



## **Pope John XXIII Catholic Multi-Academy Company**

# **ANTI FRAUD AND CORRUPTION POLICY**

**Approved by Finance and Resources Committee: 15<sup>th</sup> September 2015**

**Ratified by the Board of Directors:**

**Date of Review: 1<sup>st</sup> September 2015**

**For: Corpus Christi Catholic Primary Academy  
Holy Rosary Catholic Primary Academy  
Our Lady and St Chad Catholic Academy  
' St Mary's Catholic Primary Academy**

## Pope John XXIII Catholic MAC Anti Fraud and Corruption Policy

### **General**

This policy and procedure defines the expected conduct of all staff engaged at the Pope John XXIII 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; reference is made to other company policies where appropriate.

#### **1. Introduction**

- 1.1 Pope John XXIII Catholic Multi Academy Company (MAC) is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the company has a responsibility in respect of preventing and detecting fraud. All staff and directors have a role to play. The company also recognises the role of others in alerting them to areas where there is suspicion of fraud.
- 1.2 Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.
- 1.3 It is the duty of all employees, Directors and Academy Representatives at Pope John XXIII Catholic Multi Academy Company to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Accounting Officer, and Business Director, in conjunction with internal auditors to review the adequacy of anti-fraud and corruption arrangements on an on-going basis
- 1.4 Any investigation carried out in relation to alleged irregularities is linked to the company's Staff Disciplinary Policy.

#### **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, false pretences, 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 Pope John XXIII Catholic Multi Academy Company, its staff or the Board of Directors or Academy Committee Representatives.

### 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. See the MAC's Gifts and Hospitality Policy for detailed guidance.

### 2.4 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 company, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- **Bribery and corruption (Gifts & Hospitality – see Point 4.)** 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, Financial Regulations or other company policy or procedure 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 company;
- failure to observe, or breaches of, company policies, procedures or any other relevant legislation;
- 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 Business Director.

### 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 Principal and/or Business Director.

### 3. Policy Statement

- 3.1 This policy and procedure defines Fraud and Corruption, and offers guidance for all staff, Directors and Academy Representatives on anti-fraud and anti-corruption measures
- 3.2 The company 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 company business. This document sets out the company's policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the MAC'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 company's corporate values of integrity, consistency, impartiality, fairness and best practice, provides both staff and management with mutually understood guidelines for the administration of this policy..
- 3.4 The scope of this policy extends to all MAC employees, permanent, voluntary and fixed term; and to Directors and Academy Representatives.
- 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 and Directors and Academy Representatives

Pope John XXIII Catholic Multi Academy Company has adopted the following measures to demonstrate its commitment to anti-fraud and anti-corruption:

- The Finance and Resources and Audit Committees meet regularly;
- There is a requirement for all staff, and Directors and Academy Committee Representatives, to declare pecuniary and business interests in Committee meetings and not to contribute to items related to that interest;
- There is a requirement for staff and Directors and Academy Committee Representatives to disclose personal and/or conflicts of interests which are recorded in the MAC Register of Business Interests;
- All staff, Directors and Academy Committee Representatives are made aware of the Policy on Gifts and Hospitality;
- There is recording of Related Party transactions, for senior staff and Directors and Academy Representatives
- The MAC follows EFA guidance concerning connected party transactions;
- There are clear recruitment policies and procedures.

Staff, Directors and Academy Representatives have a duty to report another member of staff or the Board of Directors whose conduct is reasonably believed to represent a failure to comply with the above (**see point 5**).

#### 4.2 Accounting Officer

The Accounting Officer has specific responsibility for overseeing the financial matters on behalf of the Board of Directors and has personal responsibility to Parliament and the EFA's Accounting Officer for financial resources under the MAC's control.

The main duties of the Accounting Officer are to provide the Board of Directors with on-going independent assurance that:

- The financial responsibilities of the Board of Directors are being properly discharged and with respect to regularity, propriety and compliance;
- Resources are being managed in an efficient, economical and effective manner and provide value for money;
- Sound systems of financial control are being maintained; and
- Financial considerations are fully taken into account in reaching decisions.

#### 4.3 Business Director

The Business Director has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of Pope John XXIII Catholic Multi Academy Company.

In respect of fraud it is therefore the responsibility of the Business Director 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 company's financial position.

#### 4.4 External and Internal Audit

The company'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 company 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 for Education through the EFA.

The MAC also has an internal auditor who carries out functions of the Responsible Officer and provides an annual independent check to the Board of Directors.

### 5. Reporting a Suspected Fraud

- 5.1 All allegations of suspected fraud and irregularities are to be brought to the attention of the Accounting Officer and also referred to the Principal and Business Director, unless these individuals are involved in the irregularity, in which case the Chair of Board of Directors should be informed.

Please refer to the company Whistleblowing Policy for further guidance.

### 6. Response to Allegations

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

- 6.2 The Accounting Officer and Principal/Business Director 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. Even if there is no evidence to support the allegation, the matter must be reported.

- 6.3 The Audit Committee will oversee the management of the investigation.
- They will, if appropriate, instigate 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 Board of Directors.
  - If further investigations are required, they will determine which outside agencies should be involved (police, auditors).
- 6.4 The Accounting Officer is required to notify the Board of Directors 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 Chair of the Board of Directors fully informed between meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.
- 6.5 If evidence of fraud is forthcoming then the Board of Directors must inform the EFA as required by the Funding Agreement and EFA Academies Financial Handbook currently in force; the Board will consider whether or not to refer the matter to the police.

## **7. Confidentiality and Safeguards**

- 7.1 Pope John XXIII Catholic Multi Academy Company 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.
- 7.2 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.
- 7.3 There is a need to ensure that the process is not misused. For further guidance refer to the company Disciplinary, Grievance and Capability policies.

## **8. Links with other Policies**

- 8.1 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 company policies:
- Whistleblowing Policy
  - Financial Regulations
  - Staff Disciplinary, Grievance and Capability Policies.
  - Equal Opportunities Policy.
  - Gifts and Hospitality Policy

**9. Review**

9.1 This Policy will be reviewed regularly and at least 3-yearly

<b>Version 1.0</b>	Date approved by Finance and Resources Committee	15 <sup>th</sup> September 2015
	Date ratified by Board of Directors:	
	Signature of Chair of Board of Directors	