



Anti-Fraud Bribery & Corruption Policy

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CONTENTS

	PAGE
1. Foreword	3
2. Introduction	4
3. Trust Framework and Culture	5
4. Prevention	6
5. Fraud Reporting and Response Action	10
6. Anti-Money Laundering	12
7. Monitoring and Review	14
Appendix ESFA Anti-fraud checklist for academy trusts	15

1. FOREWORD

- 1.1 It is important that all public funded bodies in the United Kingdom maintain high standards of probity and have a good reputation for protecting the public purse. The minimisation of losses to fraud and bribery is essential for ensuring that resources are used for their intended purpose.

The Harmony Trust is a charitable company limited by guarantee. The objectives of the Trust are set out in its Articles of Association with a primary objective to advance education for public benefit, and a secondary object of providing a community benefit through recreation and leisure time objectives. Academy Directors are also the charity trustees. The Directors therefore have duties as trustees under charity law and as directors under company law. Employees carry out duties as delegated to them through their contract of employment, therefore everyone confers the same responsibilities under:-

Charity Law to:

- Ensure that the charity is using its resources for its charitable purposes set out in the objects in the Trust's Articles of Association
- Ensure the Trust's assets are protected and used for the benefit of its charitable beneficiaries;
- Ensure reasonable care and skill in your work to ensure that the Trust is well run and efficient taking external advice where appropriate

Company Law to:

- Act within their powers set out within the Trust's Articles of Association
- Promote the success of the Trust in attaining its charitable objects having regard to all relevant factors.
- Exercise independent judgement in acting to promote the success of attaining the Trust's charitable objects
- Exercise reasonable care, skill and diligence in performance of duties conferred
- Avoid situations where personal interests' conflict with those of the Trust, and where doubt exists ensure potential conflicts are disclosed quickly.

Sound systems of public accountability are vital to effective management and in maintaining public confidence. The Harmony Trust shares these high standards and is committed to protecting the public funds entrusted to it, so as to maximise the resources available for giving children and young people from all backgrounds an education that will transform their lives.

- 1.2 Harmony Trust will conduct its affairs with integrity, honesty and openness and demand the highest standards of conduct from those working for it. The Anti-Fraud Bribery and Corruption Policy outline the Trust's commitment to creating an anti-fraud culture and maintaining high ethical standards in its administration of public funds.
- 1.3 The Policy is based on a series of comprehensive and inter-related procedures, designed to encourage prevention, promote detection and take effective action in respect of any attempted or actual fraudulent act affecting The Harmony Trust. To this end, the policy makes it clear to all concerned that appropriate and decisive action will be taken against any perpetrator of fraud and bribery. The Policy also satisfies the legislative requirements of having effective arrangements for tackling fraud.

2. INTRODUCTION

2.1 The purpose of this Policy is to outline The Harmony Trust's stance on fraud and bribery (including theft and other general wrongdoing) and sets out its approach for dealing with the threat or subsequent incidence of fraud and bribery from both internal and external sources.

2.2 The following definitions are provided for the purposes of this policy:

Fraud: is the intentional distortion of financial statements or other records by persons internal or external to the Trust, which is carried out to obtain an advantage, avoid an obligation or cause loss to another party.

Fraud is therefore a deliberate, dishonest act by an individual or group of people, which can be committed, as per The Fraud Act 2006, by:

- False representation
- Failing to disclose information
- Abuse of position

Bribery: is offering, promising or giving someone a financial or other advantage to induce or reward that person to perform their functions or activities improperly as per The Bribery Act 2010, which came into force 1st July 2011. It is also an offence to request, receive or accept a bribe.

There are four key offences under the Bribery Act 2010:

- bribery of another person
- accepting a bribe
- bribing a foreign official
- failing to prevent bribery

Theft: is the dishonest appropriation of property belonging to another with the intention of permanently depriving the other of it.

2.3 The above definitions cover such acts as deception, forgery, extortion, blackmail, conspiracy, collusion, embezzlement, false accounting / false representation, concealment of material facts, the offering of a gift or reward to influence a person's actions and misappropriation.

2.4 Good Corporate Governance requires that the Trust is firmly committed to dealing with fraud and bribery and will deal equally with perpetrators from inside and outside the Trust. In this respect, there will be no distinction made, regarding investigation, between cases that generate financial benefits and those that do not. All cases will be viewed seriously and following investigation action taken will be in line with the merits of each case and in accordance with other procedures and obligations applicable to The Harmony Trust.

