



FRAUD POLICY

The OHC&AT Board of Directors has agreed this Policy – 14th December 2018.

Jay Mercer
Chair of OHCAT Board

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Rama Venchard
Vice Chair of OHC Board

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Fraud Policy

INTRODUCTION

Orchard Hill College and Academy Trust (OHC&AT) is a family of specialist providers working together for mutual benefit. OHC&AT is committed to providing outstanding educational opportunities for all our pupils and students. Part of this commitment is the resolution to operate in an honest and ethical manner at all times. As such, OHC&AT is opposed to fraud and seeks to eliminate fraud by the way it conducts College and Academy business. This document sets out the OHC&AT policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, OHC&AT'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.

In order to achieve these objectives, OHC&AT has taken the following steps:

1. The development and publication of a formal statement of its expectations on standards of personal conduct, propriety and accountability;
2. The establishment of adequate and effective systems of internal financial and management control (and a clear requirement to comply with them), and an internal audit programme with an ongoing responsibility to review and report on these systems;
3. The development and publication of a formal statement of the procedures to be followed by employees who have a suspicion of, or concern about, possible or actual malpractice within OHC&AT and a fraud response plan which sets out OHC&AT's policies and procedures to be invoked following the reporting of possible fraud or the discovery of actual fraud.

PERSONAL CONDUCT

OHC&AT aims to promote an organisational culture which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct. To help ensure that all employees are fully aware of OHC&AT's expectations regarding standards of personal conduct, appropriate guidance is provided by the following key statements:

- These regulations are binding on all Governors/Directors, members of staff, pupils/students and constituent parts of OHC&AT. Refusal to observe them will be grounds for disciplinary action.
- In disbursing and accounting for all funds, OHC&AT must demonstrate that it is adopting high standards of financial probity. Implicit within this regime is the requirement that Governors/Directors and employees of OHC&AT must at all times conduct financial affairs in an ethical manner.
- All members of staff and Governors/Directors of OHC&AT are responsible for disclosing any personal, financial or beneficial interest in any transaction with respect to OHC&AT or its related companies, minority interest companies and trading areas.

- Any person who is responsible for placing an order with a supplier (whether a contractor or not) with whom s/he has a personal interest must disclose this to the Executive Director, Finance.
- Governors/Directors or employees of OHC&AT shall never use their office or employment for personal gain and must at all times act in good faith with regard to OHC&AT's interests.
- All budget holders are expected to adhere to the Financial Regulations at all times and to use their best efforts to prevent misuse or misappropriation of funds and other OHC&AT property.

Taken together, these represent a statement of the framework within which governors and employees are expected to conduct themselves.

SYSTEMS OF INTERNAL CONTROL

The next line of defence against fraud is the establishment of operational systems which incorporate adequate and effective internal controls designed to minimise the incidence of fraud, limit its impact and ensure its prompt detection. These controls include high level management controls such as budgetary control (designed to identify fraud which results in shortfalls in income or overspendings against expenditure) and organisational controls such as separation of duties, internal check and staff supervision. Personnel policies are also a key part of setting the culture and deterring fraud. This includes seeking to reduce the risk of employing dishonest staff by checking information supplied by employees and references obtained during the course of the recruitment process, including DBS checks.

The general framework of responsibilities for financial management and the policies relating to the broad control and management of OHC&AT are documented in the Financial Regulations. The Financial Regulations are issued and updated periodically by the Executive Director, Finance, following approval by the OHC&AT Board. They are binding on all Governors/Directors, members of staff, pupils/students and constituent parts of OHC&AT and are distributed to the Executive Senior Leadership Team (ESLT), Principals/Heads of Service and staff in the Finance Team.

OHC&AT operates a portfolio governance system which assigns governors and directors to specific areas of expertise. The portfolio governor/director for Finance and Resources provides advice to management in respect of control matters and conducts a cyclical programme of reviews of the adequacy and effectiveness of the systems which have been put in place (including those intended to minimise the potential exposure to fraud and corruption).

FRAUD RESPONSE

The Fraud Response Plan sets out OHC&AT's policies and procedures for ensuring that all allegations and reports of fraud or dishonesty are properly followed-up, are considered in a consistent and fair manner and that prompt and effective action is taken to:

- minimise the risk of any subsequent losses;

- reduce any adverse operational effects;
- improve the likelihood and scale of recoveries;
- demonstrate that OHC&AT retains control of its affairs in a crisis; and
- make a clear statement to employees and others that it is not a soft target for attempted fraud.

The plan includes both statements of general policy and specific steps to be taken when circumstances dictate, and is necessary in order to reduce the following risks:

- inadequate communication so that action is late or inappropriate;
- lack of leadership and control so that investigators are not properly directed and waste time and effort;
- failure to react fast enough so that further losses are incurred or the evidence required for successful recovery or prosecution is lost;
- adverse publicity which could affect confidence in OHC&AT; and
- creation of an environment which, because it is perceived as being ill-prepared, increases the risk of fraud.

The main elements of OHC&AT's plan are in line with the Whistle Blowing Policy as stated in the Financial Regulations and are outlined below:

1. All Governors/Directors, members of staff, pupils/students and constituent parts of OHC&AT are required to notify immediately the Principal/CEO and/or the Executive Director, Finance, of any financial irregularity, or any circumstance suggesting the possibility of irregularity, affecting the financial procedures, cash, stores or other property of OHC&AT. The Principal/CEO and/or Executive Director, Finance, should bring this to the attention of the portfolio governor/director for Finance and Resources immediately.
2. The Principal/CEO and/or Executive Director, Finance, will ascertain whether or not the suspicions aroused have substance. He/she will, if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required. The findings, conclusions and any recommendations arising from the preliminary investigation will be reported to the portfolio governor/director for Finance and Resources and the Chairs of the OHC&AT Board.
3. The Principal/CEO will have the initial responsibility for coordinating OHC&AT's response. In doing this he/she will consult with OHC&AT's Human Resources Manager regarding potential employment issues. The Principal/CEO will also seek expert legal advice from OHC&AT's legal advisor on both employment and litigation issues before taking any further action.
4. The Principal/CEO is required to notify the OHC&AT Board of any serious financial irregularity. This action will be taken at the first opportunity following the completion of the initial investigations and will involve, inter alia, keeping the internal audit programme, the portfolio governor/director for Finance and Resources and the Chairs of the Board fully informed of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.
5. If evidence of a fraud is forthcoming then the Board will inform the Department for Education and will consider whether or not to refer the matter to the Police.

POLICY REVIEW DETAILS

Version: 1.1
Reviewer: Corrina Jenkins
Approval body: Family Board
Date this version approved: 14th December 2018
Due for review: Autumn 2021

RELATED POLICIES AND PROCEDURES

Staff Code of Conduct
Finance Regulations
Whistle Blowing Policy
Disciplinary Procedure