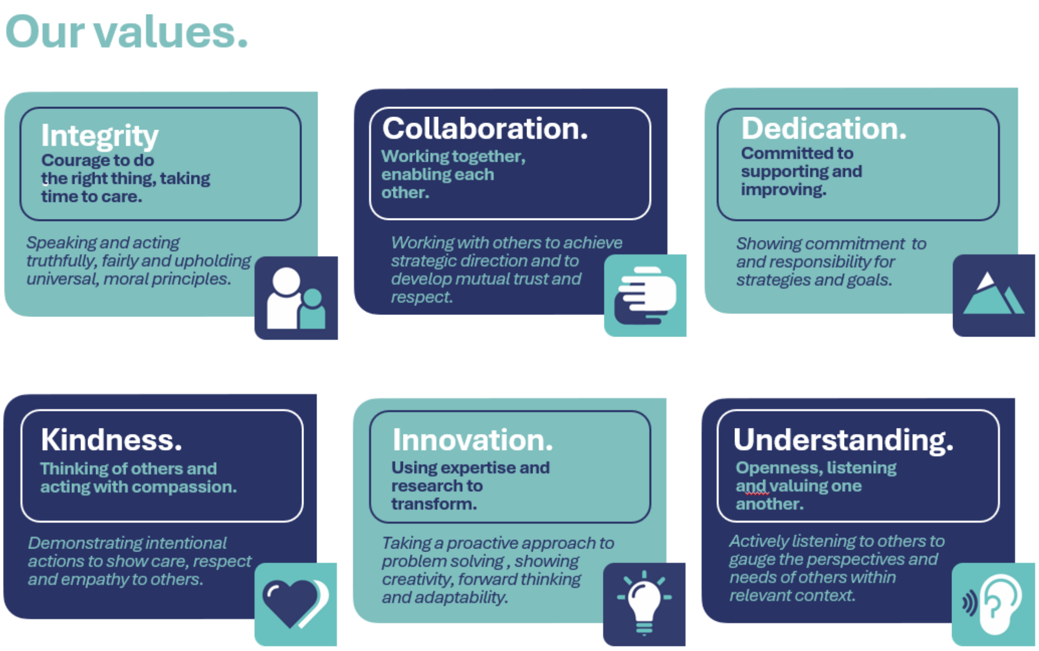
Anti-Fraud Policy

Responsible Committee	CLPT Finance & Operations Committee
Date Approved by Committee	12th December 2025
Implementation Date	12th December 2025
Next Review Date	Autumn Term 2026
Policy Owner	Kate Hillman, CFO

This document has been created to support the mission, values and beliefs of the Creative Learning Partnership Trust:



1. Policy Statement

The Trust is committed to ensuring that it demonstrates the highest standards of business conduct and that it maintains an honest and open environment within the Trust and its schools. It is also committed to promoting an anti-fraud culture, the prevention and detection of fraud and irregularity and the investigation of any such cases. Any apparent fraud or financial irregularity will be investigated and appropriate disciplinary action will be taken where there is evidence of such. The recovery of money/assets from individuals found to be guilty of participating in fraudulent activity will be pursued (through formal criminal and civil action where appropriate). All staff have a duty to:

- protect the assets of the Trust and its schools
- report all reasonably held suspicions of fraud or irregularity
- co-operate with any investigation.

Associated Trust Policies

There are also separate Trust policies in relation to combatting fraud and corruption in the Trust:

- Whistleblowing Policy
- Gifts and Hospitality Policy
- Financial Regulations
- Staff Code of Conduct
- Cyber Response Plan
- Disciplinary Policy
- Travel and Subsistence Policy – Staff and Members/Trustees/Governors

Further to the above, Members, Trustees, Governors and staff are asked to complete and sign a declaration of interests register.

The following definitions are useful to assist the understanding of this policy:

Fraud

Fraud is the deliberate use of deception and dishonesty to deprive, disadvantage or cause a loss or the risk of loss (usually financial) to another person or party.

