

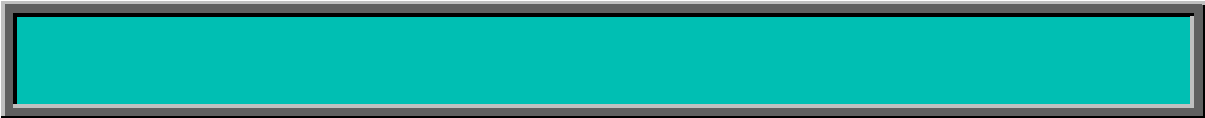


**CTKCC**  
Christ the King  
Catholic Collegiate  
Together as one community  
with Christ at the centre



# **COUNTER FRAUD, THEFT, IRREGULARITY AND CYBER CRIME POLICY 2023**

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## **Summary**

This policy and procedure define the expected conduct of all employees engaged at Christ the King Catholic Collegiate (CTKCC) Multi-Academy Company (MAC), whether in paid or voluntary employment, in relation to deterring and/or detecting fraud, theft, irregularity, non-compliance and corruption, and who to report it to. It includes clear guidelines on what is acceptable in terms of gifts and hospitality and how these matters are declared.

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## **1. Introduction**

Christ the King Catholic Collegiate Multi Academy Company (CtKCC) is committed to ensuring that it acts with integrity and has high standards of personal conduct. The Multi Academy requires all its employees, governors and directors to act honestly and with integrity at all times and to safeguard the public resources for which they are responsible.

CtKCC will not accept any level of fraud, corruption or irregularity, consequently, any case will be thoroughly investigated and dealt with appropriately. The Multi Academy is committed to ensuring that opportunities for fraud, non-compliance and corruption are reduced to the lowest possible level of risk.

## **2. Definitions**

### **2.1 What is Fraud?**

- Fraud is a general term covering 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.
- There is no precise legal definition but many of the offences referred to as fraud are covered by the Theft Acts of 1968 and 1978. The term is used to describe such acts as deceptions, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion. With respect to the CtKCC, this applies to all areas of the Multi Academy’s business and activities.
- Fraud is in fact intentional deceit and for this reason, it cannot include negligence.

### **2.2 Corruption**

The term ‘corrupt practices’ is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by Christ the King Catholic Collegiate, its employees, Directors or academy representatives.

It is the duty of the Collegiate and its employees and Directors to take reasonable steps to limit the possibility of corrupt practices, and;

It is the responsibility of the Audit & Risk committee to review the adequacy of the measure taken by the Collegiate, to test compliance and to draw attention to any weaknesses or omissions.

### **2.3 Gifts and Hospitality**

Any gifts, rewards and benefits that are disproportionately generous or that could be seen as an inducement to affect a business decision are to be declared.

The acceptance of gifts and hospitality is a sensitive area where actions can easily be misconstrued. Therefore, employees’ actions should be such that they would not be embarrassed to explain them

to anyone. Each academy should hold a register for acceptance of gifts, hospitality, awards, prizes, entertainment and other services (benefits).

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

- **Theft** – the dishonest taking of property belonging to another person with the intention of depriving the owner permanently of its possession. This may include the removal or misuse of funds, assets or cash. (Theft Act 1968);
- **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;
- **Bribery and corruption (Gifts & Hospitality)**– involves the offering, giving, soliciting or the acceptance of an inducement or reward, for performing an act, or for failing to perform an act, that may influence the actions taken by the authority, its members or officers (Prevention of Corrupt Practices Act 1889 and 1916).
- **Deception** – Obtaining property or pecuniary advantage by deception (Sections 15 and 16 of the Theft Act 1968) and obtaining services or evading liability by deception – Sections 1 and 2 of the Theft Act 1978).
- **Collusion** – The term “collusion” in the context of reporting fraud to the Treasury is used to cover any case, in which someone incites, instigates aids and abets, or attempts to commit any of the crimes listed above.
- **False Accounting** – Dishonestly destroying, concealing, or falsifying any account, record or document required for any accounting purpose, with a view to personal gain for another or with intent to cause loss to another or furnishing information which is or may be misleading, false or deceptive. (Theft Act 1968).
- **Failure to observe**, or breaches of, Scheme of Delegation and Financial Regulations; Academy's Procedures which in some circumstances can constitute an irregularity, with potentially significant financial consequences.

