



omega
MULTI-ACADEMY TRUST

Anti-Fraud and Corruption Policy

Version	1.1
Date policy last reviewed	March 2023
Policy Type	Mandatory
Owner	Chief Financial & Operations Officer
Approved By	Trust Board
Approval Date	18 th April 2023
Next review date	March 2025

Review Dates and Summary of Changes

March 2023	Summary of changes
	3.3 Amend Audit Service to Internal/External Audit Services
	3.4 Chief Financial Officer changed to Chief Financial and Operating Officer. Added in: fraud of a financial nature.
	3.7 Reviewing the Trusts internal controls amended to: Reviewing the Trust's internal controls through the assignment of Internal Audit work as outlined in the Trust's three-year Internal Audit Plan. Annual review changed to biennial review.
	3.8 Added in: Chief Financial and Operating Officer.
	6.6 Added in: via Internal audit.
	6.8 Added in: and where necessary the relevant Trust/School Risk Register
	7.2 increased from £25 to £100
	8.3 Added in: Cash equivalent, e.g. vouchers or gift certificates are permitted up to £100 And: but this should not exceed a maximum value of £100
	9.1 Added in: and/or Chief Executive Officer.
	11.3 Added in: will oversee the investigation which may or may not include the appointment of audit services dependent upon the nature of and or severity of the Fraud involved.
	12.1 Added in: and/or Chief Financial and Operating Officer. Added in how to contact the ESFA
	17.1 changed from annual to biennial

Approved by	Date
Chief Executive Officer	18/04/23
Chair of Trustees	18/04/23

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Statement of Intent

Omega Multi-Trust ('the Trust') is committed to operating with the highest ethical standards and acting with integrity in all activities.

This policy sets out our responsibilities regarding the prevention of fraud and corruption, and the promotion of an ethical culture. The policy also sets out the procedures that will be followed where fraud or corruption are discovered or suspected.

1. Legal Framework

1.1. This policy has due regard to all relevant legislation and statutory guidance including, but not limited to, the following:

- Bribery Act 2010
- Fraud Act 2006
- Companies Act 2006
- Public Interest Disclosure Act 1998
- Charities Act 2011
- Academy Trust Handbook

1.2. This policy operates in conjunction with the following Omega MAT policies:

- Whistleblowing Policy
- Gifts, Hospitality and Anti-bribery Policy
- Financial Regulations and Procedures
- Disciplinary Policy and Procedure

2. Definitions

2.1. **Fraud** is a criminal offence, which is defined in the Fraud Act 2006 as:

- Deceiving through false representation.
- Failing to disclose information where there is a legal duty to do so.
- Abusing a position of trust.

2.2. **Corruption** is the offering, giving, soliciting or accepting of any inducement or reward which may influence the actions taken by the body, its members or officers.

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

2.4. **Bribery** is defined by the Bribery Act 2010 as inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of gifts, loans, fees, rewards or other advantages.

2.5. In this policy, 'fraud' will be used to refer to all the definitions outlined above.

2.6. Examples of what could constitute fraud include, but are not limited to, the following:

- Theft of cash
- Substitution of personal cheques for cash
- Travelling and subsistence claims for non-existent journeys or events, or inflating claims
- Manipulating documentation to increase salaries

- Payment of invoices for goods received by an individual rather than the Trust
- Unauthorised borrowing of equipment
- Failure to declare a conflict of interest
- Concealing a generous gift or reward
- Creation of false documentation

3. Roles and Responsibilities

3.1. Overall responsibility for dealing with fraud lies with the Chief Executive Officer

3.2. The Chief Executive Officer will be responsible for:

- Overseeing the development and implementation of a system of internal controls that aim to minimise the risk of fraud.
- Overseeing the development and implementation of effective financial regulations, policies and procedures.
- Ensuring resources are being managed in an ethical, efficient and economical manner.
- Ensuring that rigorous investigations of potential fraud are carried out promptly.
- Ensuring the appropriate legal and/or disciplinary action is taken where fraud is proven.
- Ensuring that appropriate action is taken to recover assets and minimise loss.
- Producing the Trust's annual accounts and a statement on regularity, propriety and compliance.

3.3. External/Internal Audit services will be responsible:

- Certifying whether the Trust's annual accounts present a true and fair view of its financial performance and position.
- Reporting concerns over inadequate fraud controls to the CFOO, CEO and Chair of Trustees, where appropriate.
- Recommending necessary changes and improvements to address any inadequacies.

