Ormiston Academies Trust

# Anti-fraud policy

## Policy version control

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| Policy type | Mandatory |
| Author<br>In consultation with | Claire Lovell, Head of Compliance and Reporting<br>Joanne Dawson, Chief Operating Officer |
| Approved by | National Leadership Group, May 2026 |
| Release date | May 2026 |
| Review | Policies will be reviewed in line with OAT's internal policy schedule and/or updated when new legislation comes into force |
| Description of changes | ▪ Included reference to the Economic Crime and Corporate Transparency Act 2023 and the Senior management offence and the Failure to prevent fraud offence (1.1-1.3)<br>▪ Changed references from ESFA to DfE (throughout)<br>▪ Included further definitions on fraud from the Fraud Act 2006 (2.1)<br>▪ Included additional references to Cyber fraud risk including Malware and Artificial Intelligence (2.4.5)<br>▪ Name change references for members of the finance team (throughout)<br>▪ Inclusion of Nolan Principals as Appendix 2 and 4.1.3 |

# Contents

## 1. Introduction

1.1. From September 2025, the Economic Crime and Corporate Transparency Act 2023 came into force. This resulted in two key changes. The 'Senior management' offence ("SM offence") and the 'Failure to prevent fraud' offence ("FTPF offence")

1.2. Under the SM offence the trust may be criminally liable if a senior manager commits a specified economic offence, (such as false accounting or fraud) whilst acting with the authority of the trust. There is no defence available for this offence.

1.3. Under the FTPF offence, the trust may be criminally liable where an employee commits a fraud intending to benefit the trust and the trust did not have reasonable fraud prevention procedures in place. The individual who commits the fraud may be prosecuted individually and the trust may be prosecuted for failing to prevent it. This offence can be defended.

1.4. This policy and procedure define the expected conduct of all staff engaged at the academy, whether in paid or voluntary employment, in relation to deterring and/or detecting fraud, and to whom to report it. Reference is also made to other academy policies where appropriate.

1.5. Ormiston Academies Trust (OAT) is committed to ensuring that it acts with integrity and has high standards of personal conduct. Everyone involved with the academy has a responsibility in respect of preventing and detecting fraud. All staff and governors have a role to play. The academy also recognises the role of others in alerting them to areas where there is suspicion of fraud. The trust has a zero-tolerance culture to all types of fraud, bribery, and corruption.

1.6. Recognising a potential fraud and being able to report it is just as important as the measures to prevent and detect.

1.7. It is the duty of all employees and governors at the academy to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the internal auditors and the external auditors to review the adequacy of the measures taken by the academy to test compliance and to draw attention to any weaknesses or omissions.

1.8. Any investigation carried out in relation to alleged irregularities is linked to the academy's disciplinary procedure.

## 2. Fraud

2.1. Fraud is a criminal offences as defined by the Fraud Act 2006. The act defines fraud as:

2.1.1. Fraud by false representation – where a person expresses or implies something, which they know to be untrue or misleading.

2.1.2. Fraud by failing to disclose information – where a person fails to disclose information, which they have a legal duty to disclose

2.1.3. Fraud by abuse of position – where a person is in a position where they are expected to safeguard the financial interests of others, but abuse that position.

2.2. Fraud also covers more general areas such as theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these “others” are in ignorance of the fraud. Fraud is in fact intentional deceit and for this reason it cannot include negligence.

2.3. Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretenses, forgery, corrupt practices, and falsification of accounts.

2.4. Irregularities fall within the following broad categories, the first three of which are criminal offences:

2.4.1. Theft - the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession.

2.4.2. Fraud - the intentional distortion of financial statements or other records by persons internal and external to the academy, which is carried out to conceal the misappropriation of assets or otherwise for gain.

2.4.3. Bribery and corruption (as covered in the gifts and hospitality policy) - involves the offering or the acceptance of a reward, for performing an act, or for failing to perform an act, which leads to gain for the person offering the inducement.

