



The Levels Academy Trust

Raising Aspirations, Realising Potential TOGETHER

Anti-Fraud and Corruption Policy

Date adopted: 18/10/16

Signature: [Handwritten Signature]

Review date: October 2017

The Levels Academy comprises four schools, namely:
Hambridge Primary School (including Hambridge and Barrington Pre-Schools)
Huish Episcopi Primary School
Middlezoy Primary School
Othery Village School

This policy has been reviewed to cover each of the above schools.

Introduction

The Levels Academy is committed to ensuring that it acts with integrity and has high standards. Everyone involved with The Levels Academy has a responsibility in respect of preventing and detecting fraud. All staff and governors have a role to play. The Levels Academy also recognizes the role of others in alerting them to areas where there is suspicion of fraud.

The Levels Academy has many measures to ensure proper administration and prevent and detect fraud and corruption. Recognizing a potential fraud and being able to report it is just as important as the measures to prevent and detect.

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 Levels Academy, its staff, Members, Trust Board and local governing bodies.

It is the duty of The Levels Academy and its employees Trust Board to take reasonable steps to limit the possibility of corrupt practices, and;

It is the responsibility of Internal Audit to review the adequacy of the measure taken by The Levels Academy, to test compliance and to draw attention to any weaknesses or omissions.

The Principal Roles

Staff and Trust Board

To the public, The Levels Academy can be judged by the conduct of its Staff and Trust Board. The Levels Academy has adopted the following measures to demonstrate its commitment:

- All Staff, Members, Trust Board and local governor are made aware of the Local Authority Code of Conduct for Employees;
- A Trust Board Business Committee;
- A requirement for all those involved in the Academy to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for staff, Members, the Trust Board and local governing bodies to disclose personal interests;
- All staff, governors, the Trust Board and Members are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures;
- A code of conduct for employees;
- A staff handbook;

Staff, local governors, the Trust Board and Members also have a duty to report another colleague whose conduct is reasonably believed to represent a failure to comply with the above.

Headteachers and Finance Officers

The Headteachers and Finance Officers have a responsibility for ensuring that internal controls at each school will ensure proper administration and safeguard the resources of The Levels Academy.

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

- Proper procedures and financial systems;
- Effective management and financial information;
- Completion of The Levels Academy's annual statement of internal control (SIC)

Internal Audit by the Trust Business Committee

The Business Committee visit regularly (6 times per year) and have a clear remit to undertake work to prevent and detect potentially fraudulent acts. This is in line with

best practice. This work concentrates on areas of highest risk but also on areas which, although small are subject to fraud.

The EFA has a unique role in taking responsibility for;

- Investigating fraud;
- Establishing the extent of any fraud;
- Correcting accounting records if necessary;
- Recommending improvements in internal control;
- Advising on action to take to resolve the matter arising.

The Principal Anti-Fraud Measures

The Levels Academy 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 The Levels Academy must minimize the risks to which it is exposed. At the highest level The Levels Academy 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 EFA;
- Work closely with the Police and the other appropriate agencies to combat fraud.

The Levels Academy has already introduced corporate standards that should ensure proper administration. These include:

Staff Contracts and Annual Review of;

- Contract standing orders;
- Codes for Conduct for Governors and Staff;
- Measures to implement new legislation correctly;
- A clearly defined role for the Business Committee;
- Clear roles for the Trust Board of The Levels Academy;
- Training administration issues;
- Disciplinary Procedures; and Complaints Procedures.

These measures, and others, provide a framework supported by detailed procedure manuals for all key functions of The Levels Academy. Other key principle internal controls that are adopted include wherever possible:

- Adequate separation of duties;
- Proper authorization procedures;
- A proper audit trail;
- Independent monitoring and checking;
- Training of employees in their duties;
- Appropriate supervision;
- Effective managements structures and organization;
- Physical controls over highly portable assets;
- Effective IT and other security measures;
- A proper accounting and budgetary control system;
- Effective Internal Audit review systems.

Responsibility for effective implementation of these principles on internal control rests with the Chair of the Business Committee in conjunction with the Finance Manager and involves every member of The Levels Academy.

Reporting a Suspected Fraud

Response to Alleged Frauds

The Levels Academy requires suspected fraud and irregularities to be referred to the Headteachers, unless this individual is involved in the irregularity in which case the Chair of the Board of Directors should be informed.

All reported irregularities will be thoroughly investigated, with due regard to the provisions of the Human Rights Act 1998, Data Protection Act 1998, the Regulation of Investigatory Powers Act 2000 and The Levels Academy's Equal Opportunities Policy.