3.4. The Chief Financial and Operating Officer will be responsible for:

- Assessing the areas of the Trust that are most vulnerable to fraud, in conjunction with the Chief Executive Officer

- Conducting an initial investigation where a report of fraud of a financial nature is made, in conjunction with the Chief Executive Officer, where appropriate.

3.5. The Chair of Trustees will be responsible for:

- Receiving reports of fraud that involve the Chief Executive Officer and managing the process.

3.6. The Headteacher will be responsible for:

- Assessing the areas of their school that are most vulnerable to fraud, in conjunction with the Chief Financial and Operating Officer.
- Receiving reports of fraud within their school.
- Conducting an initial investigation where a report is made, if instructed to do so by the Chief Financial and Operating Officer.
- Ensuring that all employees are aware of the Trusts policy on fraudulent and corruptive behaviour and understand the relevant school procedures.
- Setting high examples of conduct in their day-to-day work, which are beyond reproach.
- Working with the HR Department to ensure recruitment procedures, which ensure all candidates are thoroughly vetted prior to commencing their employment.
- Ensuring and monitoring the school's compliance with internal controls and agreed policies and procedures related to fraud and corruption.
- Informing the CEO of any indications of fraudulent activity and alleged financial irregularities.
- Declaring any business and personal interests, as well as any interests or offers of gifts or hospitality, which could be related to the performance of their professional duties.
- Approving gifts and hospitality in line with the Gifts, Hospitality and Anti-Bribery Policy.

3.7. The Finance Audit and Risk Committee will be responsible for:

- Ensuring that internal controls, procedures and policies are put in place that minimise the risk of fraud and corruption, including theft and bribery.
- Monitoring Trust procedures in relation to fraud.
- Approving this policy on a biennially basis, ensuring that it remains adequate and appropriate for the needs of the Trust and its schools.

- Promoting an anti-fraud and corruption culture within the Trust.
 - Ensuring that any business and personal interests of all members of Trust Board and Governing Boards are declared.
 - Ensuring that the Trust meets its duties under the SFVS to guard against fraud and theft by staff, contractors and suppliers
 - Reviewing the Trust's internal controls through the assignment of Internal Audit work as outlined in the Trust's three-year Internal Audit Plan.
 - Conducting a full investigation of reports and determining what the next steps will be.
- 3.8. All employees (including volunteers and temporary staff) and third parties that work with the Trust will be responsible for:
- Demonstrating the highest standards of honesty, probity, openness and integrity in the discharge of their duties.
 - Complying with the provisions outlined in this policy.
 - Being vigilant to the risks and indicators of fraud.
 - Promoting an ethical, anti-fraud culture.
 - Reporting their concerns in relation to fraud or a breach to this policy to their Headteacher, Chief Financial and Operating Officer, Chief Executive Officer or Chair of Trustees (where appropriate).
 - Providing information about any conflicts of interest and direct or indirect pecuniary interests to their Headteacher or Chief Executive (where appropriate)

4. Indicators for Potential Fraud

- 4.1. Some actions and behaviours may give cause for concern, arouse suspicion and possibly indicate fraudulent activity. These are outlined in [Appendix 1](#) (the list is not exhaustive; fraud can take many different forms).
- 4.2. All employees will be vigilant to the indicators of fraud.
- 4.3. Clarification will be sought from the Chief Financial and Operating Officer if there are any questions over whether something could be considered an indicator of fraud.
- 4.4. The presence of any of these indicators may not be a cause for concern; however, they will always be investigated appropriately in accordance with section 10 of this policy.

5. Creating an Ethical Culture

- 5.1. An ethical, anti-fraud culture will underpin all the work done by the Trust to counter fraud.
- 5.2. All employees and third parties that work with the Trust will be expected to act with high levels of integrity and to adhere with the rules outlined in this policy.
- 5.3. Role-specific training will also be provided to employees with responsibility for the Trust's internal controls or financial procedures.
- 5.4. Employees will be encouraged to report any concerns, and clear reporting mechanisms will be implemented and communicated.
- 5.5. Victimisation or harassment of anyone who has made a report will not be tolerated.