3. TRUST FRAMEWORK AND CULTURE

3.1 The Harmony Trust has a wide range of interrelated policies, procedures, codes, and guidance that provide a corporate framework to counter the possibility of fraudulent activity and / or bribes. These include:

- Code of Conduct for Employees
- Disciplinary Procedures
- Financial Regulations and Procedures
- Whistleblowing Code of Practice
- Complaints Procedures
- Gifts and Hospitality Policy
- Donations Policy
- Register of Business Interests for Trustees and Employees

3.2 The expectation is that Trustees and employees at all levels will adopt the highest standards of propriety and accountability and demonstrate that the Trust is acting in a transparent and honest manner.

Any Trustees who commits a fraudulent act against the Trust or is involved with bribery in the performance of their duties will be subjected to the Trust's procedures for dealing with complaints of misconduct against Trustees operated by the Trust's Audit and Risk Committee and may be reported to the Police.

Any employee committing a fraudulent act against the Trust or found to be involved with bribery in the performance of their duties will be subjected to the Trust's disciplinary procedures and may be reported to the Police. The internal action in relation to Trustees or employees will be in addition to any prosecution proceedings that might occur.

3.3 The highest standards are also expected from all organisations that have dealings with the Trust. Suppliers, contractors, consultants, partners and other organisations funded by the Trust are therefore expected to adopt equally high standards of corporate governance. The Trust will consider the extent to which it has further involvement with any organisation that fails to abide by these expected standards.

3.4 The Harmony Trust believes that the maintenance of a culture of honesty and openness, based on values such as fairness, trust and integrity is a key element in tackling fraud and bribery. In this respect, each Trustee and employee of the Trust is under a duty to report any reasonable suspicions and is encouraged to raise any concerns about fraud and bribery, in the knowledge that such concerns will be properly investigated. The Trust's Whistleblowing Policy is in place to protect anyone who wishes to raise concerns about behaviour / practice.

3.5 When fraud and / or bribery occurs due to an identified breakdown in controls, the Head of Finance/CFO in conjunction with the relevant Academy Principal will be responsible for ensuring appropriate improvements in systems of control are implemented in order to minimise the risk of re-occurrence. In the case of the central Trust, this responsibility lies with the Chair of the Trust Board and Chief Executive Officer.

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4. PREVENTION

4.1 The Harmony Trust recognises that incidents of fraud and bribery are costly; both in terms of reputational risk and financial losses (either directly through the loss of cash / assets and / or through the utilisation of resources in dealing with and resolving any identified cases). The prevention of fraud and bribery is therefore a key objective of the Trust and respective roles and responsibilities are outlined below.

4.2 Role of Directors / Trustees

All Directors/Trustees have a duty to operate and adhere to the Trust's Articles of Association, Master Funding Agreement, and Financial Regulations, which incorporate a Code of Conduct. The Code includes rules regarding:

- The disclosure of relationships
- The declaration of gifts and hospitality
- Registering personal interests

Directors sign a declaration that they have read and understood the Code of Conduct when they take office. Conduct and ethical matters are specifically brought to the attention of Directors during induction and senior leaders of the Trust advise Directors of new legislative or procedural requirements, with the expectation that training will be provided where required. In this context, any offence committed by a Director in their private life, for which they are convicted of a criminal offence, should be brought to the attention of the Monitoring Officer by the Director concerned, with a view to enabling an appropriate risk assessment of any possible impact on their Trust role. It should be noted that conviction of a criminal offence does not necessarily mean attendance at court, as in the case of accepting a speeding offence and paying the fine. All such offences should be disclosed to ensure that a full risk assessment can be undertaken.

4.3 Role of the Monitoring Officer

The Trust's Monitoring Officer has the responsibility to encourage the promotion and maintenance of high standards of conduct within the Trust, particularly through the work of the Audit & Risk Committee. The CFO, Sharon Costello is the Trust Monitoring Officer.

