

Financial Probity Policy



Issued: March 2018
Reviewed: February 2024
Next review due: February 2027

1.0 Introduction

- 1.1 It is important that Members, Directors, Governors and members of staff act, and are also seen to act, impartially.
- 1.2 The Members and the Board of Directors of the Birmingham Diocesan Multi-Academy Trust (BDMAT) seek to run all aspects of the Trust's financial management and business activities with high standards of conduct and integrity.
- 1.3 BDMAT is committed to tackling fraud and other forms of malpractice and treats these issues seriously. It is recognised that some concerns may be extremely sensitive.
- 1.4 In the event that Members, Directors, Governors, members of staff, parents or the community at large become aware of activities which give cause for concern, this Financial Probity Policy is provided as a reference document to establish a framework within which issues can be raised confidentially. The process allows for concerns to be raised within the Trust and school environment, allows recourse to external parties outside the management structure of the Trust or school where this becomes appropriate and provide for a thorough and appropriate investigation of the matter to bring it to a satisfactory conclusion. This policy should be read in conjunction with the Conflict of Interest Policy.
- 1.5 In May 1996 the Nolan Committee published a report on standards in public life as applicable to local public spending bodies. The report identified the following seven principles that should be applied to public life:
 - Selflessness
 - Integrity
 - Objectivity
 - Accountability
 - Openness
 - Honesty
 - Leadership
- 1.6 The report made a number of recommendations in relation to whistleblowing. The Nolan Committee used the term whistleblowing to mean the confidential raising of problems or concerns within an organisation by a member of staff. This is not "leaking" information but refers to matters of impropriety for example a breach of the law, Trust/school procedures or ethics. Nor is whistleblowing the raising of a grievance (which would be dealt with under the Trust's Grievance Procedures). The

term whistle blower denotes the person raising the concern or making complaint. The Trust has a separate Whistleblowing Policy in place which should be read in conjunction with this policy.

- 1.7 The system of internal controls within the Trust, both financial and non-financial, and the external regulatory environment in which the Trust operates, ensures that cases of suspected fraud or impropriety rarely occur and mechanisms exist to identify them promptly.
- 1.8 This document is a public commitment that any concerns raised are taken seriously and will be investigated.

2.0 Guiding Principles

- 2.1 The current version of the Academies Trust Handbook and Trust Finance Policies represent the context within which the schools within the Trust operate financially.

3.0 Business and Pecuniary (monetary) Interests

- 3.1 The Members, Directors, Governors and members of staff have a responsibility to avoid any conflict between their business and personal interests and affairs and the interest of the Trust.
- 3.2 The Trust maintains a register of business and pecuniary interests that lists for Members, Directors, Governors and certain members of staff, any business interests that they, or any members of their immediate family have. The register must be available for inspection by staff, parents, auditors and the Education and Skills Funding Agency (ESFA). The staff that are required to register their business and pecuniary interests are those in management posts and / or those involved in the procurement of goods and services.
- 3.3 The maintenance of the register helps Trust Members, Directors, Governors and members of staff to meet the requirement for withdrawal from meetings due to a conflict of personal interest as stated in the DfE Governance Handbook and with reference to the Academies Trust Handbook.
- 3.4 The register should include all:

Business Interest declarations including directorships, shareholdings and other appointments of influence within a business or other organisation that may have dealings with the School/Trust. The disclosures should also include business interests of related persons such as parent, spouse, child, cohabitee and business partner where influence could be exerted by that person over a Member, Director, Governor or a member of staff.

Members, Directors, Governors or members of staff should declare if they have been disbarred from being a director of a company or if there have been issues with any county court judgements since the last return.

And

Pecuniary Interest (monetary) such as providing supplies or services to the school for staff other than their contracted job within their role as Member, Director or Governor.