2.4.4. Failure to observe, or breaches of, scheme of delegation and financial regulations within the academy's procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

2.4.5. Cyber fraud – this incorporates Malware, Artificial Intelligence and Phishing fraud. Malware is a collective term for a range of online threats including viruses and spyware. Phishing fraud is where fraudsters access valuable personal details such as usernames and passwords and can involve sending malicious attachments or website links in an attempt to infect computers or mobile devices. For further details and advice on what to do following a possible cyber fraud please refer to the Cyber Strategy.

2.4.6. Examples of what could constitute fraud and corruption are:

- theft of cash.
- non-receipt of income.
- substitution of personal cheques for cash.
- travelling and subsistence claims for non-existent journeys/events.
- Inflated travelling and subsistence claims.
- data fraud – please refer to the data protection policy.
- manipulating documentation to increase salaries/wages received, e.g., false overtime claims.
- payment of invoices for goods received by an individual rather than the academy.

- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the academy.
- unauthorised borrowing of equipment.
- breaches of confidentiality regarding information.
- failure to declare a direct pecuniary or otherwise conflicting interest.
- concealing a generous gift or reward.
- unfairly influencing the award of a contract.
- creation of false documents.
- deception.
- using position for personal reward.

2.5. The above list is not exhaustive, and fraud and corruption can take many different paths. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the Head of Compliance and Reporting.

2.6. Similarly, if there is concern or doubt about any aspect of a matter which involves an irregularity, or an ongoing investigation into a suspected irregularity, the best approach is to seek advice from the principal and the Head of Compliance and Reporting.

# 3. Policy statement

3.1. This policy and procedure defines anti-fraud and offers guidance for all staff in the academy.

3.2. The 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 academy business. This document sets out the academy's policy and procedures for dealing with the risk of significant fraud. In order to minimise the risk and impact of fraud, the academy'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 practices.

3.3. This policy, in line with the trust's corporate values and best practice, provides both staff and management with mutually understood guidelines for the administration of this procedure.

3.4. The scope of this procedure extends to all academy employees, permanent, voluntary, and fixed term.

3.5. Time limits specified in this document may be extended by mutual agreement.

3.6. If requested, employees may be accompanied by a recognised trade union representative or work colleague, not involved in any part of the process, at any interviews.

# 4. Roles and responsibilities:

## 4.1. Staff and governors

4.1.1. The trust has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

4.1.1.1. All boards and committees meet regularly. The Audit and Risk Committee have specific responsibility for fraud management and processes.

4.1.1.2. A requirement for all staff and governors to declare prejudicial interests and not contribute to business related to that interest, these should be completed by 31st October each year.

4.1.1.3. A requirement for staff and governors to disclose personal interests by 30th October each year.

4.1.1.4. Clear recruitment policies and procedures.

4.1.2. Staff and governors also have a duty to report another member of staff or governor whose conduct is reasonably believed to represent a failure to comply with the above.

4.1.3. The Trust requires all staff to act honestly and with integrity at all times, in accordance with the Trust's Code of Conduct and the Seven Principles of Public Life (see appendix 2) and to safeguard the resources for which they are responsible.

## 4.2. Internal auditors

4.2.1. The internal auditors have specific responsibility for overseeing the financial arrangements on behalf of the governors. The Head of Compliance and Reporting will also provide further assurance following internal audit reviews

4.2.2. Some of the main duties of the internal auditors are to provide the governors with on-going independent assurance that:

4.2.2.1. The financial responsibilities of the governors are being properly discharged.

4.2.2.2. The resources are being managed in an efficient, economical, and effective manner.

4.2.2.3. Sound systems of financial control are being maintained; and

4.2.2.4. Financial considerations are fully taken into account in reaching decisions.

## 4.3. Chief Operating Officer and Finance Leads

4.3.1. The Chief Operating Officer is ultimately responsible for ensuring that effective systems of internal control are maintained throughout the trust. The individual finance leads ensure that they are followed at the academy, and they also will safeguard the resources of the academy.

