



# Education Trust

‘Inspiring the individuals of today, for a better society to tomorrow,  
“Aspire, Belong, Collaborate”

## ANTI FRAUD POLICY

Review Frequency	Annually
Reviewed	July 2025
Next Review	July 2026
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## INTRODUCTION

This policy sets out the Trust strategies for minimising the risk of fraud, corruption and other irregularity and includes the plan for responding when such fraud, corruption or irregularities are suspected. This anti-fraud policy and fraud response plan complements the Trust Whistleblowing Policy.

This anti-fraud policy and fraud response plan applies to all employees (full time, part time, temporary and casual) of Riviera Education Trust (the “Trust”). The purpose of the procedure is to give a mechanism to improve conduct to the standard expected and to facilitate the fair dismissal of those who have not improved or whose conduct is so unacceptable as to warrant dismissal without notice. The aim is to ensure consistent and fair treatment for all employees.

The Trust delegates its authority in the manner set out in this procedure.

Academies Trust Handbook –

### **Fraud, theft, irregularity and cybercrime**

6.9. Academy trusts **must** be aware of the risk of fraud, theft and irregularity and address it by putting in place proportionate controls. Trusts **must** take appropriate action where fraud, theft or irregularity is suspected or identified.

6.10. The board of trustees **must** notify DfE 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. The following information is required:

- full details of the events with dates
- the financial value of the loss
- measures taken to prevent recurrence
- whether it was referred to the police (and if not why)
- whether insurance or the RPA have offset any loss.

6.11. DfE may conduct or commission investigations into actual or potential fraud, theft or irregularity in any academy trust, either because of a notification from the trust itself or from other information received. DfE may involve other authorities, including the police.

6.12. DfE publishes reports about its investigations and about financial management and governance reviews at academy trusts.

6.13. DfE also publishes guidance on reducing fraud. Trusts should refer to this and to the findings from DfE’s investigation reports, as part of its risk management approach.

### **Cybercrime**

6.14. Academy trusts **must** also be aware of the risk of cybercrime, put in place proportionate controls and take appropriate action where a cyber security incident has occurred. Trusts should take appropriate action to meet DfE’s cyber security standards, which were developed to help them improve their resilience against cyber-attacks.



6.15. Trusts **must not** pay any cyber ransom demands. DfE supports the National Crime Agency's recommendation not to encourage, endorse, or condone the payment of ransom demands. Payment of ransoms has no guarantee of restoring access or services and is likely to result in repeat incidents.

## DEFINITION OF FRAUD

Although there is no precise legal definition of fraud, the term is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. Fraud can occur anywhere within the Trust and can present itself not simply as financial or financially motivated actions but covers areas including financial, reputational, employment and students. This policy covers all of the above.

The Fraud Act 2006, which came into force on 15<sup>th</sup> January 2007, introduces provision for a general offence of fraud which is broken into three sections:

- Fraud by false representation
- Fraud by failing to disclose information
- Fraud by abuse of position

For practical purposes in the application of this policy, fraud may be defined as the use of deception with the intention of:

- Deliberately securing an employment using falsified information.
- Gaining an advantage, personally and/or for family or friends
- Avoiding an obligation
- Causing a financial loss to the Trust

## FRAUD RISK MANAGEMENT STRATEGY

Annex 4.9 of the HM Treasury publication Managing Public Money highlights the responsibilities and expectations of public sector organisations in relation to fraud. An effective fraud risk management strategy involves:

- assessing your overall vulnerability to fraud
- testing your internal control system to ensure it is robust.
- identifying the areas most vulnerable to fraud risk, the list of potential fraud indicators may support this review
- evaluating the scale of fraud risk
- responding to the fraud risk through improved control arrangements
- measuring the effectiveness of the risk strategy to potential fraud



- reporting fraud

## POLICY STATEMENT

Those responsible for Trust management have a responsibility for the prevention, detection and investigation of irregularities. The Trust's internal audit service assists by examining and evaluating the adequacy and effectiveness of the actions taken to fulfil this obligation.

The Trust requires all employees to follow the Trust Financial Policies and procedures, which incorporate controls that are designed to limit the opportunity for fraud and to identify any financial malpractice or misappropriation when procuring contracts for goods, works or services.

The Trust has implemented preventative measures to manage the risk of fraud, including the requirement for those involved in procurement to declare any personal interest in any transaction or proposed contract, such personal interest to include defined members of family, associates or companies in which the person or their defined family members hold an interest.