- 3.5 Where a Member, Director, Governor or member of staff or related person has any interest, either pecuniary or non-pecuniary, in a matter to be discussed at a Members' Trust Board or Local Academy Board's meeting. The Member, Directors, Governor or member of staff must declare their interest and withdraw from that part of the meeting.
- 3.6 Where a Member, Director, Governor, member of staff, or related person, has a pecuniary interest in a business, and that interest exceeds limits that may be specified in the Trust's Memorandum of Understanding or Articles of Association, the school must not enter into any contract or arrangement (such as the purchase of goods and services) with that business. For example, a school would not generally be permitted to trade with a company whom a Member, Director, Governor or member of staff holds more than 1% of the share capital.
- 3.7 It is the responsibility of Members, Directors, Governors and members of staff to ensure their declarations of business interests are kept up to date at all times, and to amend or update them as necessary.
- 3.8 All Members, Directors and Governors meetings' agendas will contain a standing item for attendees to declare any changes to their declarations of interests.
- 3.9 At the beginning of each academic year every Member, Director, Governor and member of staff will be required to complete the appropriate form (see Appendix 1) and should ensure that it is updated throughout the year as and when any Business or Pecuniary Interest may arise. Nil returns will also be required where a Member, Director, Governor or members of staff has no such interest.
- 3.10 Staff should also be aware, for their own and the Trust's protection (whoever is appropriate in the case in question) to ensure that they let others know of any circumstances that they believe others could think might affect their judgement.
- 3.11 The Trust is required to record and publish business and pecuniary interests.

4.0 Gifts and Hospitality

4.1 Details on the Trust's policy and approach to Gifts and Hospitality can be found in the Conflict of Interest Policy.

5.0 Anti-Fraud Policy and Procedures

5.1 The Anti-Fraud Policy is required to ensure that the Trust is protected, to the best of its ability, against fraudulent activity which could result in financial losses and reputational risks.

Aims

- To avoid any fraudulent activity from both internal and external parties.
- Protect the Trust's resources.
- To provide a clear reporting process to all stakeholders when fraud is suspected.
- To meet ESFA requirements.

How

- Staff training to identify how to avoid being subject to fraudulent activity.
 - Robust financial control measures are in place to reduce fraudulent risk.
 - Clear protocols and processes followed when any fraud is suspected.
 - Communication to the wider staff on the use and purpose of the policy.
- 5.2 The Trust is committed to the prevention of fraud and the promotion of an anti-fraud culture.
- 5.3 The Trust operates a zero-tolerance attitude to fraud and requires all staff, Members, Directors, Governors and volunteers to act honestly and with integrity at all times and to report all reasonable suspicions of fraud.
- 5.4 The Trust will investigate all instances of actual, attempted or suspected fraud and will seek to recover any losses and pursue appropriate sanctions against the perpetrators. This may include criminal prosecution, disciplinary action, legal proceedings and professional sanctions.
- 5.5 This policy applies to all staff (full time, part time, temporary and casual), consultants, contractors, volunteers and Trust Members, Directors and Governors.

6.0 Definition of Fraud

6.1 The term 'fraud' is often used to describe complex financial offences such as false accounting. However, in its simplest form, fraud is lying. Some people will lie, or

withhold information, or generally abuse their position to try to trick someone else into believing something that isn't true. Examples might include:

- Sending fake invoices for goods and services that weren't ordered or received.
- Use of a Trust issued credit card to make personal purchases.
- Intercepting a Trust or school cheque and amending the name of the payee and/or the amount.
- Submitting false claims for sickness or expenses.

7.0 Key Responsibilities

7.1 The Deputy Chief Executive Officer (DCEO) is responsible for:

- Developing, implementing and maintaining adequate systems of internal control that prevent and detect fraud.
- Testing the systems of internal control and seeking independent assurance when appropriate.
- Regularly reviewing the anti-fraud policy and compliance with it to ensure it remains effective and relevant to the needs of the Trust.
- Reporting compliance with the policy on at least an annual basis to the Board of Directors.
- Reporting allegations of actual, attempted or suspected fraud to the Board of Directors.
- Ensuring all allegations of fraud are investigated appropriately, in compliance with relevant policies, procedures and legislation and commencing disciplinary and/or legal action where appropriate.

7.2 The Board of Directors is responsible for:

- Overseeing the financial performance of the Trust, including its assets, making sure the Trust's money is well spent and measures are in place to prevent losses or misuse, including arrangements for preventing and detecting fraud.

7.3 Staff are responsible for:

- Familiarising themselves with the types of fraud that might affect the Trust.
- Ensuring they adhere to the agreed policies and procedure, thereby protecting the Trust's reputation and assets from fraud.
- Reporting allegations of actual, attempted or suspected fraud to a member of the Executive Leadership Team, the Headteacher, and/or the Board of Directors.
- Assisting in the investigation of suspected fraud when requested to do so, for example by providing witness statements.