6. Preventing Fraud

- 6.1. The Chief Executive and Chief Financial and Operating Officer will assess the areas of the Trust that are most vulnerable to fraud risks.
- 6.2. Fraud risks will be identified for all areas and processes of the Trust and will be assessed in terms of impact and likelihood.
- 6.3. Both monetary and non-monetary impacts will be considered, such as the impact on the Trust's reputation.
- 6.4. Robust internal controls will be put in place to manage the risk of fraud – these will cover areas including the following:
 - Process of authorising transactions
 - Access restrictions and transaction controls
 - Account reconciliations
 - Physical security of assets
 - Segregation of responsibilities
 - Pre-employment checks
- 6.5. All employees that are involved in the implementation of these controls will be provided with relevant training.
- 6.6. Internal controls will be reviewed by the Finance Audit and Risk Committee via Internal Audit, in conjunction with the Chief Executive & Chief Financial and Operating Officer, to ensure they remain effective and are being consistently applied.
- 6.7. All employees and volunteers (including Trustees and Governors) will be required to declare any business or pecuniary interests (including the date these started), or other conflicts of interest, to the Governance Professional who will inform the Chief Executive & , Chair of Governors & Chair of Trustees (where applicable).

- 6.8. Following a case of fraud, the risk management strategy and where necessary the relevant Trust/School Risk Register will be reviewed to ensure it considers all relevant risks and that the internal controls are effective.

7. Record Keeping

- 7.1. Financial records will be kept, along with evidence for the business reasons for making payments to third parties.
- 7.2. Employees will be required to make the Headteacher/Chief Executive aware of all gifts or hospitality received or offered over the value of £100; these will be subject to review and in line with the Gifts, Hospitality and Ant-bribery Policy.
- 7.3. Employees' expenses claims relating to gifts, hospitality or expenses incurred to third parties will be submitted and must be authorised
- 7.4. All invoices, accounts and related documents will be prepared and maintained with the highest accuracy and completeness.
- 7.5. No accounts will be kept "off-book".
- 7.6. Any reports of fraud, and subsequent investigations, will be recorded.

8. Gifts and Hospitality

- 8.1. All employees will act in line with the Trusts Gifts, Hospitality and Anti-bribery Policy and the Financial Regulations Procedures.
- 8.2. It is not acceptable for employees to:
- Give, promise or offer payment, gifts or hospitality, with the expectation or hope that an advantage for the Trust will be received or to reward an advantage already received
 - Give, promise or offer a payment, gift or hospitality to a government official, agent or representative to facilitate or expedite a routine procedure
 - Accept payment from a third party if they know or suspect that it is offered with an expectation of a business advantage in return
 - Threaten or retaliate against another employee who has refused to commit a bribery offence or who has raised concerns regarding bribery
- 8.3. The Trust will not prohibit normal and appropriate hospitality or gifts (both given and received) if the following requirements are met:
- It is not made with the intention of influencing a third party to obtain or retain business or business advantage, or to reward the provision or retention of business or business advantage, or in exchange for favours or benefits

- It is given in the Trust's name, not the individual's name
 - It complies with the law
 - It does not include cash. Cash equivalent, e.g. vouchers or gift certificates are permitted up to £100
 - It is appropriate in the circumstances, e.g. the giving of small gifts at Christmas, but this should not exceed a maximum value of £100
 - The type and value of the gift is reasonable given the reason the gift is offered and it is given openly, not secretly
- 8.4. Gifts should not be offered to, or accepted from, government officials or representatives without the prior approval of the Chief Executive Officer.
- 8.5. In all circumstances, employees should consider whether the gift or hospitality is reasonable and justified and consider the intention behind the gift.
- 8.6. Any gifts and hospitality given or received will be recorded as per the guidance contained within the Gifts, Hospitality and Anti-Bribery Policy.

9. Charitable donations

- 9.1. Charitable donations are part of the Trust and schools within wider purpose. The schools support several carefully selected charities. The schools may also support fundraising events involving employees. The schools only make charitable donations that are legal and ethical. No donation must be offered or made in the school or Trust's name without the prior approval of the Chief Financial and Operating Officer and/or Chief Executive Officer.

