

Document Title	MLT Anti - Fraud Policy
Author/Owner (Name and Title)	Chief Finance Officer
Version Number	V3
Date Approved	9 th October 2023
Approved By	Finance, Audit and Risk Committee

Policy Category (Please Indicate)	1	Trust/Academies to use without amendment
	2	Academy specific appendices
	3	Academy personalisation required (in highlighted fields)

Summary of Changes from Previous Version

Version	Date	Author	Note/Summary of Revisions
V3	September 2023	NLI	No change to policy

TABLE OF CONTENTS

1. INTRODUCTION	4
2. PERSONAL CONDUCT	4
3. SYSTEMS OF INTERNAL CONTROL	5
4. FRAUD RESPONSE.....	6

1. INTRODUCTION

- The Maltby Learning Trust (MLT) aims to be an honest and ethical institution and as such, is opposed to any means of Fraud. The Trust will seek to eliminate fraud by the way it conducts its 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.
- In order to achieve these objectives, the MLT has taken the following steps:
 - The development and publication of a formal statement of its expectations on standards of personal conduct, propriety and accountability;
 - The establishment of adequate and effective systems of internal financial and management control (and a clear requirement to comply with them), a MLT Finance, Audit and Risk (FAR) Committee and an independent Internal Audit function with an ongoing responsibility to review and report on these systems;
 - 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 or its Academies;
 - 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.
- The MLT considers that the following risks apply to the organisation and will put in place mitigation and controls to manage this:
 - Banking arrangements
 - Fraudulently claimed wages, overtime and expenses;
 - Fraudulently contracted work or pay for contractors;
 - Misappropriating cash for activities such as Academy trips and fundraising activities;
 - Cybercrime such as fraudulent internet activity, e-mails and telephone calls operated by criminals;
 - A lack of regular scrutiny by Trustees, senior management, governors and internal audit.

2. PERSONAL CONDUCT

- The MLT 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 MLT. Refusal to observe them will be grounds for disciplinary action.

- In disbursing and accounting for all funds, the MLT 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 at all times conduct financial affairs in an ethical manner.
- All Employees, Members and Trustees of the Trust and Governors of Local Academies and 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.
- Any person who is responsible for placing an order with a supplier (whether a contractor or not) with whom he/she has a personal interest must disclose this to the CEO.
- Officers or employees of the MLT and its Academies 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.
- All employees, particularly those with a financial delegated authority, are expected to adhere to the MLT Financial Regulations at all times and to use their best efforts to prevent misuse or misappropriation of funds and other property.

Non-compliance of the above key statements will result in disciplinary action as detailed in the MLT Disciplinary and Dismissal Policy.

3. 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. 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 Disclosure and Barring Service (DBS) checks.
- 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 MLT Financial Regulations. The CFO updates the MLT Financial Regulations and ensures approval by the Trust Board. The MLT Financial Regulations are binding on all Members, Trustees, Governors, Employees, Students and constituent parts of the Trust and its Academies.
- The Trust has also established a FAR Committee which provides advice to management 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.
- Computer system controls have been implemented to minimise any illegal access to certain sensitive programmes and databases; these include password logon control, firewall security and remote access facilities to allow staff access to secure data and their work areas.

4. FRAUD RESPONSE

- The Trust's 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 the MLT 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 main elements of the Trust's procedures are as follows:
 - All Members, Trustees, Governors and employees of the Trust are required to notify the CFO immediately of any financial irregularity, or any circumstance suggesting the possibility of irregularity, affecting the financial procedures, cash stores or other property of the Academy.
 - The CFO 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 and report his/her findings to the CEO.
 - The CEO will have the initial responsibility for co-ordinating the Trust's response. In doing this he/she will seek advice from the appointed Human Resources Advisor regarding potential employment issues. The CEO will also seek expert legal advice from the Trust's Solicitors on both employment and litigation issues before taking any further action.
 - The CEO is required to notify the MLT Board of any acts of fraud or financial irregularities. This action will be taken at the first opportunity following the completion of the initial investigations and will involve the independent Internal Auditor and Chair of the MLT.
 - If evidence of a fraud is forthcoming then the MLT Board will inform the EFSA/DfE as required by the Academy Trust Handbook and Master Funding Agreement and will consider whether or not to refer the matter to the police.