4.3.2. In respect of fraud, it is the responsibility of the Chief Operating Officer to ensure internal controls prevent and detect any frauds promptly. The individual finance leads will then ensure that there are internal controls are in place at the academy and that appropriate segregation of duties is maintained at all times.

4.3.3. It therefore needs to be ensured that the following are in place:

4.3.3.1. Proper procedures and financial systems.

4.3.3.2. Effective management of financial records.

4.3.3.3. Management of the academy's financial position.

## 4.4. External auditors

4.4.1. The academy's annual report and financial statements include an independent auditors' report. This report includes a view as to whether the financial statements give a true and fair view and whether proper accounting records have been kept by the academy throughout the financial year. In addition, it reports on compliance with the accounting requirements of the relevant companies act and confirms compliance with the financial reporting and annual accounting requirements issued by the Department of Education.

# 5. Confidentiality and safeguards

5.1. OAT recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. The academy will not tolerate harassment or victimisation and will do what it lawfully can to protect an individual when a concern is raised in good faith.

5.2. This does not mean that if the person raising the concern is already the subject of a disciplinary, redundancy or other procedure, that those procedures will be halted as a result of the concern being reported.

5.3. There is a need to ensure that the process is not misused. For further guidance refer to the Staff Disciplinary Policy.

# 6. Links with other policies

6.1. The governing board is committed to preventing fraud and corruption. To help achieve this objective there is a clear network of systems and procedures in place for the prevention, detection and investigation of fraud and corruption. This anti-fraud policy attempts to consolidate those in one document and should be read in conjunction with the following academy policies:

- Whistle-blowing policy
- Staff disciplinary policy
- Equality policy

- Data protection policy
- Gifts and hospitality policy

# Appendix 1 - Fraud response plan

The purpose of this fraud response plan is to provide a formal framework that individuals within the trust are able to follow in the event of a suspected fraud.  Those investing a suspected fraud should be able to:

- Establish the facts around the suspected fraud as efficiently as possible to ensure that effective action is taken to prevent any future losses.
- Improve the likelihood and scale of recoveries.
- Identify the individuals concerned without initially raising suspicion and then taking appropriate action against these individuals.
- Report as necessary to the relevant bodies.
- Reemphasize that the trust has a zero-tolerance culture to fraud.

## Reporting a suspected fraud

All members of staff, students and the local governing body may be in a position to suspect fraud at an academy or at head office.  If a suspected fraud is identified at an academy, all allegations must be brought to the attention of the Finance Lead and the Principal, unless this individual is involved in the irregularity in which case the Chair of Governors should be informed.  If a fraud is suspected at head office the Chief Operating Officer should be informed. If the fraud involves this individual the Chair of Trustees should be informed.

If a suspected fraud is observed and it is not reported in accordance with this policy, this may also result in disciplinary procedures for the individuals for not following the correct reporting lines.

Individuals who report the fraud should provide as much detail as possible to enable the initial investigations to start, whilst at the same time ensuring that their actions do not raise the suspicion of the individuals in question.

If the suspected fraud is from an external party, such as a supplier fraud, please refer to the Mandate Fraud Policy in the first instance and the flow charts at the end of this policy.

If there is another type of external fraud, please refer to your Regional Finance Partner and your HO team, who will take the necessary steps to inform the relevant individuals.

If the fraud relates to a potential data breach, please follow the data protection policy for further guidelines.

The Principal/Finance Director should also inform the police and make a note of the crime number on any relevant communications.

## Response to allegations

The Principal and Finance Director will have responsibility for coordinating the initial response. In doing this he/she will consult with the human resource advisors regarding potential employment issues. The Principal will also seek legal advice from the academy's solicitors on both employment and litigation issues before taking any further action.

The Principal and Finance Director will ascertain whether or not the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, they will pass the matter on to the Regional Finance Partner. Even if there is no evidence to support the allegation, the matter must be reported. This must be done within 24 hours of the initial suspicions being raised.