10. Reporting Concerns and Making Allegations

- 10.1. Any allegations or concerns of suspected fraud will be reported to the Headteacher/Chief Executive depending on what the allegation involves.
- 10.2. Allegations involving the Headteacher will be reported to the Chief Executive.
- 10.3. Allegations involving Chief Executive will be made to the Chair of Trustees.
- 10.4. Third parties will report any concerns to the Headteacher or Chief Executive depending on what the allegation involves.
- 10.5. Concerns can be raised in person, via email or telephone, or by using a [Fraud Reporting Form](#). Procedures outlined in the Whistleblowing Policy can also be followed to report concerns.
- 10.6. Employees, volunteers and third parties can report directly to the ESFA using an [online enquiry form](#) or to Action Fraud via their [website](#) or via their hotline: 0300 123 2040.

11. Investigating Reports

- 11.1. Reports will be initially investigated by either the Headteacher, Chief Executive and/or Chief Financial and Operating Officer, depending on what the allegation involves, whom will ascertain the facts of the report, seeking HR and legal advice as necessary. Any person with a concern or allegation will not investigate the matter themselves. Under no circumstances will staff investigate the matter themselves.
- 11.2. The Chief Executive will notify the Chair of Trustees of any serious financial irregularities at the first opportunity following the completion of an initial investigation.
- 11.3. Following the initial investigation, the matter will be reported to the Finance Audit and Risk Committee who will oversee the investigation which may or may not include the appointment of audit services dependent upon the nature of and or severity of the Fraud involved.
- 11.4. When a report has been escalated to the Finance Audit and Risk Committee, the individual(s) the allegation has been made against will be informed of the investigation. They will not be informed of who made the allegation.
- 11.5. In undertaking an investigation of a report, the Audit Committee will:
 - Conduct an investigation to gather factual information and reach an initial view as to whether further action is required.
 - Collect relevant evidence, interview all relevant people and analyse any related documentation.
 - Decide if the evidence suggests that the allegation or concern is proven.
 - Recommend any changes to the internal controls in light of the findings.
 - Determine whether the findings, conclusions and any recommendations arising from the investigation should be reported to the Chair of Trustees.
 - If further investigations are required, determine which outside agencies should be involved, e.g. auditors or the police.
- 11.6. The Finance Audit and Risk Committee will, where possible, quantify any potential or actual financial loss and ensure steps are taken at an early stage to prevent further loss occurring.
- 11.7. The Finance Audit and Risk Committee will notify the Trust's external auditor of any cases it is investigating, and of the outcome of these cases.
- 11.8. Reporters will be asked to provide any evidence they have to support their allegations.
- 11.9. Any person who makes a report will be reassured that they will not suffer recrimination as a result of raising any reasonably held suspicion.

- 11.10. Reports will be investigated objectively; the facts will be considered as they appear, based on the information to hand.
- 11.11. Individuals about which a report is made will not be accused or approached directly prior to an investigation.

12. Reporting to the ESFA

- 12.1 The Chief Executive Officer and/or Chief Financial and Operating Officer will report any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any trust financial year, to the ESFA as soon as possible.

Before raising a concern with ESFA, you must have a reasonable belief that the disclosure is true.

For allegations relating to academy trusts, please use [online enquiry form](#).

You can also write to us at:

Counter Fraud and Investigation Team
Education and Skills Funding Agency
Bishopsgate House
Feethams
Darlington
DL1 5QE

- 12.2 When making a report to the ESFA, the Chief Executive will provide the following information:

- Full details of the event(s) with dates
- The financial value of the loss
- Measures that have been taken to prevent recurrence
- Whether the matter was referred to the police, and, if not, the reasoning behind not making a referral
- Whether insurance or the risk protection arrangement (RPA) have offset any loss

- 12.3 Following a report, the ESFA may conduct or commission its own investigation into actual or potential fraud, theft or irregularity in the Trust, either as a result of a notification from the Trust or from other information the ESFA has received. Other authorities, including the police, may be involved in the investigation.

13. Following an Investigation

- 13.1. The Trust will seek to apply appropriate criminal, civil and disciplinary sanctions to all cases of proven fraud and corruption.
- 13.2. Where fraud involving an employee is proven, this constitutes as gross misconduct and cases will be dealt with accordingly in line with the Disciplinary Policy and Procedure.
- 13.3. Disciplinary action may be taken against employees that make malicious reports of fraud.
- 13.4. The Trust may terminate the contracts of any third party or other associated person acting on behalf of the Trust where they are found to have breached this policy.
- 13.5. Where appropriate, cases will be referred to the police in order for them to consider taking criminal action. The Trust will seek to apply appropriate criminal, civil and disciplinary sanctions to all cases of proven fraud and corruption.
- 13.6. Following any incident of fraud, a 'lessons learned' exercise will be conducted. All individuals involved in the investigation of the case will be involved in the activity, which will aim to identify areas of internal controls or other procedures that should be improved to prevent further cases occurring.