Under the Fraud Act 2006, the offence of fraud can be committed in one of three ways:

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

In each case, the perpetrator's conduct must be dishonest and their intention must be to make a gain or cause a loss or the risk of a loss to another (no gain or loss needs actually to have been made).

The Fraud Act 2006 also introduced other new offences such as:

- possession, making or supplying articles for use in frauds
- obtaining services dishonestly with intent to avoid payment.

Theft

Theft is dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.

Bribery

The Bribery Act 2010 introduces four offences:

- **The offence of bribing another person**. This can occur where a person offers, promises or gives a financial or other advantage to another individual to perform improperly a relevant function or activity.

- **The offence of being bribed**. This is where a person receives or accepts a financial or other advantage to perform a function or activity improperly.

- **Bribery of a foreign public official**. This is where a person directly or through a third party offers, promises or gives any financial or other advantage to a foreign public official in an attempt to influence them.

- **A corporate offence of failure to prevent bribery**. A commercial organisation could be guilty of bribery where a person associated with the organisation, such as an employee, agent or even a sub-contractor, bribes another person intending to obtain or retain business for the organisation.

Corruption

The offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions of any person. Both parties are equally guilty of an offence.

Other Irregularities

Other irregularities could apply to the Trust as well as individual schools, and includes:

- failure to observe the Trust's Financial Regulations, policies and procedures
- breach of the Trust's Funding Agreement with the ESFA
- breach of the requirements of the Academy Trust Handbook
- spending grant income in ways inconsistent with the purposes for which it was intended.

2. Deterrence

Prosecution is a particularly effective deterrent because of the risk of a custodial sentence and a criminal record. However, the threat of prosecution only deters if the threat is real.

It is therefore Trust policy that any fraud will be reported to the Police or other investigative agencies, irrespective of the status of the individual.

The Trust will also undertake disciplinary action and reserves the right to take legal action.

3. Prevention

3.1 Risks

The largest irregularities in educational establishments typically have involved regular misappropriations over a period of years. The three areas most vulnerable to fraud in schools are fraudulent payments, data violations and embezzlement. Cyber Fraud is also particularly prevalent in the Education Sector at the moment.

The Trust operates a Risk Management process, and the identification of fraud risk is an integral part of this process. In assessing the level of fraud risk the Trust refers to ESFA guidance such as the 'Anti-fraud checklist for Academy Trusts' (Academy trust guide to reducing fraud - GOV.UK (www.gov.uk)) and the 'Fraud Indicators' document' ((Indicators for potential fraud: a generic checklist for education providers - GOV.UK (www.gov.uk))

3.2 Procedures/systems to deal with risks

Fraud can be minimised through carefully designed and consistently operated management procedures, in particular the financial policies and procedures within the Trust's Financial Regulations and the processes/limits documented in the Scheme of Delegation. The Trust will ensure that management procedures for the Trust and within schools, as described below, are effective and that staff receive training in their operation:

- segregation of duties and appropriate oversight in the use of financial systems
- clear roles and responsibilities, with set levels of authority for authorising transactions
- system protection with electronic access restrictions to prevent the possible misuse of information technology.

3.3 Leadership

Key determinants of the standards of behaviour in any organisation will be the standards observed by senior members of staff and the policies and approach to their enforcement promoted by senior staff.

The Trust Board and its committees and the Senior Leadership team, should ensure that their behaviour is always demonstrably selfless, impartial and consistent with the public service values of probity and accountability.

3.4 Employee Screening

Potential new members of staff will be screened before appointment, particularly for posts with financial responsibility. For example:

- Identity and right to work checks are made
- References should cover a reasonable, continuous period and any gaps should be explained
- An official employer's reference should be obtained where possible
- Offers of appointment to be made subject to receipt of satisfactory references and any doubts about the contents of the reference should be resolved before confirming the appointment. If this is done by telephone, a written record of the discussion should be kept to ensure best practice
- Essential qualifications, online screening and DBS checks are made.

