



Corruption, Fraud, Bribery, and Cyber-Crime Policy

Staff, Trustees, Members and Governors must ensure that they read, understand and comply with this policy.

To be read with Policy on Gifts and Hospitality

Created by Sam Taylor April 2020	
Reviewed October 2023	Ratified by Trustees October 2023
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1. Policy Statement

1.1 The prevention of fraud, bribery and other forms of corruption are the responsibility of all those working for or under the control of the trust including those in governance roles. All persons are required to avoid any activity that might lead to or suggest a breach of this policy.

1.2 The purpose of this policy is to set out the Keystone Academy Trust's (KAT's) responsibilities in observing and upholding the trust's position on

- fraud and bribery (including corruption)
- cyber-crime
- gifts, hospitality and benefits in kind
- gifts to pupils

in order to protect staff, members, trustees (including Local Governing Boards (LGBs)) and volunteers' from suspicions of dishonesty and ensure that they are free from any conflict of interest with respect to the acceptance or provision of gifts, hospitality, or any other inducement from or to suppliers of goods or services to schools.

This also applies to other individuals performing functions in relation to the Trust, such as agency workers, casual workers and contractors.

1.3 KAT requires all staff, trustees, members, LGBs and volunteers to act honestly and with integrity at all times and to safeguard the public resources for which they are responsible. The trust will not accept any level of fraud or bribery (including corruption). Consequently, any allegation will be thoroughly investigated and dealt with appropriately. KAT is committed to ensuring that opportunities for fraud, bribery and corruption are reduced to the lowest possible level of risk.

1.4 The policy provides information and guidance to those working for and with the trust on how to recognise and deal with bribery and corruption issues.

2. Definitions

2.1 Definition of Bribery (including corruption, gifts, hospitality and benefits in kind)

- The Bribery Act 2010 defines four offences:
 - Offering, promising or giving a financial or other advantage for the improper exercise of functions or activities
 - Requesting or agreeing to receive or accepting a financial or other advantage.
 - Bribing an official who exercises a public function in order to obtain or retain business.
 - Failure by a commercial organisation to prevent bribery by someone associated with it.
- A bribe can be defined as the offering of money, goods or other benefits (e.g., food, drink, entertainment) to a staff member with a view to altering decision processes or outcomes in favour of the person or associate of the person offering the benefit. One of the most common forms of perceived bribery within a corporate institution is inappropriate offers of gifts, hospitality and benefits in kind from a third party.
- Indirect or collateral offers of financial advantage should also be included within the definition e.g., where an offer is being made by a person other than the person who is trying to manipulate the outcome.
- Bribery under the above definitions is also a **criminal offence** and, if convicted, can carry a maximum sentence of 10 years imprisonment.

2.2 Definition of Fraud and Theft

- The Fraud Act 2006 defines eight offences:
 - False representation
 - Failing to disclose information
 - Abuse of position
 - Possession of articles for use in fraud
 - Making/supplying articles for use in fraud
 - Participation by sole trader in fraudulent business
 - Obtaining services dishonestly
 - Liability of company officers for offences by the company
- Fraud and/or theft can be defined as making a dishonest representation for your own advantage or to cause another loss, or dishonestly neglect to disclose information when you had a duty to do so. This representation might be by means of a statement or conduct made knowingly or recklessly in order to gain a material advantage.

3. Examples of Fraud, Theft or Bribery

3.1 The following list indicates possible ways in which fraud or bribery could take place but is by no means an exhaustive list:

- Falsification of employee expense claims, for example, claims for journeys which did not occur, expenses outside of HMRC guidelines and/or the expense policy, amending employment contract without due process and approval for financial gain.
- Falsification of supplier invoices. This could involve collusion with a supplier (for example a relative of the employee)
- Falsification of payroll records, for example, by the introduction of non-existent employees/overtime
- Misappropriation of pupils' monies by a staff member (e.g., for a trip)
- Misappropriation of employees' own money by a staff member
- Causing expense to the trust that should have been borne by an individual, e.g., the private use of stationery, photocopiers etc to an unacceptable degree.
- Favouring one particular contractor or service provider over and above others in return for receiving personal benefit
- Inappropriate gifts/offers of hospitality from a third party (see KAT Policy on gifts and hospitality)
- An individual making use of their official position to enter into contentious transactions, or actions to further their own private interests or those of others, for example, accepting quotes from friends without the MAT purchasing policy being adhered to.

4. Procedure for Reporting Suspected Fraud, Bribery or Corruption

- 4.1 All trust individuals must notify either their line manager, Head of School or CEO as soon as possible if they believe or suspect that a conflict with this policy has occurred or may occur in the future. School governors must inform the Head of School and the Board of Trustees. Any suspicion around the CEO must be referred to a member of the Board of Trustees.
- 4.2 If any staff/trustees etc encounter any red flags while working for or on behalf of the Trust, they must report it promptly using the KAT Whistleblowing Policy.
- 4.3 Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud or bribery discovered or reported.
- 4.4 The board of trustees MUST notify the ESFA, as soon as possible, of all instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year. Unusual or systematic fraud, regardless of value, MUST also be reported.** (Ref Academy Trust Handbook 2023 Pg 50:
https://assets.publishing.service.gov.uk/media/64a52424c531eb000c64fe78/Academy_Trust_Handbook_2023.pdf).

The ESFA will require details of the event(s) with dates, the financial value of the loss, measures taken to prevent recurrence, whether the matter was referred to the police (and if not, why not) and whether insurance cover or the RPA has offset any loss.

In addition, it is up to the CEO and/or the Chair of Trustees to inform the Chair of the A,R&R Committee so that the impact can be discussed and mitigated against.

4.5 Some examples of activity that may indicate bribery or corruption are listed below. This list is not intended to be exhaustive and is for illustrative purposes only:

- Awareness of not acceptable examples within this policy occurring.
- Awareness that a third party engages in, or has been accused of, improper business practices
- Awareness that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a “special relationship” with e.g. government officials.
- A third party insists on receiving a commission or fee payment before committing to signing up to a contract with the trust or carrying out a government function or process for the trust.
- A third-party requests payment in cash and/or refused to sign a formal commission or fee agreement, or to provide an invoice or receipt for payment made.
- A third party requests an unexpected additional fee or commission to "facilitate" a service.
- A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
- A third-party request that a payment is made to "overlook" potential legal violations.
- A third-party request that the trust provide employment or some other advantage to a friend or relative.
- An invoice from a third party appears to be non-standard or customised.

- A third party insists on the use of side letters or refuses to put terms agreed in writing.
- Awareness that the trust have been invoiced for a commission or fee payment that appears large given the service stated to have been provided.
- A third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the trust.
- An unusually generous gift or lavish hospitality is offered by a third party.

4.6 Cybercrime

If cybercrime is suspected by any employee, or party associated with the Trust then they must immediately follow the process outlined in Section 16: Data Breaches:

https://www.keystoneacademytrust.org.uk/assets/ckfinder_library/files/Policies/GDPR%20-%20Data%20Protection%20Policy.pdf

No cyber ransom demands will be made without prior permission from the ESFA in line with the Academy Trust Handbook.

In addition, it is up to the CEO and/or the Chair of Trustees to inform the Chair of the A, R & R Committee so that the impact can be discussed and mitigated against.

5. What to do if you are a victim of bribery or corruption

It is important that staff/trustees/governors tell the CEO/Head Teacher/Board of Trustees as soon as possible if they are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that they are a victim of another form of unlawful activity.

6. Protection

KAT is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats, or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Head teacher/CEO immediately. If the matter is not remedied, and you are an employee, you should raise it formally using the KAT Grievance Procedure.