Carwarden House School

Anti-Fraud Policy

Reviewed by Audit, Risk and Resources Committee

Adopted: 6th March 2025

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Anti-Fraud Policy

1. Introduction

Carwarden House Community School is committed to ensuring that it acts with integrity and has high standards. Everyone involved with Carwarden has a responsibility in respect of preventing and detecting fraud. All staff and trustees have a role to play. Carwarden also recognises the role of others in alerting them to areas where there is suspicion of fraud.

Carwarden has many measures to ensure proper administration is in place to prevent and detect fraud and corruption. Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.

The Education Skills & Funding Agency (ESFA) states that academy trusts must be aware of the risk of fraud, theft and/or irregularity occurring and, as far as possible, address this risk in their internal control and assurance arrangements by putting in place proportionate controls. The ESFA goes on to state that trusts must take appropriate action when fraud, theft and/or irregularity is suspected or identified.

This policy should be read in conjunction with the Whistleblowing Policy which can be found on the school website
https://www.carwarden.surrey.sch.uk/Statutory-Policies/

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 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.

Individuals caught committing fraud can be prosecuted under the Fraud Act 2006 if they make a false representation, fail to disclose information or abuse their position.

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 Carwarden House, its staff and trustees.

It is the duty of Carwarden House and its staff and trustees to take reasonable steps to limit the possibility or corrupt practices. It is the responsibility of the academies internal audit provider to process and review the adequacy of the measures taken by Carwarden House, to test compliance and to draw attention to any weaknesses or omissions.

Examples of what could constitute fraud and corruption are:

- theft of cash or property.
- non-receipt of income into bank accounts under the control of the Academy.
- substitution of personal cheques for cash.
- travel claims for non-existent journeys/events.
- travel 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.
- unauthorised borrowing of equipment.
- 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.
- manipulation of financial returns to conceal the misappropriation of assets or otherwise for gain.

3. Principal Roles

Staff and Trustees

The public will judge Carwarden House on the conduct of its staff and trustees. Carwarden House has adopted the following measures to demonstrate its commitment:

- All staff and trustees are made aware of the Academy's Code of Conduct for Employees and trustees.
- Formation of the Audit Risk & Resources Committee which hold 3 meetings per year.
- Internal scrutiny work carried out on behalf of the audit committee by an external provider (appointed by the Audit, Risk & Resources Committee). The outcomes of each termly visit are reported to the committee and an action plan is devised.
- A requirement for all staff and trustees to declare all business and pecuniary interests.
- A gifts and hospitality policy which is made available to all staff and trustees. A register of gifts and hospitality is kept.
- Robust recruitment and selection policies and procedures.
- A Financial Scheme of Delegation which allows all staff and trustees to be aware of the level of financial decision making they are empowered to make

Staff and trustees have a duty to report another member of staff or trustee whose conduct is reasonably believed to represent a failure to comply with the above.

Directors (Trustees)

The directors act as trustees of Carwarden House and are bound by the requirements of Company Law, The Charities Commission and the Academies Financial Handbook

published by the Education Skills Funding Agency (ESFA). They are responsible for safeguarding the assets of the academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. Directors must approve a written scheme of financial delegation that maintains robust internal control arrangements.

Accounting Officer

The Accounting Officer (Headteacher) has a specific responsibility for ensuring value for money, regularity and probity under the provisions in the Academies Financial Handbook. This includes a personal responsibility to Parliament for the financial resources under the Trust's control. The Accounting Officer must sign a statement on regularity, propriety and compliance each year and submit this to the ESFA.

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

- Proper procedures and financial systems.
- Effective management and financial information.

Chief Financial Officer

The School Business Manager carries out the role of the Trust's Finance Director and plays a technical and leadership role, ensuring sound and appropriate financial governance.

Internal Scrutiny

The Internal Scrutiny function is actioned through a Service Level Agreement with an external provider, who visit at least three times per year and has 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. Carwarden House has 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.

External Audit

The 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 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 Academies Handbook issued by the ESFA.