The Trust expects all employees and associated persons involved in procurement to exercise due diligence prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative if the contract exceeds £50,000.

The Financial Policy sets out the requirements for the segregation of duties when procuring goods and services, including the raising of purchase orders, receipt of goods and services, together with the authorisation of supplier invoices for processing and payment.

All instances of fraud or theft committed against the Trust, whether by employees, directors, trustees, members or third parties, above £5,000 must be reported to the DfE. Any unusual or systematic fraud, regardless of the type of fraud, must also be reported.

The DfE will not tolerate fraud. It reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity in any academy trust either as a result of a formal notification from the trust itself or as a result of other information received. The DfE may involve other authorities, including the police, as appropriate. The DfE will publish reports into investigations it undertakes.

Irregularities include:

- fraud, which includes the misappropriation of money and property
- corruption
- financial malpractice
- embezzlement



- serious mal-administration
- unethical practices that are not necessarily criminal
- dangerous acts or omissions creating health and safety hazards

The Trust's anti-fraud policy has the following components:

- The Trust creates an environment in which high standards of probity and accountability are expected. Directors, Trustees, Members and staff register their outside interests and do not take part in decisions where they have such an interest. Clear guidance on the administration of finance and contracts is set out in the Finance Policy and is complemented by the Competitive Policy. There is an established Whistleblowing Policy.
- All members of staff have a duty to comply with the Trust's regulations and to behave honestly and with integrity.
- The Trust Whistleblowing Policy encourages staff to voice any reasonably held suspicion as part of an effective anti-fraud culture.
- This Whistleblowing Policy sets out the Trust procedure and informs staff of their rights and obligations under the Public Interest Disclosure Act 1998. This legislation will protect employees from any reprisals as long as they meet the following rules:
  - they must disclose the information in good faith
  - they must believe it to be substantially true
  - they must not act maliciously or make false allegations
  - they must not seek any personal gain
- The Trust incorporates recommendations made by the internal audit service to strengthen the Trust's financial and operational systems of control.

The Trust recognises the importance of the seven principles of public life defined by the Nolan Committee 1995 and expects all Trustees and employees and those acting as its agents to conduct themselves according to them. The seven principles are:-

- Honesty
- Integrity
- Selflessness
- Objectivity
- Openness
- Accountability
- Leadership

Through observance of these principles the Trust requires the Trustees and employees and its agents to be alert to the possibility of fraud, corruption and dishonesty in all their dealings.



## FRAUD RESPONSE PLAN

### Purpose

The purpose of the plan is to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity.

The use of the plan is intended to enable the Trust to:

- Investigate an allegation of fraud as quickly as possible, in an unhindered way in order to determine whether the evidence is available to correctly identify that a fraud has taken place or not
- Prevent further loss, or potential gain, e.g. fraudulent employment gain
- Establish and secure evidence necessary for criminal and disciplinary action
- Notify the DfE if required
- Recover losses
- Take action against the culprits
- Review the reason for the incident, the measures taken to prevent a recurrence and any action needed to strengthen future responses to fraud
- Keep all personnel with a need to know suitably informed about the incident and the Trust's response
- Inform the police and establish lines of communications
- Assign responsibility for investigating the incident
- Establish circumstances in which external specialists should be involved
- Establish policies for follow on actions, such as future requests for references for employees involved in the incident

### Action

All actual or suspected incidents at a Trust level should be reported immediately to the Chief Executive Officer (CEO) and/or Chief Finance Officer (CFO) (unless the CEO and/or CFO is suspected, in which case it will be reported directly to the Chair of the Trust Board) and Chair of the Finance and Audit Committee. The CEO will make any initial enquiries considered necessary to clarify the situation, either personally or via a nominated Investigating Officer, who will be a member of Senior Leadership team of the Trust, but should then arrange a meeting of the Finance and Audit Committee to determine the initial response.

At all levels, the Trust academies are required to report any allegations of fraud at the academy to the CEO and the CFO, without delay.

