THE KITE ACADEMY TRUST

ANTI-FRAUD & CORRUPTION POLICY

P1194

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1 Introduction

This policy defines the expected conduct of all employees engaged at The Kite Academy Trust, 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.

Reference is made to other Kite Academy Trust policies where appropriate.

The Kite Academy Trust is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with The Kite Academy Trust has a responsibility in respect of preventing and detecting fraud; all employees, Members, Trustees and Governors have a role to play. The Kite Academy Trust 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, Members, Trustees and Governors of The Kite Academy Trust to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Accounting Officer and Auditors to review the adequacy of the measures taken by The Kite Academy Trust 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 Kite Academy Trust's Performance & Capability Policy and its associated procedures.

2 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 Kite Academy Trust, its employees or Members, Trustees and Governors.

Gifts & 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 and provision 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.

Irregularities

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 Kite Academy Trust, which is carried out to conceal the misappropriation of assets or otherwise for gain;

• **Bribery % 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;

• **Cyber-enabled Fraud or Cyber-crime** - including unauthorised access to systems, manipulation of digital financial records, phishing-based fraud, ransomware or any misuse of ICT systems that results in financial loss or improper gain;

• **Failure to Observe**, or breaches of, the Scheme of Delegation and Financial Regulations or The Kite Academy Trust 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;
- manipulating documentation to increase salaries/wages received, e.g. false overtime claims;
- payment of invoices for goods received by an individual rather than The Kite Academy Trust;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by The Kite Academy Trust;
- 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 Director of Finance.

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 CEO.

3 Policy Statement

This policy defines the Trust's approach to anti-fraud, corruption, gifts and hospitality, and offers guidance for all employees, Members, Trustees and Governors of The Kite Academy Trust. The Trust is also fully committed to preventing bribery and complying with the Bribery Act 2010.

The Trust recognises that fraud may be committed through digital or cyber-enabled means and is committed to maintaining robust cyber-security controls to prevent such risks.

The Kite Academy Trust aims to be an honest and ethical organisation. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts Trust business. This document sets out The Kite Academy Trust'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 Kite Academy Trust'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.

This policy, in line with The Kite Academy Trust's corporate values of integrity, consistency, impartiality, fairness and best practice, provides both employees and management with mutually understood guidelines for the administration of this policy.

The scope of this policy extends to all Kite Academy Trust employees (permanent, voluntary and fixed term, Members, Trustees and Governors.

Time limits specified in this document may be extended by mutual agreement.

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 Gifts & Hospitality

These guidelines will help you to judge what sort of gift, and what level of hospitality, is acceptable. The Kite Academy Trust operates a zero-tolerance approach to bribery in accordance with the Bribery Act 2010. No employee, Member, Trustee or Governor may offer, request, give or accept any gift, hospitality or other advantage that could be construed as a bribe or intended to improperly influence a decision.

The following general rules apply and must guide decisions on receipt of gifts and hospitality as an employee of The Kite Academy Trust:

- To accept gifts should be the exception. You may accept small 'thank you' gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £50 in value (from one individual or company). You should notify the Director of Finance of any gift or hospitality over this value for entry in the Register of Business Interests.
- Always decline the gift/hospitality if you think the giver has an ulterior motive. Be sensitive to the possibility that the giver may think that even small gifts or simple hospitality will elicit a more prompt service or preferential treatment.
- Never accept a gift or hospitality from anyone who is, or may be in the foreseeable future, tendering for any contract with The Kite Academy Trust, seeking employment with the Trust or is in dispute with the Trust, even if you are not directly involved in that service area.
- Where items purchased for The Kite Academy Trust include a 'free gift', such a gift should either be used for Trust business or handed to the Academy Headteacher/ Business Services Manager to be used for charity raffles.
- If you are in doubt about the acceptability of any gift or offer of hospitality, it is your responsibility to consult the Director of Finance or Academy Headteacher / Business Services Manager. The CEO will consult with the Chair of the Trust Board about the acceptability of any gift or offer of hospitality made to them.

A gauge of what is acceptable in terms of hospitality is whether The Kite Academy Trust would offer a similar level of hospitality in similar circumstances.

Occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business provided they are not to an unreasonable level or cost.

Invitations to corporate hospitality events must each be judged on their merit. Provided the general rules have been taken into account, it may be acceptable to join other company/organisation guests at:

- sponsored cultural and sporting events, or other public performances, as a representative of The Kite Academy Trust;
- special events or celebrations.