ESFA

The Trust must notify the ESFA of any instances of fraud, theft and/or irregularity exceeding £5,000 individually or £5,000 cumulatively in any academy financial year. They may commission their own investigation into this and involve other authorities, including the police as appropriate. They may also publish information in line with its own policy.

4. Principal Anti-Fraud Measures

Carwarden House has taken several measures that will prevent or detect any attempted or actual fraud. No system of control can prevent all cases, and Carwarden House must minimize the risks to which it is exposed. At the highest level, Carwarden House 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.
- Work closely with the Police and the other appropriate agencies to combat fraud.

Carwarden House has introduced corporate standards that should ensure proper administration. These include:

Staff Contracts and Annual Review of.

- Codes of Conduct for Directors, Trustees and Staff.
- Measures to implement new legislation correctly.
- Clear roles for the Directors of Carwarden House.
- 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 Carwarden House. Other key principle internal controls that are adopted include wherever possible:

- Adequate separation of duties.
- Proper authorisation procedures.
- A proper audit trails.
- Independent monitoring and checking.

- Training of employees in their duties.
- Appropriate supervision.
- Effective management structures and organisation.
- 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 Trustees of Carwarden House, Headteacher & Senior Leadership Team and involves every member of staff and the board of trustees.

5. Reporting a Suspected Fraud

Response to Alleged Frauds

Carwarden House requires suspected fraud and irregularities to be referred to the Headteacher/Senior Leadership Team unless this individual is involved in the irregularity in which case the Chair of Trustees or a Trustee of Carwarden House should be informed.

Staff with suspicions of fraud should not confront the suspect or try to investigate the matter themselves. They should not discuss their suspicions with anyone other than the Headteacher or a Trustee. All reported irregularities will be thoroughly investigated.

Steps that would normally be taken are:

- If an employee suspects a fraud has occurred (or is likely to) they should report this to the Headteacher unless the suspicion relates to that individual. In this instance the employee should report to the Chair of Trustees.

- The Headteacher will inform the Chair of Trustees and the School Business Manager who will take further action.

- If suspicions stem from an Internal Scrutiny visit, the School Business Manager, will inform the Chair of Trustees and Headteacher.

- Members of the public can report any concerns, either to the Headteacher, Chair of Trustees or via the Complaints Procedure;

- The Chair of Trustees will decide on the level of any investigation having taken advice from the Headteacher. If necessary, the Chair of Trustees will take any appropriate legal advice. Any investigation will be carried out by an appropriate independent person or company.

- If the investigation shows a fraud has occurred, this will be reported to the Board of Trustees. The perpetrator will be dealt with in accordance

with Carwarden House's Disciplinary Policy;

- If investigations indicate a criminal offence may have occurred, the and Headteacher and Chair of Trustees will decide, in consultation with the School Business Manager, whether to involve the Police and take the relevant legal action;

- In all cases where the fraud exceed £5,000 individually or £5,000 cumulatively in any financial year, the ESFA will be informed as soon as is operationally practical;

- Recommendations to improve controls and prevent any reoccurrence will be made following the investigation. The Headteacher and School Business Manager, in consultation with the Board of Trustees, will decide on the implementation of the recommendations.

6. Reporting Suspicions

General

Employees are vital to the successful implementation of measures against fraud. Carwarden House 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 Headteacher. 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.

Carwarden House 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. Carwarden House 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.

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. Carwarden House 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 become involved. In order to take effective action, Carwarden House will need proper evidence that may be required to stand up to examination in Courts or Tribunals.

This Policy 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 Carwarden House in terms of;

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

Whilst Carwarden House 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, employee's 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.

Carwarden House 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, falsified records, sexual discrimination or harassment, abuse of drugs or alcohol, bullying and non-compliance with Health and Safety.

7. Key Risk Areas

The following are key risk areas that the Audit, Risk & Resources Committee will review over time:

- Computer Fraud
- Grants
- Contracting and Contract Payments
- Travel or specific expense claims
- Cash Handling & Income Collection Procedures
- Assets
- Gifts and Hospitality
- Loans and Investments
- Creditor Payments
- Payroll