4.4 Role of the Accounting Officer

The Trust Accounting Officer is personally responsible to Parliament and to the accounting officer of the ESFA for the resources throughout the control of the Trust. The essence of the role is a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; for ensuring value for money; and for the efficient and effective use of all the resources in their charge. Essentially accounting officers must be able to assure Parliament and the public of high standards of probity in the management of public funds. The accounting officer also has a responsibility to advise the Trust Board and the ESFA of any instances of irregularity or impropriety, or non-compliance with the terms of the funding agreement. The format of the statement is included within the Accounts Direction which is issued annually. The Accounting Officer is the Trust CEO, Antony Hughes.

Commented [TM2]: Should we state who this is / or the role title (as Monitoring Officer above?)

4.5 **Role of the Chief Financial Officer (CFO)**

The CFO is responsible for ensuring the proper administration of the Trust's affairs. To this end, they will advise all Trustees, Senior Leaders and employees regarding financial propriety, probity, and budgetary issues.

4.6 **Role of Senior Leaders**

Senior Leaders of all levels are responsible for establishing sound systems of internal control within their Academy or area of operation, both financial and otherwise, such that the Trust has sound methodologies for administering its responsibilities to advance its objectives. 'Internal Control' means the systems of controls devised by Senior Leaders to ensure the Trust's objectives are achieved in a manner that promotes economic, efficient, and effective use of resources. Such systems must safeguard the Trust's assets and interests from fraud, bribery and other wrongdoing.

Senior Leaders are also responsible for ensuring that their employees are aware of Trust's Articles of Association and Financial Regulations (including related policies and procedures) and that the requirements of each are being met in their everyday business activities.

Senior Leaders are expected to create an environment within which staff feel able to approach them with any concerns they may have about suspected irregularities and adhere to the Whistleblowing Code of Practice when applicable.

The Trust recognises that a key preventative measure in dealing with fraud and bribery is for Senior Leaders to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary, casual or agency staff. The Trust's formal recruitment procedure contains appropriate safeguards in the form of written references, the verification of qualifications held, employment history and Disclosure Barring Scheme (DBS) checks.

Additionally, Senior Leaders are required to ensure that there is sufficient segregation of duties (or alternative effective control arrangements must be agreed with the CFO where this is not possible) when allocating tasks. In particular:

- The duties of providing information about sums due to or from the Trust, and calculating, checking and recording these sums should be separated from the duty of collecting or spending them;
- Employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

Senior Leaders are also required to ensure that employees are properly trained to discharge the responsibilities allocated. Once training has been provided, performance is monitored and action taken where appropriate to ensure adherence to proper practices / agreed procedures.

4.7 **Role of Employees**

Employees are governed in their work by various regulations, policies, and procedures, and are responsible for ensuring that they follow any instructions given to them by Senior Leaders, particularly in relation to the safeguarding of assets. In this context any action committed by an employee of the Trust in their private life, for which they are convicted of a criminal offence should be brought to the attention of their line manager by the employee concerned, with a view to enabling an appropriate assessment of any possible impact on their job role and the instigation of any action to address associated risks. Failure to do so, should the matter come to light through other means, will result in the Trust's disciplinary procedures being instigated. Line managers should consult with the Executive Leadership Team in assessing the risks to the Trust regarding any notification by an employee of a criminal conviction. It should be noted that conviction of a criminal offence does not necessarily mean attendance at court, as in the case of accepting a speeding offence and paying the fine. All such offences should be disclosed to ensure that a full risk assessment can be undertaken.

Employees are also expected to be alert to the possibility that fraud and bribery may exist in the workplace and are under a duty to share (with Senior Leaders or the Monitoring Officer) any concerns they have. Employees are protected under the Whistleblowing Code of Practice, where required, regarding any concerns they raise in good faith.

4.8 Role of Internal Audit / Responsible Officer

Internal Audit / Responsible Officer independently monitors the existence, appropriateness and effectiveness of internal controls as a service to Senior Leaders and thereby plays a vital preventative role. This role extends to the monitoring undertaken by the CFO. It is therefore necessary that in discharging these responsibilities the Trust ensures that they can:

- Enter at all reasonable times any Trust premises or land
- Have access to all records, documentation and correspondence relating to any financial and other transactions as considered necessary.
- Have access to records belonging to third parties such as contractors when required (dependent on rights of access clauses within individual contracts / agreements).
- Require and receive such explanations as are regarded necessary concerning any matter under examination
- Require any employee of the Trust to account for cash, stores or any other Trust property under their control or possession.

