



Symphony Learning  
TRUST

---

# Fraud Policy 2016-2017

---

Adopted by Symphony Learning Trust on	Autumn 2016
Next Review Due 3 yearly	Autumn 2019

## **1. Introduction**

The Symphony Learning 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 the SLT business. This document sets out the SLT'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 SLT'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 SLT 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 independent Responsible Officer function 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 the SLT and a fraud response plan which sets out the SLT's policies and procedures to be invoked following the reporting of possible fraud or the discovery of actual fraud.

These three steps are described in greater detail in the following sections

## **2 Personal Conduct**

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

- These regulations are binding on all governors, members of staff, students and constituent parts of the SLT. Refusal to observe them will be grounds for disciplinary action.
- In disbursing and accounting for all funds, the SLT must demonstrate that it is adopting high standards of financial probity. Implicit within this regime is the requirement that governors and employees of the SLT must at all times conduct financial affairs in an ethical manner.
- All members of staff, governors and Trustees of the SLT are responsible for disclosing any personal, financial or beneficial interest in any transaction with respect to the SLT 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 has an interest must disclose this to the Executive Head/Head teacher School Business of the individual school.
- Trustees, Governors or employees of the SLT shall never use their office or employment for personal gain and must at all times act in good faith with regard to the SLT's interests.
- Budget Holders are expected to adhere to the Finance Manual at all times and to use their best efforts to prevent misuse or misappropriation of funds and other SLT property.

Taken together, these represent a statement of the framework within which governors and employees are expected to conduct themselves. These requirements will also be stated within the Staff Handbook which will be issued to all members of staff and which will also include a statement of the disciplinary consequences if they are not complied with.

### **3 Systems of Internal Control**

The next line of defense 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 CRB checks.

The general framework of responsibilities for financial management and the policies relating to the broad control and management of the SLT are documented in the Finance Manual. The Finance Manual is issued and updated periodically by the Trust. It is binding on all governors, members of staff, students and constituent parts of the SLT and is distributed to all staff with financial responsibility.

The SLT has also established a Finance Committee and an independent Responsible Officer function (with Leicestershire County Council/outsourced and as agreed by the SLT Trustees) 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 (including those intended to minimise the potential exposure to fraud and corruption).

### **4 Fraud Response**

The Fraud Response Plan sets out the SLT'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 the SLT 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 the SLT; and
- creation of an environment which, because it is perceived as being ill-prepared, increases the risk of fraud.

The main elements of the SLT's plan are in line with the Whistleblowing Policy and are outlined below:

1. All Trustees, governors, members of staff, students and constituent parts of the SLT are required to notify immediately the Executive Head/Headteacher and/or School Business Manager of any financial irregularity, or any circumstance suggesting the possibility of irregularity, affecting the financial procedures, cash, stores or other property of the SLT. The Executive Head/Headteacher and/or School Business Manager should bring this to the attention of the Trustees of the SLT and/or Chair of the Finance Committee immediately.
2. The Executive Head/Headteacher and School Business Manager 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 Chair of Finance Committee and the Chair of Governors and/or SLT.
3. The Executive Head/Headteacher will have the initial responsibility for co-ordinating the SLT's response. In doing this he will consult with the SLT's Human Resources Advisor regarding potential employment issues. The Executive Head/Headteacher will also seek expert legal advice from the SLT's Legal Advisor on both employment and litigation issues before taking any further action.
4. The Executive Head/Headteacher is required to notify the SLT and/or Governing Body 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 Responsible Officer the Chair of Finance Committee and the Chair of Governors/SLT fully informed between

committee meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

5. If evidence of a fraud is forthcoming then the Trustees of the SLT will inform the DfE as required by the Funding Agreement and will consider whether or not to refer the matter to the Police.

### **Equality Statement**

At the Symphony Learning Trust, we actively seek to encourage equity and equality through our teaching. No gender, race, creed or ethnicity will be discriminated against. The school's Disability Equality Scheme will be followed and the use of stereotypes under any of the above headings will always be challenged.

### **Conclusion**

Existing good practice within the SLT in terms of its systems of internal control both financial and non-financial and the external regulatory environment in which the school operates ensure that cases of suspected fraud or impropriety rarely occur.

This policy, along with the Whistleblowing policy is provided as a reference document to establish a framework within which issues can be raised. For more detail about how issues can be raised internally and if necessary outside the management structure of the school, the reader should refer to the Whistleblowing Policy. This document is a public commitment that concerns are taken seriously and will be actioned.