

# LiFE Multi-Academy Trust

## Anti-Fraud, Corruption, Bribery & Related Party Transaction Policy 2024

### Anti-Fraud, Corruption, Bribery & Related Party Transaction Policy

#### DOCUMENT INFORMATION – FRONT SHEET

Please note - this policy cannot be changed and will be published on the Trust website with a link published on the School Website. Physically printed copies of this policy may be out of date. For the most up to date policy please go to the Trust website [here](#)

#### POLICY DETAILS

| POLICY OWNER/AUTHOR        | NEW POLICY | CURRENT POLICY - REDRAFT/AMENDMENTS |   |
|----------------------------|------------|-------------------------------------|---|
| Operational Finance Policy | No         | Yes                                 | <i>If Yes please provide brief details of changes below in the version history section and highlight changes in yellow.</i> |

#### VERSION HISTORY

| VERSION NO & DATE        | 24.01          |             |               |              |          |
|--------------------------|----------------|-------------|---------------|--------------|----------|
| VERSION DETAIL & CHANGES |                |             |               |              |          |
| PREVIOUS REVIEW DATE     | September 2024 | NEXT REVIEW | December 2025 | REVIEW CYCLE | 1 years* |

#### APPROVAL INFORMATION

| DATE APPROVED/REVIEWED      |    | APPROVED BY                               | Trust Board |
|-----------------------------|----|---|-------------|
| UNION CONSULTATION REQUIRED | No | IF YES, PLEASE STATE DATE OF CONSULTATION |             |

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### Policy changes:

| Date       | Change                                 |
|------------|--|
| 04/07/2023 | ABR - Changes to Policy for 23/24 Year |
| 19/09/2024 | Abr – Review no changes                |
|            |  |

### 1. Purpose

The aim of this policy is to provide support and guidance to all staff to ensure that they aren't inadvertently complicit in any act of fraud, corruption or bribery by:

- providing clear expectations as laid out in this policy
- making staff aware that the trust operates a 'zero tolerance' approach in relation to fraud, corruption or bribery
- providing training and awareness for all staff employed by the trust
- encouraging staff to be self-aware and to report anything it considers suspicious immediately
- setting out responsibilities for countering fraud

### 2. Scope of Policy

This policy applies to all members of the LiFE Multi Academy Trust community and includes:

- Members
- Trustees
- Governors
- Teaching and Support Staff
- Volunteers

The trust expects that all individuals and organisations connected with the trust act with integrity and without thought of any personal or professional gain through fraud, corruption or bribery.

The trust recognises the importance of the seven principles of public life defined by the Nolan Committee 1995 and expects its community and its agents to conduct themselves accordingly.

1. Honesty
2. Integrity
3. Selflessness
4. Objectivity
5. Openness
6. Accountability
7. Leadership

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

### 3. Culture and stance against fraud, bribery or corruption

The trust operates a culture of zero tolerance of fraud, bribery and corruption. There are robust controls in place to ensure that the trust conforms to legal and statutory requirements. These systems and controls are annually reviewed through internal and external audit.

### 4. Raising concerns/Whistleblowing

The trust community is key to the prevention of fraud, corruption and bribery and as such are expected to raise concerns if they occur without fear of reprisal.

If someone has a concern the Whistleblowing policy should be followed. The following DfE document is also a useful tool when trying to decide whether there are fraudulent concerns called '**Indicators of potential fraud**' (a copy of this publication is held electronically with this policy).

**ALL CONCERNS MUST BE REPORTED VIA THE APPROPRIATE CHANNELS**

## 5. Definitions

### 5.1. 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 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.

### 5.2. 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 LIFE Trust, its staff or Governors.

### 5.3. 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.

Please refer to the trusts Finance Policy for guidance around the acceptance of gifts and hospitality.

### 5.4. 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 Academy, which is carried out to conceal the misappropriation of assets or otherwise for gain;
- **Bribery and corruption** (Gifts & Hospitality – see Point 5.1.)- 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 or LIFE Mat’s Procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

### 5.5. Bribery

There are four key offences under The Bribery Act 2010:

1. bribery of another person
2. accepting a bribe
3. bribing a foreign official
4. failing to prevent bribery

Bribery is not tolerated by LiFE Multi Academy Trust. In order for staff not to unwittingly become victims of bribery the following advice is offered:

- You may not give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business;

- You may not give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to 'facilitate' or expedite a routine procedure;
- You are not permitted to accept payment from a third party that you know, or suspect is offered with expectation that it will obtain a business advantage for them; and
- You are not permitted to retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy.

### 5.6. Facilitation Payments

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

### 5.7. Related Party Transactions (Business activities between personal friends, relatives or their companies)

Trusts must obtain ESFA's prior approval, using ESFA's related party on-line form, for contracts and other agreements for the supply of goods or services to the trust by a related party where a contract or other agreement exceeds the limit in a single financial year, unless contracts with colleges, universities and schools which are sponsors of the academy trust.

The current limit is £40,000. Further information can be found in the Academies Financial Handbook and the trusts related parties' policy, in section 7 and 17 of the trusts finance policy.

### 5.8. Examples of Fraud

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 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 Finance Trustee/Business Manager.

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.

### 5.9. Reference documents/publications

- Academies Financial Handbook (DfE)
- Indicators of potential fraud (DfE)
- The 7 principles of public life (DfE)
- LiFE Multi Academy Trust Whistleblowing Policy

- LiFE Multi Academy Trust Finance Policy

## 6. Confidentiality and Tipping off Offences

### 6.1. Confidentiality

Where a report has been made or investigation is ongoing, trust staff must not discuss any details related to the case with any other person/persons, other than official disclosures to the Fraud Reporting Officer (FRO) .