4.9 Role of External Audit

Independent external audit is an essential safeguard of the stewardship of public funds and the parliamentary expectation that the Trust will use the funds for the purposes intended. This is 'regularity' and the purpose of the external audit is to assess whether there is any suggestion that academy trusts have not applied funds as intended. It is not the external auditors' function to prevent fraud and irregularities, but the integrity of public funds is at all times a matter of general concern. External auditors are always alert to the possibility of fraud and irregularity, and will act without undue delay if grounds for suspicion come to their notice. The external auditor has the responsibility to report annually on regularity and this report is included in the Statement of Accounts for the Trust. This will include anything that has come to the auditors' attention which suggests that a material amount of income received or expenditure disbursed by the Trust has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

4.10 Role of Department for Education (DfE) and Education Skills Funding Agency (ESFA)

The DfE has ultimate responsibility and accountability for the effectiveness of the financial accountability system for academies.

The ESFA acts as the agent of the Secretary of State within the scope of the powers and discretions formally delegated to it. The Chief Executive of the ESFA is its accounting officer and is responsible and accountable to Parliament for how the ESFA uses its funds. The ESFA's accounting officer is also personally responsible for the regularity and propriety of all expenditure of its funds and for ensuring value for money. To discharge these duties, the ESFA's accounting officer must be satisfied that an academy trust has appropriate arrangements for sound governance, financial management, securing value for money and accounting; and the way the academy trust uses public funds is consistent with the purposes for which the funds were voted by Parliament. The ESFA accounting officer will place reliance on the statement on regularity, propriety and compliance made by the accounting officer of the academy trust and the regularity report of the academy trust's auditor.

In order to gain assurance over the adequacy of financial arrangements governing the use of public funds by academies, the ESFA may choose to conduct financial management reviews. These will examine whether the systems and control mechanisms that exist in the Trust to meet the requirements set out in the Academy Trust Handbook.

Where the DfE / ESFA have serious concerns about the effectiveness of the financial accountability systems within a Trust through the mechanisms above it may issue a Notice to Improve (Ntl). The Financial Notice to Improve will set out the actions the ESFA requires the trust to take in order to address the underlying cause(s) of the ESFA's concerns about the financial management and/or governance of the Trust. If the Trust is subject to a Notice to Improve (Ntl), all of the delegated authorities and other freedoms in part 2 of the Academy Trust Handbook are revoked, and all transactions by the Trust of this nature, regardless of size, must go to the ESFA for approval. These delegated authorities shall only be returned to the Trust when the terms set out in the Notice to Improve (Ntl) have been complied with and continue to be complied with.

4.11 Role of Partners, Contractors, Suppliers and other Organisations associated with the Trust

All organisations associated with the Trust are expected to take a proactive role in ensuring the occurrence of fraud and bribery is minimised regarding any dealings with the Trust, in line with the due diligence expectations portrayed by the Bribery Act 2010. The standards expected are often set out through legal agreements, which specify the requirements of the Trust, when setting up partnerships and contractual arrangements. However, in the interests of good working relationships and continued dealings with the Trust, all associated organisations have a general duty to be vigilant regarding the possibility of fraud and bribery, irrespective of any legal agreement, with a view to reporting any suspicions in accordance with the principles stemming from the Trust's own policies, procedures and standards, which includes possible referral to the Police.

5. FRAUD REPORTING AND RESPONSE PLAN

5.1 The purpose of the Fraud Response Plan is to set out the action to be taken when fraud is suspected or discovered.

5.2 Identifying Concerns

Suspicion of fraud or bribery may arise through a number of means, including:

- Supervision and / or checking work carried out
- Random spot checks by senior leaders
- Operation of management and control procedures
- Independent checks carried out by Internal Audit / Responsible Officer
- Suspicions of fraud reported to Senior Leaders / Internal Audit / Responsible Officer by directors, employees, contractors, suppliers, partners and other bodies associated with the Trust or members of the public.

5.3 Reporting

Individuals should communicate concerns at the earliest opportunity to allow investigations to take place without undue delay and minimise the risk of possible wrongdoing. The Trust's Whistleblowing Policy sets out the process in detail.

5.4 Conduct of Investigation

The Audit & Risk Committee is responsible for overseeing all fraud and bribery investigations to ensure that they conform to the same standard and are in accordance with legislation, professional practice and any agreed procedures.