The Principal is required to notify the LGB of any serious financial irregularities. This action must be taken at the first opportunity following the completion of the initial investigations and will involve keeping the chair of the governing board fully informed of any developments relating to serious control weaknesses, fraud, or major accounting breakdowns.

The Regional Finance Partner will undertake the management of the investigation. They will, if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required. If further investigations are required, they will determine which outside agencies should be involved (police, auditors). At this point, a signed statement from all parties will be presented to the Head of Compliance and Reporting, who will then determine if further investigations are required. If further investigations are required the Chief Operating Officer will be informed by the Head of Compliance and Reporting.

The Regional Finance Partner will also keep in close contact with the HR team at head office to determine if any disciplinary procedures need to be followed, and if required these will be led by HR and will progress with the investigation.

## Prevention of further loss

Where the investigation provides a reasonable ground for suspecting a member of staff or others or fraud, the investigating team will need to decide on how to prevent further loss. This may involve liaising with HR and under the appropriate disciplinary procedure suspending the individual. This will need careful consideration to ensure that the suspect does not become aware of the investigation so only the individuals involved in the main investigation need to be aware of this plan of action.

If the individual concerned needs to be suspended, they should be supervised at all times before leaving the academy. They should be allowed to collect personal equipment, but all passes and keys will need to be returned to the academy.

The ICT team should also be informed so as to ensure that access rights are stopped to all of the academy's computer systems.

## Securing evidence

All information should be fully documented from the date that the initial fraud was suspected. Written notes should cover at least the following areas:

- Name, address, and DOB of all individuals involved in the investigation
- Dates and times of key events
- Details of all conversations or incidents that were observed
- Any other data relevant to the case such as telephone numbers, car registrations, bank accounts etc.

Any physical evidence such as invoices, receipts or printed emails should be secured in a lockable safe and should be handled by as few people as possible.

## Progress

The Regional Finance Parter should prepare regular reports informing the Head of Compliance and Reporting of the progress of their investigation, on at least a weekly basis following the start of the investigation

This should include progress with regards to recovery of funds/assets, update on any disciplinary action or if it has escalated to criminal action, actions taken to prevent further incidents and timeline for completion.

The report will also state at this point if the DFE need to be informed.

## Reporting to the DFE

The trust (the Chief Operating Officer) must notify the DFE as soon as it is operationally practical based on its particular circumstances of any instances of fraud, theft and or irregularity, exceeding £5,000 individually or £5,000 cumulatively in any accounting financial year.

Any unusual or systematic fraud, regardless of value must be reported. The following information is required:

- Full details of the event(s) with dates
- The financial value of the loss
- Measures taken by the trust to prevent recurrence
- Whether the matter was referred to the police (and why if not)
- Whether insurance cover or the risk protection arrangement have offset any loss.

## Reporting to the Audit and Risk Committee

If the fraud is greater than £5,000 a report will be prepared by the Chief Operating Officer and presented to the Audit and Risk Committee