At each school steps that would normally be taken are:

- If an employee suspect a fraud has occurred (or is likely to) they should report this to their Line Manager who must inform their Headteacher, unless the suspicion relates to the Line Manager. In this instance to employee should report to the Headteacher or Chair of Governors of that school.
- The Headteacher will inform Chair of Governors unless the suspicion relates to the Chair of Governors when the Headteacher will contact

the Board of Directors without consultation with the Chair of Governors;

- If an employee suspects a fraud has occurred (or is likely to) and believe that their Line Manager, Headteacher and Chair of Governors may be involved, then they can report any concerns direct to the Board of Directors or Members.
- If suspicions stem from an Internal Audit assignment, the Chair of the Business Committee, will inform the Headteacher and Chair of Governors of the school involved or Board of Directors;
- Members of the public can report any concerns, either to the Headteacher of the school, Chair of Governors of the school, the Trust Board, the Members, The Levels Academy external auditor or via the Complaints Procedure;
- The Chair of the Business Committee will decide on the level of any investigation. If necessary the Chair of the Business Committee will involve the Chief Executive Officer and the Members. The Business Committee will carry out any investigation, reporting to the Board of Directors.
- If investigations indicate a criminal offence may have occurred, the Chair of the Business Committee will decide, in consultation with the Chief Executive Officer and Trust Board or Members, to handle the matter according to The Levels Academy's Disciplinary Procedures and involve the Police and the EFA;
- Recommendations to improve controls and prevent any reoccurrence will be made by the Business Committee who will decide on the implementation of the recommendations.
- The Levels Academy Trust must notify the EFA as soon as is operationally practicable based on its particular circumstance of any circumstances of any fraud, theft and/or irregularity exceeding £5k individually or £5k cumulatively in any academic or financial year. Any unusual or systemic fraud regardless of value must also be reported.

Reporting Suspicions

General

Employees are vital to the successful implementation of measures against fraud. The Levels Academy therefore; considers that employees have a duty to report any legitimate concerns they may have and must do so as outlined above.

If it is subsequently established that an employee knowingly withholds information of a concern or allegation it may be dealt with as a disciplinary matter in itself.

The Public Interest Disclosure Act 1998 (a copy of which can be found at www.opsi.gov.uk) provides employees with statutory protection when disclosing such information.

If possible concerns are better raised in writing, you need to set out the background, provide names, dates and places and reasons for bringing the matter to the attention of The Levels Academy.

However, if an individual feels unable to put their concern into writing, arrangements can be made to meet with an appropriate officer to discuss the concerns.

Confidentiality and Safeguards

The Levels Academy recognizes 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 Levels Academy will not tolerate harassment of victimization and will do what it lawfully can to protect an individual when a concern is raised in good faith.

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.

Confidentiality

All concerns will be treated in the strictest confidence. The Levels Academy will do its best to protect the identity of individuals who raise concerns and do not want their name to be revealed. However, it must be appreciated that during an investigation, a statement may be required as part of the evidence gathering process, particularly if the Police or the EFA become involved. In order to take effective action, The Levels Academy will need proper evidence that maybe required to stand up to examination in Courts or Tribunals.

This Policy Statement encourages individuals to put a name to allegations whenever possible, as concerns expressed anonymously are much less powerful, but will be considered at the discretion of The Levels Academy in terms of;

- Seriousness of the issues raised;
- The credibility of the concern;
- The likelihood of confirming the allegation from attributed sources.

Whilst The Levels Academy will always do its best to protect individuals, it is more difficult to protect an individual from harassment, intimidation or other detrimental conduct where an allegation or disclosure is made anonymously.

Safeguards

There is a need to ensure that the process is not misused. Therefore, any abuse, such as raising malicious allegations may also be dealt with as a disciplinary matter. All such reports must be genuine and honest as, to be otherwise, would go against the principle of integrity.

This should not deter employees from raising legitimate and genuine concerns, (even if subsequently unfounded but made with good intent) as, in doing so they will be supported in every possible way.

All genuine concerns reported will be treated in confidence and fully investigated. If a suspicion is reported and results in a prosecution or disciplinary hearing, employees involvement, as a witness, in this process may be necessary, unless other substantial reliable evidence is available. Employees taking such a route will be notified quickly and any action taken.

The Levels Academy accepts that the person reporting the suspicion needs to be assured that the matter is being properly addressed. Therefore, where possible, and subject to legal constraints (including Freedom of Information Act and Data Protection Act) feedback regarding the outcome of the investigation will be provided.

Employees must also report other abuses which may be of concern including unethical behaviour, falsification of records, sexual discrimination or harassment, abuse of drugs or alcohol, bullying and non-compliance with Health and Safety.

Review

The Anti-Fraud and Corruption Policy will be subject to annual review to ensure that it remains current.

