



The  
St Gregory the Great  
Catholic Academy Trust

*'Where love exists, it does great things'*

# Policy

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## Anti-Fraud and Corruption (Incorporating Gifts and Hospitality)

**Reviewed**

**and approved by:** The Audit and Risk Committee

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**Review due:** Spring 2022

**Version:** 1

## Definitions

In this document, unless the context otherwise requires, the following expressions shall have the following meanings:

**'Academy Council'** means local governing body.

**'Trust'** refers to The St Gregory the Great Catholic Academy Trust.

**'Headteacher'** means the lead person in each school.

**'Executive'** means the Trust CSEL (Catholic Senior Executive Leader) and/or the Trust CFO (Chief Financial Officer)

**'Governors'** means the governors appointed to the Academy Council of the individual school and the Directors of the Trust.

**'Trustees'** means directors of company number 10785982 (St Gregory the Great Catholic Academy Trust) as registered at companies house

**'School/schools'** refers to the academies within SGTG.

# 1. Introduction

- 1.1 The St Gregory the Great Catholic Academy Trust (“the Trust”) is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the Trust and its academies has a responsibility in respect of preventing and detecting fraud. All staff, members, trustees and governors have a role to play. The Trust also recognises the role of others in alerting them to areas where there is suspicion of fraud.
- 1.2 Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect it.
- 1.3 It is the duty of all employees and trustees / governors at the Trust to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the CFO and Financial Controller to ensure auditors (both internal and external) review the adequacy of the measures taken by the Trust to test compliance and to draw attention to any weaknesses or omissions in control systems.
- 1.4 Any investigation carried out in relation to alleged irregularities will be carried out in accordance with the Trust's Disciplinary Procedure.
- 1.5 Leading by example, the Trust will:
  - introduce appropriate measures to minimise the risk of fraud;
  - adopt formal procedures to investigate fraud when it is suspected;
  - provide appropriate mechanisms for employees to voice their genuine concerns and protect those who do so;
  - deter employees from making malicious or unfounded accusations;
  - have no hesitation referring cases of suspected financial irregularity to the attention of the police and the Department for Education;
  - work closely with the police and other appropriate external agencies to combat fraud; and
  - support national and local initiatives against fraud.

## 2. Definitions

2.1 Fraud as defined by the Fraud Act 2006:

2.1.1 **Fraud** - any person who dishonestly makes a false representation to make a gain for himself or another or dishonestly fails to disclose to another person, information which he is under a legal duty to disclose, or commits fraud by abuse of position, including any offence as defined in the Fraud Act 2006.

2.1.2 **Fraud by false representation**; by dishonestly making a false representation intending by making the representation to make a gain for yourself or another, or to cause loss to another or expose another to risk of loss. A representation is false if it is untrue or misleading, and the person making it knows that it is, or might be, untrue or misleading. An example of this would be an employee submitting a false expense claim form for payment.

2.1.3 **Fraud by failing to disclose information**; by dishonestly failing to disclose to another person information which you are under a legal duty to disclose and intends, by failing to disclose the information, to make a gain for themselves or another, or to cause loss to another or expose another to the risk of loss. An example of this would be an employee failing to disclose a criminal conviction that would affect their working practices.

2.1.4 **Fraud by abuse of position**; by occupying a position in which you are expected to safeguard, or not to act against, the financial interests of another person, and dishonestly abusing that position, intending, by means of the abuse of that position, to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss. An example of this would be a CFO and Financial Controller diverting company monies from an employer's bank account into their own personal bank account.

## 3. Corruption

3.1 The term 'corrupt practices' is defined for the purpose of this policy as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by the Trust, its staff, members, trustees or governors.

## 4. Gifts and hospitality

4.1 Any gifts, rewards and benefits that are disproportionately generous or that could be seen as an inducement to affect a business decision should be declared.