3.5 The Role of Independent Review

3.5.1 Internal Auditor

The Internal Auditor may provide independent assurance on the processes and controls put in place by management to prevent or detect fraud and irregularity or to manage the risk of fraud and irregularity.

The Internal Auditor may also provide advice on, lead or conduct special investigations into suspected fraud, irregularities, misconduct or alleged impropriety.

Fraud investigations should not be undertaken without the requisite skills, knowledge and expertise as this may compromise a fraud investigation or a criminal case.

3.5.2 External Audit

The External Auditors provide independent oversight of the financial controls and activities within the Trust and its schools' as part of their work in auditing the year-end financial statements.

3.5.3 Education and Skills Funding Agency (ESFA)

The ESFA carry out periodic funding audits and financial management reviews. They also conduct or commission investigations into suspected fraud and irregularity and they publish reports on the outcome of such investigations.

4. Detection

4.1 Internal Management Systems

Effective management systems are imperative if fraud is to be detected rapidly; the systematic review of every transaction minimises the risk of processing an irregular transaction. Detective checks and balances must be designed into systems and applied consistently. This includes segregation of duties, reconciliation procedures, authorisation processes and review of management accounting information.

4.2 Internal or External Audit Reviews

The work of internal and external auditors or inspectors may result in the detection of suspected fraud and irregularity or may suggest improvements in controls to help prevent and detect any irregularities.

4.3 Reporting Suspected Fraud and Irregularity

If an individual has genuine reason to suspect that fraud or irregularity is taking place (or has taken place), they are expected to bring this to the attention of the Trust authorities in one of the following ways:

- reporting suspicions to a senior manager, a Headteacher, one of the Trust Directors, Chair of Trustees, or the Chief Executive Officer as appropriate;
- reporting suspicions using the Trust's Whistleblowing Procedure

4.4 Potentially Suspicious Behaviour

Staff members who have committed serious financial irregularities may attempt to conceal this by taking few holidays, regularly working alone, late or at weekends, being resistant to delegation or resenting questions about their work. The ESFA 'Fraud Indicators' document may be helpful to refer to where concerns may exist. If in doubt, staff members should report their suspicions anyway, provided they are supported by at least one piece of reliable information or evidence and they are made in good faith.

5. Response

5.1 Acting on the suspicions – what to do and not to do:

Where staff have raised concerns or reported their suspicions to senior management:

Do:

- **Be responsive to staff concerns**
  The Trust expects all managers to encourage staff to voice any reasonably held suspicion as part of developing an anti-fraud culture. Managers should treat all staff concerns seriously and sensitively.

- **Note details**
  Note all relevant details. Get as much information as possible from the reporting staff member. If the staff member has made notes, obtain these also. In addition, note any documentary evidence which may exist to support the allegations made, but do not interfere with this evidence in any way.

- **Evaluate the allegation objectively**
  Before taking the matter further, determine whether any suspicions appear to be justified. Be objective when evaluating the issue. Consider the facts as they appear, based on the information to hand.

- **Advise the appropriate person**
  If a suspicion is justified, deal with the matter promptly as any delay may cause the Trust to suffer further financial loss. Full details should be recorded and reported in line with section 4.3 above.

Do not:

- **Ridicule suspicions raised by staff.**
  The Trust cannot operate effective anti-fraud and whistleblowing policies if staff are reluctant to pass on their concerns to management. All staff concerns should be given a fair hearing. In addition, staff should be reassured that they will not suffer recrimination as a result of raising any reasonably held suspicion.