### 6.2. Tipping Off

Where a report has been made or investigation is ongoing, it is a criminal offence to discuss any details related to the case with any other person/persons under investigation.

A person guilty of an offence under this section is liable on conviction on indictment to imprisonment for a term exceeding 2 years, or to a fine, or to both.

### 6.3. Failure to disclose

You may commit an offence if you fail to make a disclosure after information your knowledge or suspicion of money laundering or fraud is based on comes to you. These are known as the 'failure to disclose' offences.

## **7. Roles and Responsibilities**

### **7.1. Staff, Trustees & Governors**

LIFE Mat has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

- A requirement for all appropriate staff, Trustees & governors to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for appropriate staff, Trustees & governors to disclose personal interests;
- All appropriate staff, Trustees & governors are made aware of the understanding on the acceptance of gifts and hospitality;

Staff, Trustees & Governors also have a duty to report another member of staff, Trustee or Governor whose conduct is reasonably believed to represent a failure to comply with the above.

### **7.2. Responsible Officer**

The Responsible Officer has specific responsibility for overseeing the financial arrangements on behalf of the Trustees. The main duties of the Responsible 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 considered when reaching decisions.

### **7.3. Fraud Reporting Officer**

The Fraud reporting office has specific responsibilities to investigate instances of fraud on behalf of the trustees. The main duties of the fraud reporting officer will be:

- Gather evidence and conduct fraud investigations
- Evaluate potential fraud indicators
- Report to trustees on ongoing fraud investigations
- Work with external law enforcement agencies on investigations where applicable.
- Keep all investigations confidential and professional.

### **8. Fraud Response Plan**

Due to the sensitive nature of the response to fraud allegations, the fraud response plan is confidential to the FRO and Trustees.

## 9. Appendix F.1 – Fraud Reporting Form

### 9.1. Guidance:

- Please complete all fields in Part 1 to Part 4 of the form and submit to the trust's Fraud Reporting Officer (FRO), Alex Brown (Abrown@lifemultiacademytrust.org.uk)
- The subject of the email should be in the following format: CONFIDENTIAL INTERNAL FRF.
- If the case requires urgent attention or you require advice, please speak to Alex Brown (FRO) as soon as possible.
- Please complete with all known details; where details are not known, please state.
- If you are reporting a case that relates to a transaction (for example, bank payments) that is yet to happen and you suspect that the funds being transferred represent the proceeds of crime, speak with Alex Brown (FRO) immediately. In these situations, we may be required to contact law enforcement agencies.

### 9.2. Involved parties

|                   |  |  |
|-------------------|--|--|
| <b>Individual</b> | <b>Name</b>  |  |
|                   | <b>Date of birth</b>   |  |
|                   | <b>Address</b>   |  |
|                   | <b>Contact details</b>   |  |
|                   | <b>Additional details</b><br><i>Insert any further details that may be known about the individual</i>                                  |  |
|                   | <b>Involvement</b><br><i>This should indicate the involvement as you understand it of this party in the activity you are reporting</i> |  |

|                    |   |  |
|--------------------|---|--|
| <b>Other party</b> | <b>Name</b>   |  |
|                    | <b>Address</b>  |  |
|                    | <b>Contact details</b>  |  |
|                    | <b>Additional details</b><br><i>Insert any further details that may be known (for example, any company numbers or websites)</i>                     |  |
|                    | <b>Involvement</b><br><i>This should indicate the involvement as you understand it of this party in the activity you are reporting, e.g. victim</i> |  |

You should create as many tables as required for your case and complete as much information as known for each party.

### 9.3. Reason for suspicion

#### Guidance on completing this section

Provide a summary to explain your suspicion and then provide a chronological sequence of events. Try to keep the content clear, concise and simple. For example, explain how you became aware of the situation, describe the events,

activities and/or transactions that led you to be suspicious, and how and why you became suspicious because of these.

As a guide when submitting a Fraud Reporting Form, wherever you can, try to answer the following six basic questions to make the information provided as useful as possible:

|      |       |        |        |      |      |
|------|-------|--------|--------|------|------|
| Who? | What? | Where? | Where? | Why? | How? |
|------|-------|--------|--------|------|------|

Remember to include:

- the date of activity
- the type of product or service
- how the activity will, or has, taken place when documenting the reason for suspicion.

If you are suspicious because the activity deviates from the normal activity for that individual/firm, briefly explain how the activity that gave rise to your suspicion differs from the normal.”

**TIP/REMINDER** Have you clearly described the suspicion? This report will be read by a third party and potentially forms a basis of a report to Law Enforcement/Authorities. Have you clearly explained your concern so a third party can understand?

### 9.4. Supporting documentation

Attach any supporting documentation that is relevant for the case. For example, this may include copies of correspondence, customer files or information that you have obtained on the matter.

For each file attached, ensure that an explanation is provided of what it is, as this will help the third party when reviewing the case.

| Document No | Description |
|-------------|-------------|
| 1           |             |
| 2           |             |
| 3           |             |
| 4           |             |
| 5           |             |
| 6           |             |
| 7           |             |

*You should create as many lines as required for each piece of evidence supplied.*

### 9.5. Submitter's details

Name

Contact number

Date of report

Signed

### 9.6. FRO Initial response

|                                    |             |              |
|------------------------------------|-------------|--------------|
| <b>FRO Severity Classification</b> | • Low Level | • High Level |
| <b>Police to be Notified</b>       | • Yes       | • No         |
| <b>Audit and Risk Notified:</b>    | • Yes       | • No         |
| <b>FRO Notes:</b>                  |             |              |
| <b>Signed:</b>                     |             |              |
| <b>Date:</b>                       |             |              |