2.5 **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;
- travelling and subsistence claims inflated;

- 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 Company;
- 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.

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 Chief Financial Officer.

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 Chief Financial Officer (CFO).

### **3 Policy Statement**

3.1 This policy and procedure define Anti-Fraud & Corruption and offers guidance for all employees in the Collegiate.

3.2 The Collegiate 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 its business. This document sets out the company policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the Collegiate'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.

3.3 This policy, in line with the corporate values of integrity, consistency, impartiality, fairness and best practice, provides both employees and management with mutually understood guidelines for the administration of this procedure.

3.4 The scope of this procedure extends to all CtKCC 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.
- 3.7 In paragraph 6:10 the Academy Trust Handbook [states](#):

*6:10 The board of trustees **must** notify [ESFA](#), as soon as possible, of any 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. The following information is required:*

- *full details of the event(s) with dates*
- *the financial value of the loss*
- *measures taken to prevent recurrence*
- *whether it was referred to the police (and if not why)*
- *whether insurance or the RPA have offset any loss.*

#### **4 Cybercrime**

In paragraphs 6:14 and 6:15 the Academy Trust Handbook [states](#):

**6.14** *Academy trusts **must** also be aware of the risk of cybercrime, put in place proportionate controls and take appropriate action where a cyber security incident has occurred.*

**6.15** *Trusts **must** obtain permission from [ESFA](#) to pay any cyber ransom demands. ESFA supports the National Crime Agency's recommendation not to encourage, endorse, or condone the payment of ransom demands. Payment of ransoms has no guarantee of restoring access or services and is likely to result in repeat incidents.*

The multi-academy has implemented a number of IT directives to reduce the risk of a cyber attack, which includes:

- Multi Factor Authentication to increase security accessing email.
- Regularly reminding staff of being vigilant to Phishing email attacks including a reminder on all email communications from outside the organisation.
- Encouraging the use of cloud storage over traditional devices such as USB hard disks and banning the use of pen drives.
- Reducing the potential for infection of viruses (malware) and increase security of data through encrypted sources.
- Limiting access to devices such as hard disks.
- Backing up strategy for disaster recovery.

- Raise awareness of threats through CPD and regular email updates to staff.
- Avenues for Reporting Fraud

The Academy has in place avenues for reporting suspicions of fraud. Directors and members of staff should report any such suspicions in line with the Academy's Whistle Blowing Policy. All matters will be dealt with in confidence and in strict accordance with the terms of the Public Interest Disclosure Act 1998. This statute protects the legitimate personal interests of staff. The Academy's Whistle Blowing Policy provides further information. Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud discovered or reported in line with the Academy Trust Handbook (page 56, section 6.12)

## **5. Responsibilities**

Christ the King Catholic Collegiate aims to promote a culture, which encourages the prevention of fraud by raising awareness of the need for high standards of personal conduct. The company has adopted the following measures to demonstrate its commitment to anti-fraud and corruption:

The [Academy Trust Handbook](#) is the Department for Education's financial guide for the directors, governing bodies and managers of academies.

Drawing on the overall financial requirements specified in academy Funding Agreements, it provides detailed guidance on a wide range of financial management, funding and accounting issues.

The Academy Trust Handbook sets out the overall governance framework for academies and describes the key systems and controls that should be in place. It describes the grants that the Department makes available and specifies the financial reporting/budget management arrangements that must be followed by academies to ensure accountability over the substantial amount of public funds that they control.

The Academies Accounts Direction 21/22 discusses in detail the requirements for preparing an annual trustees report and accounts in order to comply with Company Law, Accounting Standards and Charity Commission expectations.