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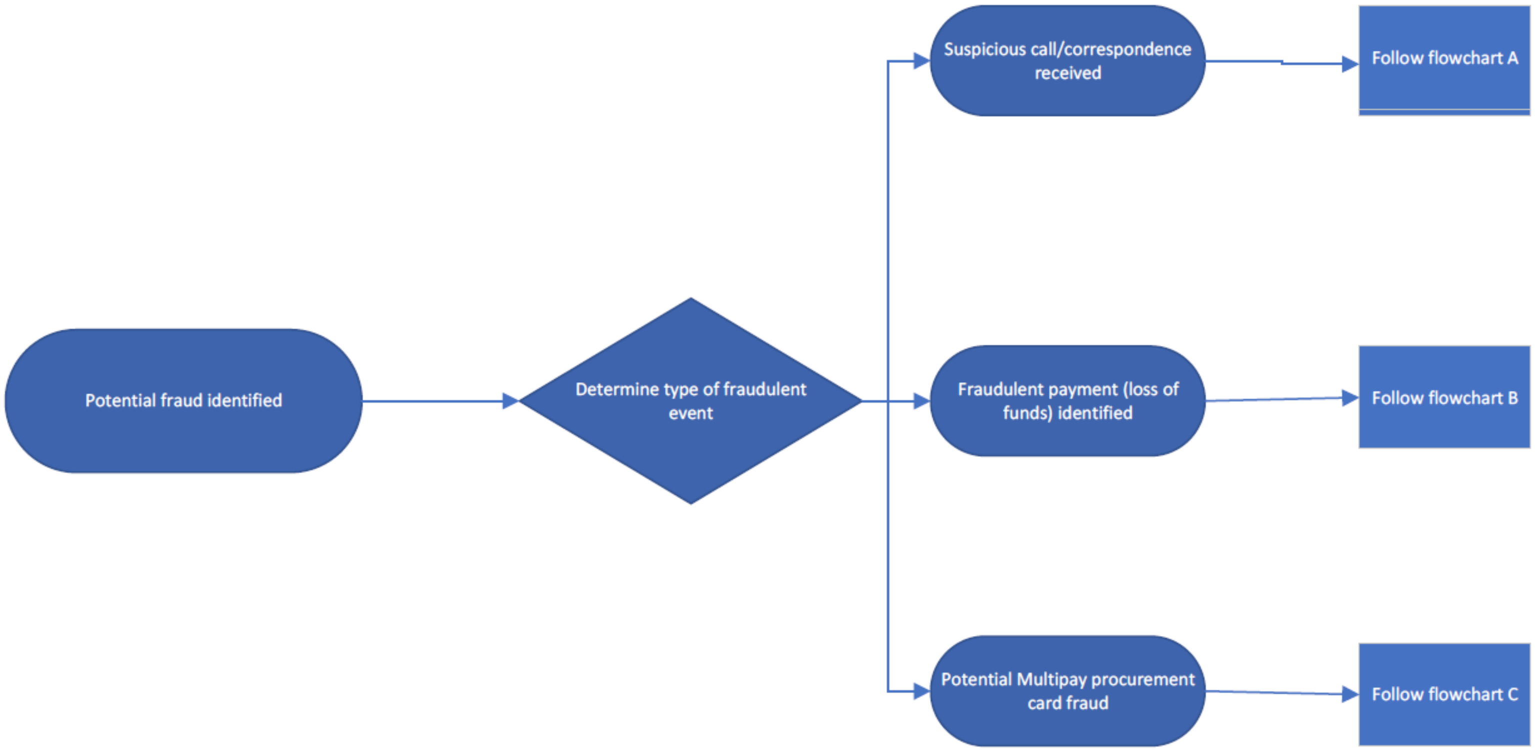
# Appendix 2 - The Seven Principles of Public Life (the 'Nolan Principles')