Consideration should be given to the number of these events, and what public perception is likely to be if they knew you were attending.

Acceptability depends on the appropriateness of the invitations, in terms of the level of hospitality, the frequency and the status of the invited employee. In all such cases the Academy Headteacher/ Director of Finance must be consulted.

Paid holidays or concessionary travel rates are not acceptable. Neither are offers of hotel accommodation nor the use of company villas/apartments.

If you are visiting a company to view equipment that The Kite Academy Trust is considering buying, you should ensure that expenses of the trip are paid by the Trust. Acceptance of refreshments and/or a working lunch may be acceptable, but care must be taken to ensure that the Trust's purchasing and/or tender procedures are not compromised.

Acceptance of sponsored hospitality that is built into the official programme of conferences and seminars related to your work are acceptable.

Offers to speak at corporate dinners and social gatherings, or events organised by, for example, a professional body, where there is a genuine need to impart information or represent The Kite Academy Trust must be agreed in advance with the Academy Headteacher/ Director of Finance. Where your spouse or partner is included in the invitation, and approval has been given for you to attend, it will be acceptable for your spouse or partner to attend as well, but if expenses are incurred, these will be met personally.

Any invitation you accept should be made to you in your professional/working capacity as a representative of The Kite Academy Trust.

5 Roles & Responsibilities

Employees, Members, Trustees and Governors

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

- Finance, Audit & Risk Committee meets regularly;
- A requirement for all employees, Members, Trustees and Governors to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for employees, Members, Trustees and Governors to disclose personal interests;
- All employees, Members, Trustees and Governors are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures.
- Ensure policies and procedures are adhered to by all third parties, including volunteers.

Employees, Members, Trustees and Governors also have a duty to report another member of employees, Member, Trustee or Governor whose conduct is reasonably believed to represent a failure to comply with the above.

Accounting Officer

The Accounting Officer has specific responsibility for overseeing the financial arrangements on behalf of the Trustees.

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

- The financial responsibilities of the Trustees 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.
- Ensuring compliance with the Companies Act 2006, including the duty to maintain adequate accounting records, prevent false accounting, and ensure that the Trust's financial statements give a true and fair view.

Director of Finance

The Director of Finance has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of The Kite Academy Trust.

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

- Proper procedures and financial systems;
- Effective management of financial records;
- Ensuring appropriate cyber-security controls are in place to protect financial systems, including compliance with NCSC guidance and measures to prevent cyber-enabled fraud.
- Management of The Kite Academy Trust's financial position.

External Audit

The Kite Academy Trust'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 Kite Academy Trust 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.

6 Reporting a Suspected Fraud

All allegations of suspected fraud and irregularities are to be brought to the attention of the Academy Headteacher and also referred to the Director of Finance and CEO, unless this individual is involved in the irregularity in which case the Chair of the Board of Trustees should be informed.

Please refer to The Kite Academy Trust's Whistleblowing Policy for further guidance.

7 Response to Allegations

The Academy Headteacher/ Executive Headteacher will have responsibility for co-ordinating the initial response. In doing this, they will consult with the Director of Operations regarding potential employment issues. The CEO/ Director of Finance will also seek legal advice from The Kite Academy Trust's solicitors on both employment and litigation issues before taking any further action.

The investigating parties will ascertain whether or not the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, the CEO will pass the matter on to the Chair of the Finance, Audit & Risk Committee. Even if there is no evidence to support the allegation, the matter must be reported.

The Director of Finance/ Chair of Finance, Audit & 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 of Trustees;
- If further investigations are required, they will determine which outside agencies should be involved (e.g. police, auditors).

The CEO is required to notify The Kite Academy Trust Board of Trustees 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 Trustees fully informed between meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

The Academy Trust Handbook requires that academy trusts must notify the Department for Education as soon as possible of all instances of fraud, theft or irregularity exceeding £5,000 individually, or £5,000 cumulatively, in any financial year. Unusual or systematic fraud, regardless of value, must also be reported.

If evidence of fraud is forthcoming, The Kite Academy Trust Board of Trustees will inform the Department for Education and will consider whether or not to refer the matter to the police.

8 Confidentiality & Safeguards

The Kite Academy Trust 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 Trust 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, in line with the Public Interest Disclosure Act 1998.

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 Kite Academy Trust Performance & Capability Policy.

9 Links with other Policies

The Kite Academy Trust 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 Kite Academy Trust policies:

- Finance Policy
- Whistleblowing Policy
- Performance & Capability Policy

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