PENK VALLEY
ACADEMY TRUST

Fraud Policy

Adopted by Trustees:	
Signed:	
Date:	Autumn 2026
This policy is reviewed bi-annually by the Audit, Finance & Risk Committee.	
Next Review date:	Autumn 2028

COLLABORATION CHALLENGE CURIOSITY CARE

POLICY INFORMATION

Date of last review:	Autumn 2026	**Review period:**	Bi-Annually
Date ratified by Trustees:	Autumn 2026	**Trustee committee responsible:**	Audit, Finance & Risk
Policy owner:	Chief Finance Officer	**Executive team member responsible:**	Chief Finance Officer

Reviews/revisions

Review date	Changes made	By whom
June 2024	New Policy replacing Integrity Policy – in keeping with recommendation from Internal Scrutiny Audit	CFO
September 2024	Additional paragraph referring to the Whistleblowing Policy and reference to the new Finance, Resources & Risk Committee	CFO
September 2026	Change of Committee name to Audit, Finance & Risk Revised wording for definitions of Fraud Inclusion of: • ICT controls and annual cyber security training • Roles and Responsibilities • Annual training for Trustees, Senior Leaders and Budget Holders • DfE Fraud reporting requirements • Fraud Response Plan	CFO

Equality and GDPR FRAUD POLICY

All Penk Valley Academy Trust policies should be read in conjunction with our Equal Opportunities and GDPR policies.

<u>Statement of principle – Equality</u>

We will take all possible steps to ensure that this policy does not discriminate, either directly or indirectly against any individual or group of individuals. When compiling, monitoring and reviewing the policy we will consider the likely impact on the promotion of all aspects of equality as described in the Equality Act 2010.

<u>Statement of principle – GDPR</u>

Penk Valley Academy Trust recognises the serious issues that can occur as a consequence in failing to protect an individual adult's or child's personal and sensitive data. These include emotional distress, physical safety, child protection, loss of assets, fraud and other criminal acts.

Penk Valley Academy Trust is therefore committed to the protection of all personal and sensitive data for which it holds responsibility as the Data Controller and the handling of such data in line with the data protection principles and the Data Protection Act (DPA)/GDPR.

Penk Valley Academy Trust will be referred to as **PVAT** for the remainder of the document which includes all schools who are members of PVAT, business operations and centralised services.

Introduction

The Trust aims to be an honest and ethical organisation and requires all staff, governors and trustees to act honestly and with integrity at all times to safeguard the public resources for which they are responsible. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts Trust business. No precise legal definition of fraud exists but many of the offences referred to as fraud are covered by the Theft Acts of 1968, 1978 and 2006. The term is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. It applies to all areas of the Trust's business and activities. Fraud usually describes depriving someone of something by deceit. It might be straight theft, misuse of funds or other resources. It can also describe more complicated crimes like false accounting and the supply of false information and cybercrime. In legal terms all of these activities are theft.

Definitions

Fraud

The Fraud Act 2006 came into force on 15th January 2007. The Act created a single offence of fraud and defined this in three classes:

- False representation.
- Failure to disclose information where there is a legal duty to do so.
- Abuse of position.

The Act also created four new offences of:

- Possession of articles for use in fraud.
- Making or supplying articles for use in fraud.
- Obtaining services dishonestly.
- Participating in fraudulent business.

The Chartered Institute of Public Finance and Accountancy (CIPFA) define fraud as:

'the intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain.'

Fraud is different to theft, which is defined in the 1968 Theft Act as:

`A person shall be guilty of theft if he dishonestly appropriates property belonging to another with the intention of permanently depriving the other of it'.

Bribery

A bribe is:

'A financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity' [CIPFA].

There are various Bribery offences, including offering or accepting a bribe (Sections 1 and 2 of the Bribery Act 2010), bribing or attempting to bribe a foreign official (Section 6) and being a commercial organisation failing to prevent bribery (Section 7). While the Trust is not a 'commercial organisation' for its normal activities, it is still considered appropriate for it to have regard to Guidance relating to the Bribery Act.

Corruption

Corruption is:

'The offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the body, its members or officers.'

The term 'fraud' is used throughout this document. For the purposes of the document the term also includes theft, bribery and corruption.

This document sets out the Trust's policy 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. which is contained in a separate document.

In order to achieve these objectives, the Trust has taken the following steps:

1. A comprehensive Staff and Trustee Code of Conduct are issued and signed annually
2. The Trust has a Whistleblowing Policy in place; which is reviewed annually, sooner if necessary
3. The establishment of adequate and effective systems of internal financial and management control (and a clear requirement to comply with them), an Audit, Finance & Risk Committee and an independent internal scrutiny audit function with an ongoing responsibility to review and report on these systems
4. 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 the Trust and a fraud response plan which sets out the Trust's policies and procedures to be invoked following the reporting of possible fraud or the discovery of actual fraud.