14. Cybercrime and Cybersecurity

- 14.1. The Trust will be vigilant to cybercrime and clear cybersecurity measures will be implemented. The Trust will not pay any cyber ransom demands under any circumstances.
- 14.2. The following measures will be implemented specifically relating to addressing the risk of fraud:
 - Firewalls, anti-virus software and strong passwords will be used
 - Data will be routinely and securely backed up
 - A restricted number of devices will be used to access financial or other sensitive data
 - Staff will ensure they:
 - Check the sender of an email is genuine before, for example, sending payment, data or passwords
 - Make direct contact with the sender where an email requests a payment – this will be done in person where possible, but at a minimum staff must use another method other than the direct reply function, such as a phone call

- Understand the risks of using public WiFi
- Understand the risks of not following payment checks and measures

14.3. Any suspected incidents of fraud relating to cybersecurity will be reported and investigated as outlined in this policy.

15. Confidentiality

15.1. The Trust understands that the decision to report a concern can be a difficult one to make.

15.2. Victimisation or harassment of anyone who has made a report will not be tolerated.

15.3. Where possible, the identity of the person who made the report will be kept confidential; their identity will only be shared on a need-to-know basis.

15.4. The identity of the individual(s) about whom an allegation is made will be also be kept confidential, and only shared on a need-to-know basis. Where an allegation is proven to be unfounded or malicious, the individual about whom the allegation was made will be provided with appropriate support.

16. Annual Accounts

16.1. The Chief Executive will submit the Trust's annual accounts return to the ESFA each year. These accounts will include the Chief Executive's statement on regularity, propriety and compliance.

16.2. The Chief Executive will include any identified cases of fraud in the statement.

16.3. The annual audited accounts will be:

- Submitted to the ESFA by 31 December.
- Published on the Trust's website usually by 31 January.
- Filed with Companies House in accordance with company law requirements, usually by 31 May.
- Provided to anyone who requests a copy.

16.4. The external auditor will certify whether the annual accounts present a true and fair view of the Trust's financial performance and position.

17. Monitoring and Review

17.1. This policy will be reviewed on a biennial basis.

17.2. Any changes made to this policy will be communicated to all employees and third parties that work with the Trust, where applicable.

Appendix 1: Indicators for Potential Fraud

Personal motives for fraud

- Personnel believe they receive inadequate compensation and/or rewards, e.g. recognition, job security, holidays or promotions
- Expensive life style, e.g. cars and holidays
- Personal problems, e.g. gambling, alcohol, drugs or debt
- Unusually high degree of competition or peer pressure
- Related party transactions (business activities with personal friends, relatives or their companies)
- Conflicts of interest
- Disgruntled employee, e.g. being recently demoted or reprimanded
- Recent failure associated with specific individual
- Personal animosity or professional jealousy

Organisational motives for fraud

- Organisation experiencing financial difficulty
- Commercial arm experiencing financial difficulty
- Tight or unusually tight time deadlines to achieve level of outputs
- Organisational governance lacks clarity, direction or substance
- Organisation closely identified with, or dominated by, one individual
- Organisation under pressure to show results, e.g. budgetary matters or exam results
- Organisation recently suffered disappointment or consequences of bad decisions
- Organisation wants to expand its scope or obtain additional funding
- Funding award or contract for services is up for renewal or continuation
- Organisation due for a site visit by auditors, Ofsted or others
- Organisation has a for-profit component
- Organisation recently affected by new and/or changing conditions, e.g. regulatory, economic or environmental
- Organisation faces pressure to use or lose funds to sustain future funding levels
- Record of previous failure(s) by one or more organisational areas, associated business or key personnel
- Sudden change in organisation practice or pattern of behaviour