- **Approach or accuse any individuals directly.**

- **Convey your suspicions to anyone other than those with the proper authority.**

- **Try to investigate the matter yourself.**

5.2 Investigation of Suspected Fraud and Irregularity

In order to protect the Trust and those accused of suspected fraud and irregularity, initial enquiries may be made to decide whether an investigation is appropriate and, if so, what form it should take. In cases of suspected fraud or financial crime, an initial strategy meeting should take place at the earliest opportunity to determine the initial response. This should usually involve the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer and the Trust's Internal Auditor. However, exactly who is involved will depend on the particular case.

Each case will be different and the approach taken will be dependent upon the circumstances, nature and seriousness of the allegations and the potential remedies being sought.

The course of action to be taken is likely to be one or more of the following:

- an investigation may be conducted by management, the Internal Auditor, or through the disciplinary process
- referral to the police or other investigative agencies
- referral to an appropriate professional body
- referral to the external auditor
- referral to the ESFA Investigations Team.

Where a decision is made to investigate the matter internally, the case will be referred to an individual, an Investigating Officer, appointed by the Chief Executive Officer, who has the appropriate expertise and seniority to plan and undertake the preliminary fact finding and/or formal investigation(s). It is critical that any investigation is conducted in a professional manner, in accordance with relevant procedures, e.g. whistleblowing procedure, disciplinary procedure(s) as appropriate.

The purpose of an investigation is to establish the facts associated with the concerns or allegations in order to determine whether or not there is a case to answer.

The Investigating Officer should adopt a holistic approach, examining the case from all angles, collecting evidence from management, employee and organisational perspectives. The Investigating Officer should interview all relevant people and analyse any related documentation in order to determine the facts and relevant mitigating circumstances.

Some investigations (e.g. involving fraud or financial crime) may require the use of technical or specialist expertise in which case an internal or external specialist may be employed as the Investigating Officer, or to contribute to the investigation.

The Chief Executive Officer will normally inform the Chair of the Trust Board and the Chair of the Audit and Risk Committee that an investigation is taking place, or the Chair of another Trust Committee, depending on the circumstances of the case.

The Investigating Officer should, where possible, quantify any potential or actual financial loss and ensure that steps are taken at an early stage to prevent further loss occurring.

Where the case is sufficiently serious, an individual who is accused of fraud or irregularity may be suspended, with pay (as detailed in 7.1 of the Disciplinary Policy), while an investigation is under way, in accordance with the Trust's disciplinary procedures. The Chief Operating Officer should be consulted before any such action is taken. It should be noted that suspension is a neutral act intended to facilitate enquiries, protect the Trust and the individual(s) involved and does not imply any presumption of guilt.

If the individual under suspicion is to be suspended, the timing of suspension should be carefully planned. The suspect should be approached unannounced. They should also be supervised at all times before leaving Trust premises. They should be required to reveal relevant computer passwords and not remove any records or data (either manual or on disk or electronically) from the premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the Trust. Any security passes and keys to premises, offices and furniture should be returned.

The Chief Operating Officer should be instructed to immediately withdraw access permissions to the Trust's computer systems.

The terms of suspension should bar staff from contacting colleagues about any work-related matter without the written consent of the Headteachers, Directors of Finance/ Operations/ Education, or Chief Executive Officer as appropriate. Should suspended staff breach the terms of suspension, this could be grounds for disciplinary action in its own right.

The Investigating Officer shall also consider whether it is necessary to investigate systems other than those which have given rise to suspicion, through which the suspect may have had opportunities to misappropriate the Trust's assets.

Any investigation will be carried out in accordance with the principles of natural justice (i.e. without bias and with the right to a fair hearing) and with due regard to the statutory rights of all individuals involved in the case. The Trust will take all reasonable measures to ensure that an investigation is concluded as quickly as possible.

If the decision is reached that there is a prima facie case to answer, the person or persons implicated should be informed of this, shown the supporting evidence and be offered an opportunity to respond as part of the investigation.