The Finance and Audit Committee will decide the action to be taken including the need to commission special investigations and the resource implications. They will need to consider the following:



## Prevention of future loss;

- This may require the suspension of a Trust employee with pay. This is to enable a thorough, unhindered and independent investigation to take place as quickly as possible. The suspension of the employee should not be seen as a form of punishment for the employee and does not imply any guilt on the part of the suspended employee.
- The Trust reserves the right to suspend a trustee or member of the Trust if there is an allegation of fraud involving that Trustee/Member that is being investigated and ultimately to remove them from office if the allegation is substantiated.
- Those suspected of fraud may need to be escorted from the premises and prevented from gaining future access, including access to the Trust's computer systems
- Internal audit may consider that other related systems or areas should be investigated

## Action to be taken against the individual

- The Trust will follow disciplinary procedures against any member of staff who has committed fraud, which may result in dismissal. The Trust will normally pursue the prosecution of any such individual and the Trust reserves the right to involve the Police or other law enforcement agencies when investigating any allegations of fraud
- The circumstances in which the Trust will inform the DfE about actual or suspected frauds are detailed in the Academies Trust Handbook. The Investigating Officer is responsible for informing the DfE of any such incidents.
- Any removal of a Trustee or Member of the Trust will be in accordance with the following procedure:
  - It will be approved at a quorate meeting of the Trust board. Seven days clear notice will be given of the meeting and the meeting agenda will be sent out with the notice of the meeting, including the item to be discussed and the item proposing the suspension or removal of the trustee.
  - The individual concerned will be given the opportunity to make representations.

## Recovery of loss

The amount of any loss should be quantified and repayment of losses sought in all cases. If the loss is substantial, legal advice should be obtained without delay from the Trust solicitors.

## Reporting

- Any incident shall be reported without delay by the Head of School to the CEO and CFO. Follow up reports updating progress should be provided.
- Any variation from the approved fraud response plan, together with the reasons for the variations, shall be reported promptly to the CEO.
- A written report (normally prepared by internal audit) shall be submitted to the Trust Finance



and Audit committee describing the incident, value of loss, individuals involved and the means of perpetrating the fraud. Also the measures taken to prevent a recurrence and any actions needed to strengthen future responses to fraud.

## EXTERNAL FRAUD

The Trust has established processes and controls in place to significantly reduce the potential of fraud by employees.

There is also the risk of external fraud particularly with regards to banking and computer fraud.

The Trust's bank account is with Lloyds who have in place their own security controls including the use of 'pin' input Card Readers to carry out any action and 2 members of staff to approve any payments.

The Trust has in place the recommended level of controls for computer fraud. Technical systems are managed in ways that ensure that the Trust meets recommended SWGfL technical requirements and the online safety policy. There are regular reviews and audits of the safety and security of academy technical systems, see technical security policy.

The Trust has taken out cyber insurance to help manage the outcome of a possible cyber-attack.

## MONITORING EVALUATION AND REVIEW

The Trust board will review this policy at least every five years and assess its implementation, effectiveness and affordability.

The DfE have published an anti-fraud checklist for Academy Trusts. It is noted that fraud occurs in every sector and although the level of identified fraud in Academies is low, trusts must be aware of the potential for it to occur. The 10 questions included in the checklist are intended to help Trustees, Accounting Officers and Directors of Finance to review their arrangements for preventing, detecting and dealing with fraud should it occur.

The 10 questions are:-

1. Are the trustees, accounting officer and chief financial officer aware of the risk of fraud and their responsibilities regarding fraud?
2. Is fraud included within the remit of the Trust's Audit Committee?



3. Has the role of the external auditor and responsible officer (or equivalent) regarding fraud been established and is it understood?
4. Is fraud risk considered within the Trust's risk management process?
5. Does the Trust have a fraud strategy or policy and is there a zero tolerance culture to fraud in the Trust?
6. Is the strategy, policy and zero tolerance culture promoted within the Trust, for example through financial regulations, disciplinary procedures, checks on new staff, induction process, staff training and the vetting of contractors?
7. Does the Trust have policies on whistleblowing, declaration of interests and the receipt of gifts and hospitality?
8. Does the Trust have appropriate segregation of duties around financial transactions, including, but not limited to, accounting, processing and banking arrangements?
9. Is it clear to whom suspicions of fraud in the Trust should be reported?
10. If there has been any fraud in the Trust, has a lessons learned exercise been undertaken?



## DETAILS OF AMENDMENTS

### **October 2020**

- Policy adopted.

### **January 2022**

- Include fraud risk management strategy section
- Updated reference to Academies Trust Handbook
- Updated reference to CFO from DoF
- Update wording on 10 questions from ESFA anti-fraud checklist
- Updated Trust Handbook reference to Fraud, theft, irregularity and cybercrime
- Updated definition section for reference to Fraud Act 2006

### **July 2023**

- No updates

### **July 2024**

- No updates

### **July 2025**

- Updated Fraud section in The Academy Trust Handbook
- Replaced reference to ESFA with DfE