Weakness in internal controls

- There is a general lack of transparency about how the organisation works, and its procedures and controls
- Management demonstrates a lack of attention to ethical values – including a lack of communication regarding the importance of integrity and ethics, a lack of concern about the presence of temptations and inducements to commit fraud, a lack of concern regarding instances of fraud, and no clear fraud response plan or investigation policy
- Management fails to specify and/or require appropriate levels of qualifications, experience or competence for employees
- Management displays a penchant for taking risks

- Lack of an appropriate organisational and governance structure with defined lines of authority and reporting responsibilities
- Organisation lacks policies and communication relating to individual accountability and best practice, e.g. related to procurement, expenses, use of alcohol and declarations of interest
- Lack of personnel policies and recruitment practices
- Organisation lacks personnel performance appraisal measures or practices
- Management displays a lack of commitment towards the identification and management of risks relevant to the preparation of financial statements
- There is inadequate comparison of budgets with actual performance and costs, forecasts and prior performance – there is also no regular reconciliation of control records and a lack of proper reporting to the governing board
- Management of information systems is inadequate, e.g. no policy on ICT security, computer use, verification of data accuracy, or completeness or authorisation of transactions
- There is insufficient physical security over facilities, assets, records, computers, data files and cash
- Failure to compare existing assets with related records at reasonable intervals
- There is inadequate or inappropriate segregation of duties regarding initiation, authorisation and recording of transactions, maintaining custody of assets and alike
- Accounting systems are inadequate, i.e. they have an ineffective method for identifying and recording transactions, no tracking of time periods during which transactions occur, insufficient description of transactions and to which account they should be allocated to, no easy way to know the status of funds on a timely basis, no adequate procedure to prevent duplicate payments or missing payment dates
- Purchasing systems and/or procedures are inadequate, e.g. poor or incomplete documentation to support procedure, purchase, payment or receipt of goods or services
- Subcontractor records and/or systems reflect inadequate internal controls
- There is a lack of internal, ongoing monitoring of controls which are in place and/or failure to take any necessary corrective actions
- Management is unaware of or displays a lack of concern regarding applicable laws, e.g. Companies Act, Charities Act
- Specific problems and/or reportable conditions identified by prior audits or other means of oversight have not been corrected
- No mechanism to exist to inform management, Directors, Trustees or Governors of possible fraud
- General lack of management oversight

Transactional indicators

- Related party transactions with inadequate, inaccurate, or incomplete documentation or internal controls, e.g. business activities with friends
- Not-for-profit entity has for-profit counterpart with linked infrastructure, e.g. shared board of Trustees, Governors or other shared functions and personnel
- Specific transactions that typically receive minimal oversight

- Previous audits with findings of questioned costs, evidence of non-compliance with applicable laws or regulations, weak internal controls, a qualified audit opinion, or an inadequate management response to any of these issues
- Transactions and/or accounts which are difficult to audit and/or subject to management judgement and estimates
- Multiple sources of funding with inadequate, incomplete or poor tracking, failure to segregate funds, or existence of pooled funds
- Unusual, complex or new transactions, particularly if they occur at year end or end of reporting period
- Transactions and accounts operating under time constraints
- Cost sharing, matching or leveraging arrangements where industry money or other donation has been put into a foundation without adequate controls to determine if money or equipment has been spent/used and whether it has gone to allowable costs and at appropriate and accurate valuations
- Outside entity provided limited access to documentation
- Travel accounts with inadequate, inaccurate or incomplete documentation or poor internal controls, variances between budgeted amounts and actual costs, claims in excess of actual expenses, reimbursement for personal expenses, claims for non-existent travel, or collecting duplicate payments
- Credit card accounts with inadequate, inaccurate or incomplete documentation or internal controls such as appropriate authorisation and review
- Accounts in which activities, transactions or events involve handling of cash or wire transfers
- Presence of high cash deposits maintained with banks
- Assets which are of a nature easily converted to cash (e.g. small size, high value, high marketability or lack of ownership identification) or easily diverted to personal use (e.g. cars or houses)
- Accounts with large or frequent shifting of budgeted costs from one cost centre to another without adequate justification
- Payroll (including fringe benefits) system has inadequate controls to prevent an individual being paid twice or paid for non-delivery or non-existence
- Payroll (including fringe benefits) system is outsourced but there is poor oversight of starters, leavers and payments
- Consultant and subcontract agreements which are vague regarding the work, time period covered, rate of pay or product expected
- There is a lack of proof that a product or service was actually delivered by a consultant or subcontractor
- Sudden and/or rapid growth of newly contracted or existing education providers, e.g. significant increase in pupil numbers for newly contracted providers