- 4.2 The acceptance of gifts and hospitality is a sensitive area where actions can easily be misconstrued. Therefore, employees' actions should be such that they would not be embarrassed to explain them to anyone.
- 4.3 Irregularities fall within the following broad categories, the first three of which are criminal offences:
- **Theft** - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession;
  - **Fraud** - the intentional distortion of financial statements or other records by persons internal and external to the Trust, which is carried out to conceal the misappropriation of assets or otherwise for gain;
  - **Bribery and corruption (Gifts & Hospitality – see Point 5.)** - involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement;
  - **Failure to observe**, or breaches of, the Scheme of Delegation, Financial Regulations and Academy's Procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.
- 4.4 Examples of what could constitute fraud and corruption are:
- Theft of cash;
  - Non-receipt of income;
  - Substitution of personal cheques for cash;
  - Travelling and subsistence claims for non-existent journeys/events;
  - Travelling and subsistence 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 Trust;
  - Failure to observe, or breaches of, regulations and/or other associated legislation laid down by the Trust;
  - Unauthorised borrowing of equipment;
  - Breaches of confidentiality regarding information;
  - 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.

4.5 The above list is not exhaustive, and fraud and corruption can take many different paths. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the CFO and Financial Controller.

4.6 Similarly, if there is concern or doubt about any aspect of a matter which involves an irregularity, or an ongoing investigation into a suspected irregularity, the best approach is to seek advice from the Headteacher or CFO and Financial Controller.

## **5. Policy statement**

5.1 This policy and procedure defines Anti-Fraud & Corruption and Gifts & Hospitality and offers guidance for all trustees, governors and staff in the Trust.

5.2 The Trust aims to be an honest and ethical institution. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts Trust business. This document sets out the Trust's policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the Trust's objectives are, firstly, to create a culture which deters fraudulent activity, encourages its prevention and promotes its detection and reporting and, secondly, to identify and document its response to cases of fraud and corrupt practices.

5.3 This policy, in line with the Trust's corporate values of integrity, consistency, impartiality, fairness and best practice, provides both staff and management with mutually understood guidelines for the administration of this procedure.

5.4 The scope of this procedure extends to all trustees, governors, Trust employees whether, permanent or, fixed term and any volunteers engaged by the Trust.

5.5 Time limits specified in this document may be extended by mutual agreement.

5.6 If requested, employees may be accompanied by a recognised trade union representative or work colleague, not involved in any part of the process, at any interviews.

## **6. Gifts and hospitality**

6.1 These guidelines will help you to judge what sort of gift, and what level of hospitality is acceptable.

6.2 The following general rules apply and must guide decisions on receipt of gifts and hospitality as a Trustee, governor, employee or volunteer of the Trust:

- To accept gifts should be the exception. You may accept small ‘thank you’ gifts of token value, such as a diary, a coffee mug or bunch of flowers, not over £25 in value. You should notify the CFO and Financial Controller of any gift or hospitality over this value for entry in the Gifts and Hospitality Register to be maintained at each academy.
- Always say “no” if you think the giver has an ulterior motive. Be sensitive to the possibility that the giver may think that even small gifts or simple hospitality will elicit a prompter service or preferential treatment.
- Never accept a gift or hospitality from anyone who is, or may be in the foreseeable future, tendering for any contract with the Trust, seeking employment with the Academy or is in dispute with the Trust, even if you are not directly involved in that service area.
- Where items purchased for the Trust or one of its Academies include a ‘free gift’, such a gift should either be used for Trust or one of its Academy’s business or handed to the School Business Manager to be used for charity raffles. All gifts over £25 should be treated in this way.
- For avoidance of doubt, gifts given by pupils are acceptable, although it is expected that such gifts would fall within the £25 limit mentioned. If gifts are in excess of this limit then the Headteacher of the relevant Academy should be notified.
- If you are in doubt about the acceptability of any gift or offer of hospitality, it is your responsibility to consult the CFO and Financial Controller or Headteacher.

6.3 A gauge of what is acceptable in terms of hospitality is whether this Trust would offer a similar level of hospitality in similar circumstances.

6.4 Occasional working lunches with customers, providers or partners are generally acceptable as a way of doing business provided they are not to an unreasonable level or cost.

6.5 Invitations to corporate hospitality events must each be judged on their merit and should be wholly consistent with the Ethos of the Catholic Church. Provided the general rules have been taken into account, it may be acceptable to join other company/organisation guests at:

- For sponsored cultural and sporting events, or other public performances, as a representative of the Academy Trust;

- special events or celebrations.

But, consider the number of these events, and always take into consideration what public perception is likely to be if they knew you were attending.

## **7. Roles and responsibilities**

### **7.1 Staff and Governors**

The Trust has adopted the following measures, amongst other measures, to demonstrate its commitment to anti-fraud and corruption:

- Audit Committee meets regularly;
- A requirement for all staff, trustees and governors to declare prejudicial interests and not contribute to business related to that interest (related party transactions);
- A requirement for staff and governors to disclose personal interests;
- All staff and governors are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures.