Investigation of the suspected fraud, bribery or other irregularity will be carried out by Senior Leadership, Internal Audit/Responsible officer or jointly, following consultation. The method of conducting the investigation will be determined when the initial facts are known and the potential severity of the fraud is ascertained, but as a minimum will include:

- Who will conduct the investigation
- Arrangements for collecting and documenting evidence
- Estimated time span
- Adherence to legislation / professional standards
- Consideration of referral to / liaison with Police
- Consideration of the need to suspend / transfer from duty the individual(s) concerned
- Agreed reporting mechanism
- Consideration of who may chair the disciplinary hearing / appeal should the need arise
- Liaison with Human Resources

The Monitoring Officer has the responsibility for notifying the Police of incidents that are likely to have involved criminal acts.

Regardless of who undertakes the investigation, following examination of records and / or the conduct of interviews with relevant persons, findings will be documented and a report made to Senior leadership and the Audit & Risk Committee for appropriate action to be taken / monitored.

5.5 Consideration of further actions

Where initial enquiries provide reasonable grounds for suspecting an individual, appropriate consideration will be given to the need to suspend from duty, or transfer to other duties, the individual(s) concerned. Any suspensions will result in the individual(s) being escorted off the premises, having been allowed to collect personal property only. Items such as security passes, petty cash floats, mobile telephones and keys to premises, offices and furniture will be recovered instantly and where the Trust's property is held at the individual's home, they will be accompanied by a member of staff to affect such recovery.

Following an investigation, disciplinary action will be considered where appropriate and any such action required will be conducted in line with relevant employment legislation and the Trusts own procedures.

It is the responsibility of senior leadership to ensure that losses arising from an investigation are recovered, provided that there are reasonable grounds for doing so. Recovery will be by one of the following methods:

- Agreement by the perpetrator to repay amounts due, either in full or by instalments as agreed by Senior Leadership;
- Through the relevant pension scheme
- Following a civil action, in which case the advice of the Trust's legal advisors will be sought
- Through the Trust's insurers
- Through legal proceedings / court action

5.6 Training and Review

A comprehensive training programme will be established by the Trust.

The Fraud Response Plan will be reviewed periodically taking account of all incidents of fraud, bribery and irregularity, to ensure that it remains appropriate and relevant.

6. Anti-Money Laundering

- 6.1 This Anti-Money Laundering Policy sets out the Trust's commitment to ensuring compliance with the requirements of the Proceeds of Crime Act 2002 and the Money Laundering Regulations 2017.
- 6.2 The Trust will ensure that we have sufficient controls in place to minimise the risk of the Trust being used for money laundering purposes.
- 6.3 Common methods to money laundering include (but not limited to) receiving the proceeds from the misuse of asset/ property sales for criminal purposes and human/ drug trafficking.
- 6.4 The most effective way to manage this risk is to ensure that our procedures alert us if criminals try to use our Trust for money laundering. We will train our staff to help them to be alert to this risk. Our staff will be clear as to the checks necessary when dealing with cash/ electronic funds so that they do not inadvertently facilitate or become exposed to money laundering.
- 6.5 It is every staff responsibility to be vigilant and report their suspicions immediately. Once staff have been made aware of a potential threat, they should take the necessary steps to prevent it and report any suspicious activity in line with this policy and procedure.
- 6.6 The following are the possible warning signs for concerns regarding Money Laundering:
- unusually secretive behaviour, including reluctance to provide requested information without a reasonable explanation;
 - payment of any substantial sum in cash (over £1,000);
 - doubts about the honesty, integrity, identity or location of the people involved;
 - involvement of a third party without a logical reason or explanation;
 - any overpayments for no good reason;
 - any doubt as to the ability of a person to have a legitimate source of the funds received;
 - significant changes in the size, nature and frequency of transactions with a fee-payer or donor that is without reasonable explanation, for example if payments start to be made from a different jurisdiction;
 - cancellation, reversal or requests for refunds of earlier transactions.
 - A history of poor business records, controls or inconsistent dealing;
 - Requests for account details outside the normal course of business.
- 6.7 Legislative provisions

Proceeds of Crime Act (POCA) 2002

This primary piece of legislation criminalises all forms of money laundering and creates offences concerning failure to report suspicion of money laundering.