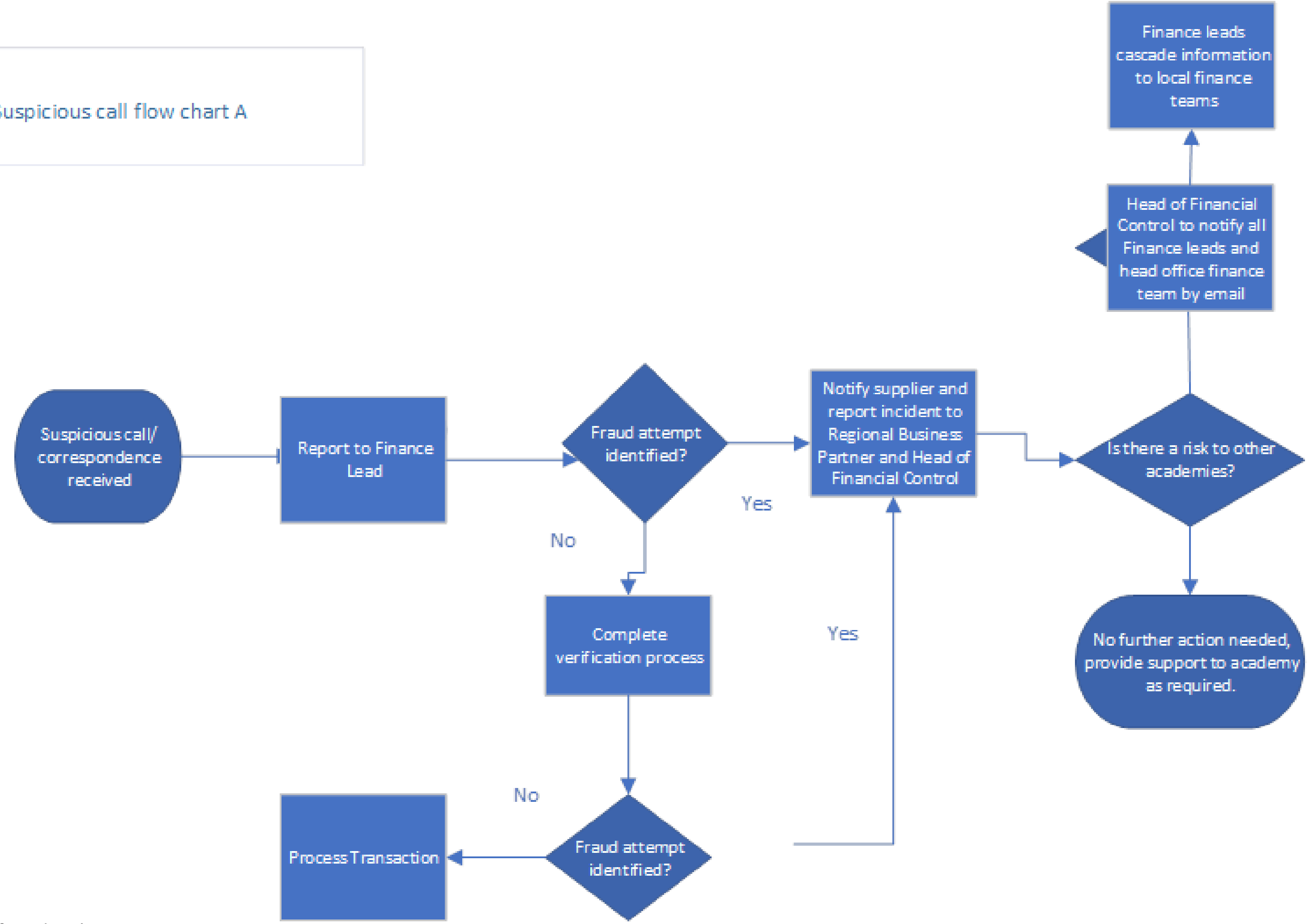
Underpinning the Trust's anti-fraud culture are the Seven Principles of Standards in Public Life. The principles apply equally to trustees, governors, staff, contractors and third parties working on the Trust's behalf, and are:

- **Selflessness** - holders of public office should take decisions solely in terms of the public interest.
- **Integrity** – holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
- **Objectivity** – holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias
- **Accountability** – holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever public scrutiny is appropriate to their role.
- **Openness** – holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing
- **Honesty** – holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- **Leadership** – holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