Methods used to commit and/or conceal fraud

Employee indicators such as:

- Eagerness to work unusual hours
- Access to or use of computers at unusual hours
- Reluctance to take leave or seek support

- Insistence on doing their job alone
- Refusal of promotion or reluctance to change their job

Auditor/employee issues such as:

- Refusal or reluctance to provide information or hand over documents
- Unreasonable explanations
- Annoyance or aggressive responses to questions or requests, in an attempt to deter auditors
- Trying to control the audit process
- Employee blames a mistake on a lack of experience with financial requirements or regulations governing funding
- Promises of cooperation followed by subsequent excuses to limit or truncate cooperation
- Subtle resistance
- Answering a question that was not asked
- Offering more information than asked
- Providing a lot of information in some areas and little to none in others
- Explaining a problem by saying “we’ve always done it that way”, “someone from the government told us to do it that way” or “Mr X told us to do it that way”
- A tendency to avoid personal responsibility, e.g. overuse of “we” and “our” rather than “I”
- Blaming someone else
- Too much forgetfulness
- Trying to rush the audit process
- Uncharacteristic willingness to settle questioned costs in an attempt to deter further investigation or analysis

General indicators such as:

- A general lack of transparency about how the organisation works and its procedures and controls
- Fabricated explanations to support inability or unwillingness to evidence transactions or assets, such as stated loss of electronic data or theft of business records

Record keeping, banking and other

- Documents that are missing, copied, written in pencil, altered, or that contain false signatures, the incorrect signature or no authorisation where it would be expected
- Deviation from standard procedures, e.g. all files but one handled in a particular way
- Excessive and/or poorly evidenced journal entries, unable to provide explanation for journal entries
- Transfer to or via any type of holding or suspension account
- Inter-fund company loans to other linked organisations
- Records maintained are inadequate, not updated or not reconciled
- Use of several different banks or frequent bank changes
- Use of several different bank accounts

- Failure to disclose unusual accounting practices or transactions
- Unusual accounting practices or transactions, including:
 - Uncharacteristic willingness to settle questioned costs
 - Non-serial-numbered transactions or out-of-sequence invoices or other documents
 - Creation of fictitious accounts, transactions, employees or charges
 - Writing large cheques to cash or repeatedly to a particular individual
 - Excessive or large cash transactions
 - Payroll cheques with unusual or questionable endorsements
 - Payees have similar names or addresses
 - Non-payroll cheques written to an employee
- Defining delivery needs in ways that can only be met by one source or individual
- Continued reliance on person or entity despite poor performance
- Treating non-business and/or personal goods or services as business transactions in financial records
- Misuse of directors loan account facility, e.g. deliberate miscoding of transactions in directors loan account to gain personal advantage
- Materials, goods and or services fictitiously erroneously reported as purchased, and evidence has been fabricated to support the claim. This could potentially be evidenced by:
 - Repeated purchases of the same items
 - Identical items purchased in different quantities within a short time period
 - Invoices and statements used to evidence purchase facilitating duplicate transactions or payments
 - Anomalies in the format of purchase invoices
 - Goods or equipment are not used as promised, or they do not work or exist
- Legitimate business assets put to non-business or private use

Appendix 2 - Fraud Reporting Form

If you have any concerns over fraud, corruption or bribery at the school or within the Trust, please contact the Headteacher, Chief Financial and Operating Officer or CEO (where appropriate) or alternatively, you may wish to complete this form and send it to Headteachers/CEO PA or Office Manager (whichever applicable). All information is treated in strict confidence.

If you wish to remain anonymous, please leave the 'Your details' fields blank.

Your details

Name:	
Address:	
Contact number:	

Details of the suspected fraud, corruption or bribery

Name of the person(s) you suspect to be involved in fraud, corruption or bribery:	
Address (if known):	
Department and job title (if known):	

Please use the space below to provide details of your suspicions. Please provide as much detail as possible including dates, times, locations, conversations and the names of any other parties involved. The more information you can provide, the better the chances of the issue being successfully resolved. If necessary, continue overleaf and attach any additional evidence you may have.



Please return this form in an envelope marked 'Private and Confidential' to the school or Trust Office .