The reporting of obligations in POCA are applicable to **everybody** in the UK that may interact with an individual or business, whereby they may commit a money laundering offence.

The three principle money laundering offences are contained in sections 327, 328 and 329 of the Act. These offences are punishable by a maximum of 14 years imprisonment and/ or a fine. In addition, sections 330 and 331 of the Act, create an obligation on those persons in the regulated sector to report their suspicion or knowledge of another person's money laundering to the NCA. Failure to report is a criminal offence.

Money Laundering Regulations (MLR) 2017

Whilst it is not fully clear or implicit that the Trust is covered or indeed regulated by the MLR, good practice suggests that the Trust should have sufficient controls and systems in place as if it was covered by the regulation.

Therefore, the Trust recognises that the expected MLR controls to prevent, identify and raise suspicions are good practice for any business and therefore should form the basis of the Trust's Anti- Money Laundering Policy and Procedures.

- 6.8. The Trust has identified the following key controls within to mitigate money laundering risks:

Money Laundering Reporting Officer - The Trust's CFO, Sharon Costello is the Money Laundering Reporting Officer (MLRO), and is the key contact for reporting and money laundering concerns.

The MLRO will introduce and maintain systems and controls to prevent money laundering including the internal reporting of suspicions or knowledge of money laundering.

The MLRO is responsible for deciding whether a Suspicious Activity Report is required or not, and for making sufficient investigations into reports of money laundering, collecting records and complying with the requirements of the POCA, MLR and other related guidance.

The MLRO will acknowledge receipts of all Suspicious Activity Reports within three working days of receipt. The MLRO will endeavour to carry out reviews as soon as practicably (within ten working days where possible) and make any necessary reports.

Staff obligations to disclose suspicion - All staff across the Trust should report any suspicions to the MLRO immediately they arise in accordance with the disclosure procedure.

Swift and documented disclosure is a key responsibility of staff and failure may result in the Trust unwittingly becoming party to an illegal transaction.

Staff must not discuss their suspicions with the suspect(s) and must take any action which may alert the suspicions.

Directly or inadvertently tipping off a suspect is not only a criminal offence punishable by a fine or a term of imprisonment but may also involve disciplinary action for the staff member(s) involved.

Training - The MLRO will make all staff aware of the requirements and obligations placed on the Trust and on themselves as individuals by the anti-money laundering legislation and give targeted training to those most likely to encounter money laundering.

Identity checks - The MLRO will ensure that staff are aware of the need to carry out identity check for all cash donors or large cash payments (see below) to the Trust

Cash payments - The Trust should not accept payments if the cash sums exceed £500 unless it has been approved by either the Headteacher/ Principal or the MLRO.

Record keeping - The MLRO will ensure that the following records are maintained securely and confidentially on behalf of the Trust;

- Copies of, or references to, the evidence obtained of a donor/ payee's identity for a period of five years from the date the transaction was completed;

- Records in relation to staff training and also records of any updates in respect of money laundering methods and legislation which have been disseminated to staff;
- All suspicion of MLR reports, subsequent Suspicious Activity Reports, decisions to report/ or not to report externally by the MLRO and associated evidence; and
- The normal type of records we keep including: daily records of transactions/ receipts/ cheques/ paying-in books/ general correspondence etc. The formats that we can keep include photocopies, scanned or computerised / electronic records.

6.9 Assurance and compliance

A report of money laundering incidents or 'near misses' will be compiled by the CFO and provided to the Trust's Audit and Risk Committee.

7. Monitoring and Review

The Accounting Officer, in conjunction with the CFO, has overall responsibility for the maintenance and operation of this policy. This policy will be reviewed 3 yearly, or more often if required, by the CFO and approved by Audit and Risk Committee.

Appendix: ESFA anti-fraud checklist for academy trusts

The ESFA 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 ten questions included in the checklist are intended to help trustees, members, governors, accounting officers and heads of finance to review their arrangements for preventing, detecting and dealing with fraud should it occur.

The risk of fraud is considered on an ongoing basis

- through the Advantage Schools risk register which is discussed at the Trust's FAR Committee
- the schedule for internal audit
- the annually updated financial procedures handbook
- the annually updated delegated levels of authority and the overall compliance with ESFA's Academy Trust Handbook.
- driven by the staff in the central Trust office through their own independent checks and training update sessions

The 10 questions that we must always be aware of are:

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