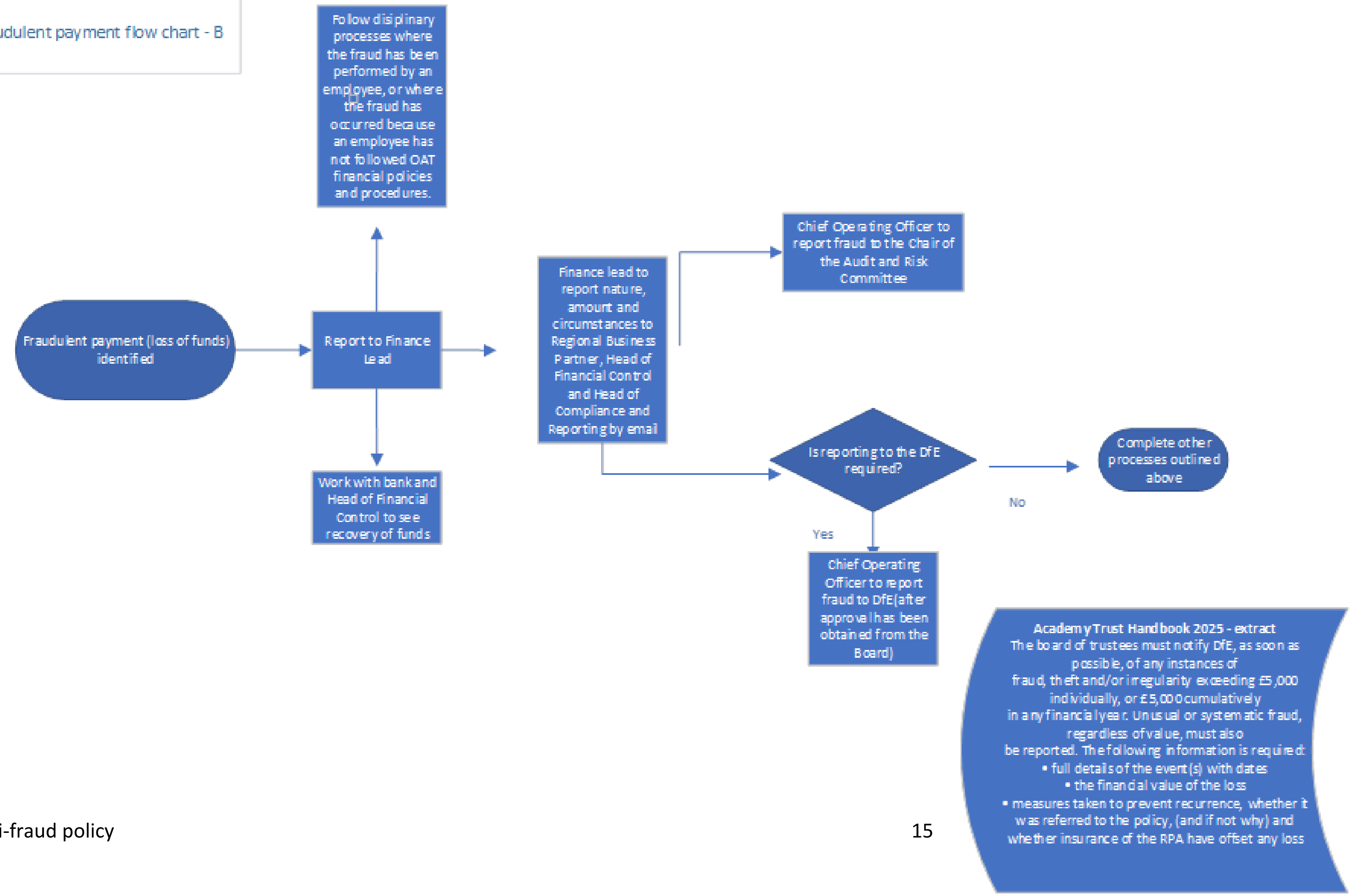
# Appendix 3 – Supporting Flow Charts

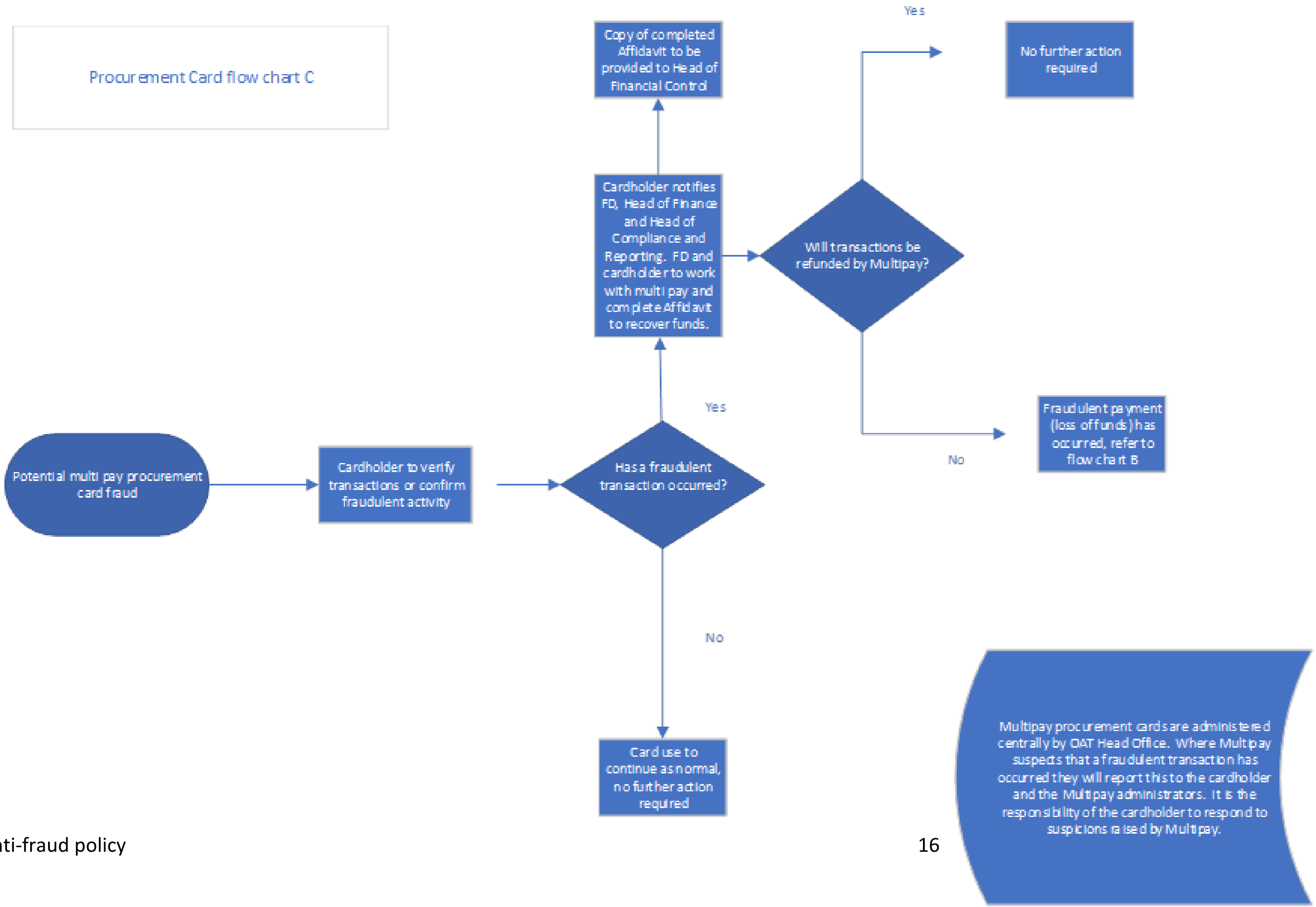


Suspicious call flow chart A



Fraudulent payment flow chart - B




Procurement Card flow chart C
Potential multi pay procurement card fraud
Cardholder to verify transactions or confirm fraudulent activity
Has a fraudulent transaction occurred?
Yes
Cardholder notifies FD, Head of Finance and Head of Compliance and Reporting. FD and cardholder to work with multi pay and complete Affidavit to recover funds.
Copy of completed Affidavit to be provided to Head of Financial Control
Will transactions be refunded by Multipay?
Yes
No further action required
No
Fraudulent payment (loss of funds) has occurred, refer to flow chart B
No
Card use to continue as normal, no further action required
Multipay procurement cards are administered centrally by OAT Head Office. Where Multipay suspects that a fraudulent transaction has occurred they will report this to the cardholder and the Multipay administrators. It is the responsibility of the cardholder to respond to suspicions raised by Multipay.