These four steps are described in greater detail in the following sections.

Personal Conduct

The Trust 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 the Trust's expectations regarding standards of personal conduct, appropriate guidance is provided by the following key statements:

- These regulations are binding on all officers, members of staff, students and constituent parts of the Trust. Refusal to observe them will be grounds for disciplinary action.
- In disbursing and accounting for all funds, the Trust must demonstrate that it is adopting high standards of financial probity. Implicit within this regime is the requirement that officers and employees of the Trust must conduct financial affairs in an ethical manner at all time.
- All members of staff and members of Trust committees are responsible for disclosing any personal, financial or beneficial interest in any transaction with respect to the Trust or its related companies, minority interest companies and trading areas, via a Pecuniary Interest form, annually.
- Any person who is responsible for placing an order with a supplier (whether a contractor or not) with whom they have a personal interest must disclose this to their Line Manager, Headteacher and CEO and update the appropriate pecuniary interest form.
- Officers or employees of the Trust shall never use their office or employment for personal gain and must at all times act in good faith with regard to the Trust's interests.
- Budget Holders are expected to adhere to PVATs Financial procedures at all times and to use their best efforts to prevent misuse or misappropriation of funds and other Trust property.

Taken together, these represent a statement of the framework within which officers 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 checks and staff supervision. HR 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.

Robust ICT system controls and security measures are in place including, but not limited to, annual cyber security training for all staff, multi factor authentication, unique user password controls and usage monitoring.

The general framework of responsibilities for financial management and the policies relating to the broad control and management of the Trust are documented in the Academy Trust Handbook. These are binding on all officers, members of staff, students and constituent parts of the Trust.

An independent internal scrutiny audit function is appointed which provides advice to the Trust's Audit, Finance & Risk committee in respect of control matters and which 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).

Annual on-line training is provided for Trust finance staff, Trustees, Senior Leaders and Budget holders highlighting aspects of fraud awareness and prevention.

If anyone has concerns regarding potential fraudulent activity within the workplace, they should refer to the Trust's Whistleblowing Policy.

Roles and Responsibilities

Trustees have overall responsibility for the maintenance and operation of this Policy and Strategy, although have delegated authority to the Trust's Executive leadership team (CEO, COO, CFO & CPO) to implement the strategy throughout the Trust and ensure all staff are aware of their responsibility in reporting fraud and minimising the risk of fraud occurring.

Fraud reporting requirements

The Trust will notify the Department for Education (DfE) as soon as possible of any instances of fraud, theft or irregularity:

- exceeding £5,000 individually
- exceeding £5,000 cumulatively in any financial year or
- any unusual or systematic fraud regardless of value

Fraud response plan

DO:

- ✓ Make an immediate note of all relevant details. Include date and time of the event, record of conversations (including telephone), names of persons present (or description if the name is not known), vehicle details where appropriate e.g. type, colour, registration etc.
- ✓ Report your suspicions as rapidly as possible together with the relevant details to an appropriate level of authority and experience. This can either be your line manager, CEO, or CFO.
- ✓ Alternatively, you may prefer to put your suspicions in writing to the CFO or CEO. The envelope must be addressed with the following header:

  'CONFIDENTIAL — TO BE OPENED BY THE ADDRESSEE ONLY'.

- ✓ Alternatively, you may prefer to communicate your suspicions via email. The specific email address to be used: enquiries@penkvalley.co.uk

Any concerns relating to the behaviour or actions of the CEO or CFO can be raised directly with the COO or directly with a Trustee.

The Trust would prefer you not to provide information anonymously as it may be necessary for you to provide further information. However, all anonymous information that is received will be investigated. All reported suspicions will be dealt with sensitively and confidentially.

DO NOT:

- ⊗ Confront or accuse anyone directly.
- ⊗ Try to investigate the matter yourself.
- ⊗ Discuss your suspicions with anyone other than the appropriate level of authority.
- ⊗ Be afraid to report a matter on the basis that your suspicions may be groundless; all reports will be treated on the basis that they are made in good faith.

Reporting and Monitoring

The Chief Finance Officer (CFO) will ensure that a log is maintained of all reported incidents at the Trust. A decision will then be made as to who is best placed to investigate any concerns raised. The investigating officer, who will be a responsible individual selected by the CFO as appropriate, also has the responsibility to report all findings to members of the Board of Trustees.

Any referrals to the Police should be made only by or after consultation with the CEO and/or CFO. In accordance with this Strategy, any matters should be first raised with (one of) these officers prior to any referral to the Police.

Sanctions and Redress

After any investigation, sanctions should be applied where fraud has been found to have been committed. The Trust will pursue criminal, civil and disciplinary action in a robust, consistent and proportionate manner. The Trust will pursue a range of options, as appropriate to each case and will seek to recover losses arising from fraud wherever it is proportionate and cost effective to do so.