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

### **7.2 Internal Auditor**

The Internal Auditor has specific responsibility for overseeing the financial arrangements on behalf of the Board of Trustees.

The main duties of the Internal auditor are to provide the trustees with on-going independent assurance that:

- The financial responsibilities of the governors are being properly discharged;
- The resources are being managed in an efficient, economical and effective manner;
- Sound systems of financial control are being maintained; and

- Financial considerations are fully taken into account in reaching decisions.

### 7.3 CFO and Financial Controller

The CFO and Financial Controller, in collaboration with the Accounting Officer, has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of the Trust.

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

- Proper procedures and financial systems
- Effective management of financial records
- Management of the Trust's financial position

### 7.4 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 Academy 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 financial reporting and annual accounting requirements issued by the Department for Education.

## 8. Reporting a suspected fraud

- 8.1 All allegations of suspected fraud and irregularities are to be brought to the attention of the CFO and Financial Controller and also referred to the Headteacher, unless this individual is involved in the irregularity in which case the Chair of the Board of Trustees should be informed.
- 8.2 Please refer to the Trust's Whistleblowing Policy for further guidance.

## 9. Response to allegations

- 9.1 The Headteacher will have initial responsibility for co-ordinating the initial response. In doing this he/she will consult with the Human Resource advisors regarding potential employment issues. The Headteacher will also see legal advice from the Academy Trust's solicitors on both employment and litigation issues before taking any further action. Allegations against Trustees or Members will be dealt by a panel consisting of people with

an appropriate level of authority within the organisation and will be unhindered by conflicts of personal or professional interest.

- 9.2 The CFO and Financial Controller and Headteacher will ascertain whether or not the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, they will pass the matter on to the Chair of the Audit Committee. Even if there is no evidence to support the allegation, the matter must be reported.
- 9.3 The Audit Committee will maintain oversight of the investigation. They may delegate responsibility for action to Local Governing Bodies or appropriate executives in the Trust.
- They will, if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required.
  - They will determine whether the findings, conclusions and any recommendations arising from the preliminary investigation should be reported to the Chair of the Board of Trustees.
  - If further investigations are required, they will determine which outside agencies should be involved (police, auditors).
- 9.4 The Headteacher is required to notify the Board of Trustees of any serious financial irregularities. This action will be taken at the first opportunity following the completion of the initial investigations and will involve keeping the Chair of the Board of Trustees fully informed between Board meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.
- 9.5 If evidence of fraud is forthcoming, then the Board of Trustees will inform the Department for Education as required by the Funding Agreement and will consider whether or not to refer the matter to the police.

## **10. Confidentiality and safeguards**

- 10.1 The Trust 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. The Trust 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.
- 10.2 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.

- 10.3 The Public Interest Disclosure Act 1998 (PIDA) has its origins in The European Convention on Human Rights which was incorporated into UK law by the Human Rights Act 1998, The PIDA came into force on 2 July 1999 and offers a framework of protection against victimisation or dismissal for workers who blow the whistle on criminal behaviour or other wrongdoing. It has subsequently been amended to clarify and strengthen areas of the legislation.
- 10.4 All concerns reported will be treated in confidence and fully investigated. If anonymity is requested, every effort will be made to ensure such confidentiality.
- 10.5 There is a need to ensure that the process is not misused. For further guidance refer to the Trust's Grievance policy.

## **11. Links with other Policies**

11.1 The Governing Body is committed to preventing fraud and corruption. To help achieve this objective there is a clear network of systems and procedures in place for the prevention, detection and investigation of fraud and corruption. This Anti-Fraud and Anti-Corruption policy attempts to consolidate those in one document and should be read in conjunction with the following trust policies:

- Whistle-Blowing Policy
- Financial Policy
- Staff disciplinary policy
- Equality Policy
- Declarations of Interest



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**All policies are written in line with our Trust Mission Statement:**

Within the St Gregory the Great Catholic Academy Trust, our academies are communities where our children and young people are given a clear vision for life, a vision which is rooted in the person and teachings of Jesus Christ and which is faithful to the mission of the Catholic Church.

**St Gregory the Great Catholic Academy Trust** is a charity and a company limited by guarantee.

Registered in England and Wales.

Company number 10785982

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