The Chief Executive Officer for the Academy is the Accounting Officer and is responsible for establishing and maintaining a sound system of internal control that supports the achievement of the Academy's policies, aims and objectives. The system of internal control is designed to respond to and manage the whole range of risks that the Academy faces. The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk will be seen in the context of the management of this wider range of risks.

The Accounting Officer is personally responsible to the board, and through it to the Secretary of State and Parliament for:

- Ensuring regularity and propriety;
- Ensuring prudent and economical administration;



- Avoiding waste and extravagance;
- Securing value for money through the efficient, effective and economic use of available resources;
- The day-to-date organisation, staffing and management of the Academy Trust.
- Taking appropriate legal and/or disciplinary action against perpetrators of fraud;
- Taking appropriate disciplinary action against supervisors where supervisory failures have contributed to the committing of fraud;
- Taking appropriate disciplinary action against staff who fail to report fraud;

**The key responsibilities of the Academy's Chief Financial Officer (CFO) include:**

- Overseeing the preparation of the annual accounts undertaken by the external MAC Accountant;
- Overseeing the preparation and monitoring of the budget
- Technical advice; and
- Liaising with auditors along with the MAC Accountant.

**In respect to minimising the risk of fraud, the CFO is responsible for:**

- Developing a fraud risk profile and undertaking a regular review of the fraud risks associated with each of the key organisational objectives in order to keep the profile current;
- Establishing an effective fraud policy and fraud response plan, commensurate to the level of fraud risk identified in the fraud risk profile;
- Designing an effective control environment to prevent fraud commensurate with the fraud risk profile;
- Establishing appropriate mechanisms for reporting fraud risk issues;
- Reporting incidents of fraud to the CEO/Accounting Officer;
- External reporting in compliance with Company Law, Accounting Standards and Charity Commission expectations.
- Coordinating assurances about the effectiveness of fraud policies to support the Statement of Internal Control.
- Liaising with the CEO/Accounting Officer, Board of Directors, the Audit & Risk Committee or Resources Committee on issues of fraud prevention, detection, and management;
- Making sure that all staff are aware of the organisation's fraud policy and know what their responsibilities are in relation to combating fraud;
- Developing skill and experience competency frameworks;

- Ensuring that appropriate anti-fraud training and development opportunities are available to appropriate staff in order to meet the defined competency levels;
- Ensuring that vigorous and prompt investigations are carried out if fraud occurs or is suspected including cyber fraud;
- Taking appropriate action to recover assets;
- Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.

**All staff with financial responsibility, including budget holders are responsible for:**

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively including ICT controls to minimise cyber fraud;
- Preventing and detecting fraud including cyber fraud;
- Assessing the types of risk involved in the operations for which they are responsible;
- Reviewing and testing the control systems for which they are responsible regularly;
- Ensuring that controls are being complied with and their systems continue to operate effectively;
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

**The Internal Auditor is responsible for:**

- Delivering an opinion to the Accounting Officer, Board of Directors and Audit and Risk committee on the adequacy of arrangements for managing the risk of fraud and ensuring that the Academy promotes an antifraud culture;
- Monitoring the monthly financial checklists which include 'counter fraud' assurances from each school;
- Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure/risk in the various segments of the academy's operations;
- Ensuring that management has reviewed its risk exposures and identified the possibility of fraud as a business risk;
- Assisting management in conducting fraud investigations;
- Reporting to Academy's Board of Directors, the Audit and Risk committee or Resources Committee on the efficiency of controls for the prevention, detection and management of fraud including cyber fraud.

**Every member of staff is responsible for:**

- Acting with propriety in the use of official resources and the handling and use of public funds whether they are involved with cash or payments systems, receipts or dealing with suppliers or the Academy's decision-making bodies;
- Conducting themselves in accordance with the seven principles of public life set out in the first report of the Nolan Committee "Standards in Public Life". They are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud, both internally and externally including cyber fraud;
- Reporting details immediately through the appropriate channel if they suspect that fraud has been committed or see any suspicious acts or events;
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

**The Board of Directors are responsible for:**

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- All members are responsible for abiding by the Academy's policies and regulations and the guidance on Codes of Practice for Board Members of Public Bodies.
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;
- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations

**The Audit & Risk committee is responsible for:**

As Christ the King Catholic Collegiate is a multi-academy, the Education Skills Funding Agency's (ESFA) expectations are that there must be a dedicated Audit & Risk committee.