At the conclusion of the investigation, the Investigating Officer will produce an Investigation Report with details of the facts relevant to the case and the supporting evidence. This will enable the Trust Board to determine what, if any, disciplinary or other sanctions may be considered appropriate under the circumstances.

Internal investigations will be conducted in a manner which ensures that those involved in the investigation will be different from those who may be required subsequently to conduct any disciplinary proceedings.

If information was disclosed or reported by an individual(s) initially, they will be kept informed of what action, if any, is to be taken. If no action is to be taken the individual concerned will be informed of the reason for this. However, any information relevant to an investigation of suspected fraud or financial crime must not be disclosed except for the purposes of the investigation or subsequent proceedings.

Should any officer responsible for this procedure be implicated in any way, or have, or be perceived to have, any potential conflict of interest in an allegation of fraud or irregularity, he or she will not take part in the procedure, the role being taken by an appropriate alternative.

Senior management will establish and maintain contact with the police or other investigative agencies, where appropriate. The decision will be reported to the Chair of the Audit and Risk Committee and to the Chair of the Trust Board, or the Chair of another Trust Committee, depending on the circumstances of the case.

5.3 Sanctions

Depending on the circumstances of each case, the outcome of an investigation and the materiality of the sums involved, the Trust Board may apply any or all of the following sanctions, as appropriate:

- disciplinary action in accordance with relevant disciplinary procedures (including referral to an appropriate professional body)
- civil proceedings
- criminal proceedings

5.4 Redress (Recovery of Losses)

The Investigating Officer shall, where possible, quantify the amount of any loss. The Chief Financial Officer, with the Chief Executive Officer, shall consider what redress is appropriate in each particular case.

Where a loss is considered to be significant, legal advice will be obtained without delay about the need to trace and/or freeze the suspect's assets through the court, pending conclusion of the investigation. Legal advice will also be obtained on the recovery of losses through the civil and criminal courts, or deducting losses from any salary payments outstanding, where the perpetrator is a member of staff and refuses repayment. The Trust would normally expect to recover costs in addition to losses.

An individual may, in the course of an investigation, offer to repay the amount that has been obtained improperly. The Investigating Officer should neither solicit nor accept such an offer (as it may be construed as having been obtained under duress). Any offer made should be recorded and the individual referred to the Chief Executive Officer.

If an offer of restitution is made while disciplinary or legal proceedings are still under way, legal advice will be sought before such an offer is accepted.

In certain circumstances it may be possible, at the completion of the investigation, to make a claim against the Trust's insurance policy. The Chief Financial Officer and Investigating Officer should provide the insurers with any information that is required to substantiate a claim, or to support an attempt by the insurers to secure recovery from the perpetrator.

5.5 Notifying the ESFA and External Auditor

The Academy Trust Handbook (section 6.10) includes a requirement that:

"The board of trustees must notify ESFA, as soon as possible, of all instances of fraud, theft and/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 event(s) 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.

The ESFA reserves the right to conduct or commission its own investigation into actual or potential fraud, theft or irregularity.

The Chief Executive Officer or one of the Trust Directors will notify the ESFA and/or the Trust's External Auditors, where appropriate. They will also formally notify the Audit and Risk Committee and Board of Trustees.

5.6 Post-Incident Review and Continuous Improvement

Following any incident of fraud or attempted fraud, the Trust will conduct a lessons learned review to:

- Understand how the fraud occurred
- Identify weaknesses in controls
- Determine what could have prevented or detected the fraud earlier
- Identify improvements to policies, procedures or systems
-

The review will be conducted by the Internal Auditor (for significant cases) or the CFO and COO (for less significant cases).
Based on the review, the Trust will:

- Update policies and procedures as necessary
- Implement additional controls where weaknesses are identified
- Provide additional training to staff where needed
- Review similar processes across the Trust to ensure consistent controls

The Audit and Risk Committee will receive a report on the incident, the lessons learned, and actions taken. Key lessons will be shared appropriately across the Trust to prevent similar incidents.