ the King Catholic Collegiate aims to promote a culture which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct. The company has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- Finance and Resources Board Committee, Audit and Risk Board Committee plus further committees from time to time meet on a regular basis;
- All employees, Directors and academy representatives are responsible for disclosing any personal, financial or beneficial interest in any transaction with respect to the Collegiate or its related companies, minority interest companies and trading areas.
- All employees, Directors and academy representatives are made aware of the understanding on the acceptance of gifts and hospitality;
- In disbursing and accounting for all funds, the Collegiate must demonstrate that it is adopting high standards of financial probity. Implicit within this regime is the requirement that Directors and employees of the Collegiate must at all times conduct financial affairs in an ethical manner.
- Any person who is responsible for placing an order with a supplier (whether a contractor or not) with whom they have a personal interest must disclose this to the Headteacher, Business Manager/CFO or the Executive Leader.
- Recruitment policies and procedures are clear to all employees, Directors and Academy Committee members.
- Budget Holders are expected to adhere to the Academies Financial Handbook and CtKCC Financial Regulations at all times and to use their best efforts to prevent misuse or misappropriation of funds and other Collegiate property.

Directors, Academy Committee members and employees also have a duty to report another member of staff, Director and academy representatives whose conduct is reasonably believed to represent a failure to comply with the above.

#### **4.2 Academy Managers and Finance Officers**

The Academy Managers and Finance Officers have a responsibility for ensuring that all financial policies and procedures are adhered to and that they provide information to the Headteacher, local governing body and company Business Manager/CFO. It is the responsibility of the Academy Manager / Finance Officers to report any fraudulent activity to the CFO.

#### **4.3 Headteacher**

Within each Academy School, the Headteacher has a responsibility for ensuring that internal controls are adhered to including the proper administration and safeguarding of resources of the Collegiate.

In respect of fraud, it is therefore the responsibility of the Headteacher to ensure internal controls prevent and detect any frauds promptly. This includes;

- Effective management and financial information;
- Consistent reporting on finance to their local governing body.

#### **4.4 Audit Committee and Internal Auditors**

The Audit Committee and Internal Auditors have specific responsibility for overseeing the financial arrangements on behalf of the Directors.

The main duties of the Audit Committee and Internal Auditor 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; and
- Financial considerations are fully taken into account in reaching decisions.

#### **4.5 Chief Financial Officer (“CFO”)**

The CFO has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of the Company. In addition, a process is in place for independent checking of financial controls, systems and transactions.

In respect of fraud it is therefore the responsibility of the CFO to ensure internal controls prevent and detect any frauds promptly. This includes:

- A clear remit for the internal auditor to undertake work to prevent and detect potentially fraudulent acts. This work concentrates on areas of highest risk but also on areas which, although small are subject to fraud. The reports are

presented to the Finance & Resources Board Committee and the Audit and Risk Board Committee.

- Proper procedures and financial systems;
- Effective management of financial records;
- Management of the Academy's financial position.

#### **4.6 Accounting Officer / Executive Leader**

Must ensure that appropriate standards, conduct, behavior and corporate governance are maintained when applying the finds under their control;

The AO has the responsibility to advise the Board of Directors, ESFA and External Auditors of any instances of irregularity or impropriety, or non-compliance with the terms of the Master Funding Agreement and the Academy Financial Handbook.

#### **4.7 External Audit**

The Multi-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 Collegiate 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 DfE and ESFA.

### **5. Key Risk Areas**

Christ the King Catholic Collegiate has identified the following key risk areas which will be regularly reviewed as part of its Anti-Fraud Policy:

- Payroll
- Debit card transactions
- Cash handing and collection procedures
- Supplier payments
- Charity collections
- Assets
- Grants
- IT systems

## 6. Anti-Fraud Measures

The Collegiate has taken a number of measures that should prevent or detect any attempted or actual fraud. No system of control can prevent all cases and individual academies must minimize the risks to which it is exposed. At the highest level, CtKCC will:

- Regularly review and improve key internal control systems;
- Regularly review measures to minimize the risk of fraud;
- Involve staff in such reviews
- Adopt formal procedures to investigate fraud when it is suspected and where detected, strengthen controls to prevent reoccurrence;
- Provide mechanisms for employees to voice their genuine concerns
- Have no hesitation in referring cases of suspected financial irregularity to the attention of the Police and the ESFA.
- Work closely with the DfE, ESFA and other agencies to combat fraud.

The Collegiate has already introduced standards that should ensure proper administration. These include:

- Clearly defined roles for the Board sub committees.
- Clear roles for the Directors and Local Governing Body.
- Disciplinary Procedures and Complaints Procedure

## 7. Reporting a Suspected Fraud:

7.1 All allegations of suspected fraud and irregularities are to be brought to the attention of the CFO and also referred to the Accounting Officer, unless this individual is involved in the irregularity in which case the Chair of the Board of Directors should be informed.

Please refer to the Whistleblowing Policy for further guidance.

CtKCC **must** notify the ESFA as soon as possible (using the [online enquiry form](#)), of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academic financial year. Any unusual or systematic fraud, regardless of value **must** also be reported. The following information is required:

- full details of the event(s) with dates
- the financial value of loss
- measures taken by the Collegiate to prevent recurrence
- whether the matter was referred to the police (and if not, why not)
- whether insurance or the Risk Protection Arrangement (RPA) have offset any loss

## 8. Response to Allegations

The Accounting Officer will have initial responsibility for coordinating the initial response. In doing this they will consult with the HR advisors regarding potential employment issues. The Accounting Officer may also seek legal advice from the

company solicitors on both employment and litigation issues before taking any further action.

- 8.1 The CFO and Accounting Officer will ascertain whether or not the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, they will pass the matter on to the Chair of Finance and Resources Committee and the Audit and Risk Committee. Even if there is no evidence to support the allegation, the matter must be reported.
- 8.2 The Audit and Risk 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 the Board.
  - If further investigations are required, they will determine which outside agencies should be involved (police, auditors).
- 8.3 The Accounting Officer is required to notify the main Board 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 Board fully informed between committee meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.
- 8.4 If evidence of fraud is forthcoming then the Board of Directors will inform the DfE/ESFA as required by the Funding Agreement/ Academies Financial Handbook and will also consider whether or not to refer the matter to the police.

## **9. Confidentiality and Safeguards**

- 9.1 Christ the King Catholic Collegiate 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 company 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.
- 9.2 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.
- 9.3 There is a need to ensure that the process is not misused. For further guidance refer to the company Disciplinary, Grievance and Capability policies.



## **10. Links with other Policies:**

10.1 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 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
- Financial Regulations and Procedure Manual
- Disciplinary and Dismissal Policy
- Equal Opportunities Policy