8.0 Reporting Suspicions

- 8.1 The Board of Directors and staff are important elements of the Trust's stance on fraud and are required to raise any concerns that they may have. The Board of Directors and Chief Executive Officer will deal with any financial irregularities robustly.
- 8.2 Staff should immediately report any concerns about actual, attempted or suspected fraud to a member of the Executive Leadership Team. However, if the concerns relate to the Chief Executive Officer, staff should report their concerns to the Chair of the Board of Directors.
- 8.3 Under no circumstances should staff investigate the matter themselves.
- 8.4 Should a Member, Director, Governor or member of staff wish to seek advice about how to deal with allegation of fraud, or want to report the matter anonymously, they should contact the Trust's auditors.
- 8.5 The Public Interest Disclosure Act 2013 protects employees who raise concerns about certain matters of public interest in good faith. Staff can obtain free independent advice from the charity [http: www.pcaw.co.uk](http://www.pcaw.co.uk)
- 8.6 A referral form has been provided at Appendix 1 to use as a guide to the type of information should be captured when an allegation of fraud arises.

9.0 Fraud Response Plan

- 9.1 The Trust has established guidelines for senior staff and the Board of Directors to use and the immediate actions to be taken in the event of a fraud being discovered or suspected. It covers how and when to seek professional advice, securing evidence and preventing further losses. The Fraud Response Plan is shown at Appendix 2.

Appendix 1: Fraud Reporting Form

If you have any concerns about fraud, please print and complete this form and address it to a member of the Executive Leadership Team by email or by post to Christ Church Secondary Academy, Daleview Road, Yardley Wood, B14 4HN. If the concern raised relates to the Chief Executive Officer, please send the form to the Chair of the Board of Directors at the above address.

You do not need to give your name. All the information provided will be treated in confidence.

Name of the person(s) or organisation your suspect:

Address: (if known)

Place of work / department / job title: (if known):

Please provide details of your suspicions. You should include as much information as possible. For example, what was said in telephone or other conversations, dates, times and places, vehicle used, as well as the names of any other parties involved (continue on a separate page if necessary and attach any additional evidence you may have.)

Your details: (please leave blank if you wish to remain anonymous)

Name:

Contact Details (email, telephone):

Appendix 2: Fraud Response Plan

It is important that allegations of actual, attempted and suspected fraud are investigated. Even seemingly insignificant concerns may later reveal larger, previously unknown problems.

Securing Evidence

Ensure that any concerns are recorded fully. Whenever possible keep written notes that cover:

Names, addresses, the dates of birth and any descriptions (height, build, hair colour, clothing, distinctive features) of any individual's suspected:

- Dates and times of key events
- Vehicle registration numbers and descriptions
- Details of any conversations had or overheard
- Details of any actions or incidents that were observed
- Telephone numbers
- Company and/or business details

Secure any physical evidence, such as original invoices, receipts, letters, emails, cheques and applications forms. Try to minimise how many people and how often evidence is handled. Fingerprint evidence can very quickly be destroyed.

If any of the evidence is on a computer, immediately unplug the computer from its power source. Don't attempt to shut the computer down through its operating system as this can alter or destroy key files and documents.

Whilst initially securing the evidence it is important not to be tempted to begin a more substantial investigation, or accuse individuals directly, without seeking professional advice (see 'Seeking Advice' below).

If an investigation is undertaken without following the appropriate policies, procedures and legislation, or if individuals are accused without sufficient evidence, it may lead to the perpetrators avoiding a disciplinary, criminal or civil sanction.

Preventing Further Losses

It is important to minimise any additional losses. If the allegations concern the theft or loss or banking passwords, PIN's or similar credentials notify the bank immediately.

Equally, if the losses relate to a weak process, for example cash is routinely kept unsecured in a drawer, ensure that the process is changed, at least temporarily, until more permanent and improved processes can be implemented.

Seeking Advice

When an allegation of fraud is discovered, it is important to seek professional advice as soon as possible. Advice should be sought from the Trust's DCEO in the first instance. The matter may then be referred to the Police. General advice about fraud is available from Action Fraud: www.actionfraud.police.uk/

Support for Witnesses

Members, Directors, Governors, members of staff and the public may be feeling vulnerable before, during and after they had brought an allegation of fraud to the attention of the Trust.

Witnesses should be assured that they have acted appropriately by raising their concerns. They should be referred to the Whistleblowing Policy and reminded that the Trust does not tolerate reprisals, victimisation or harassment and will take all reasonable action to protect them.

In addition, the Trust will take steps to minimise any difficulties anyone may experience as a result of raising a concern. For instance, if they are required to give evidence in criminal or disciplinary proceedings, the Trust will advise or arrange for them to receive advice and support about the process being followed.