The Board of Directors will appoint members to the Audit & Risk committee.

The responsibilities of the Audit & Risk committee will overlap with those of the Accounting Officer and Chief Financial Officer. It is envisaged they will normally attend all meetings of the Audit & Risk committee, unless, exceptionally, his or her own performance is being discussed. Additional information is provided in the Academy Trust Handbook (September, 2022).

Fraud Response Plan

The Academy has a Fraud Response Plan in place that sets out how to report suspicions, how investigations will be conducted and concluded.

## **6. Key Risk Areas**

Christ the King Catholic Collegiate has identified the following key risk areas which will be regularly reviewed as part of its Anti-Fraud Policy:

- Payroll
- Debit card transactions
- Cash handling and collection procedures
- Supplier payments
- Charity collections
- Assets
- Grants
- IT systems

## **7 Anti-Fraud Measures**

The Collegiate has taken a number of measures that should prevent or detect any attempted or actual fraud. No system of control can prevent all cases and individual academies must minimize the risks to which it is exposed.

At the highest level, CtkCC will:

- Regularly review and improve key internal control systems;
- Regularly review measures to minimize the risk of fraud;
- Involve staff in such reviews
- Adopt formal procedures to investigate fraud when it is suspected and where detected, strengthen controls to prevent reoccurrence;
- Provide mechanisms for employees to voice their genuine concerns
- Have no hesitation in referring cases of suspected financial irregularity to the attention of the Police and the ESFA.
- Work closely with the DfE, ESFA and other agencies to combat fraud.

The Collegiate has already introduced standards that should ensure proper administration. These include:

- Clearly defined roles for the Board sub committees.
- Clear roles for the Directors and Local Governing Body.
- Disciplinary Procedures and Complaints Procedure
- Whistleblowing policy and procedures

## **8 Reporting a Suspected Fraud**

All allegations of suspected fraud and irregularities are to be brought to the attention of the CFO and

referred to the Accounting Officer, unless this individual is involved in the irregularity in which case the Chair of the Board of Directors is to be informed.

Please refer to the Whistleblowing Policy for further guidance.

CtKCC **must** notify the ESFA as soon as possible (using the [online enquiry form](#)), of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academic financial year. Any unusual or systematic fraud, regardless of value **must** also be reported. The following information is required:

- full details of the event(s) with dates
- the financial value of loss
- measures taken by the Collegiate to prevent recurrence
- whether the matter was referred to the police (and if not, why not)
- whether insurance or the Risk Protection Arrangement (RPA) have offset any loss

## 9. Response to Allegations

The Accounting Officer will have initial responsibility for coordinating the initial response. In doing this they will consult with HR advisors regarding potential employment issues. The Accounting Officer may also seek legal advice from the company solicitors on both employment and litigation issues before taking any further action.

- 9.1 The CFO and Accounting Officer will ascertain whether 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 Chair of Finance and Resources Committee and the Audit and Risk Committee. Even if there is no evidence to support the allegation, the matter must be reported.
- 9.2 The Audit and Risk Committee 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
  - They will determine whether the findings, conclusions and any recommendations arising from the preliminary investigation should be reported to the Chair of the Board.
  - If further investigations are required, they will determine which outside agencies should be involved (police, auditors).
- 9.3 The Accounting Officer is required to notify the main Board of any serious financial irregularities. This action will be taken at the first opportunity following the completion of the initial investigations and will involve keeping the Chair of the Board fully informed between committee meetings of any developments relating to serious control weaknesses, fraud or major accounting

breakdowns.

- 9.4 If evidence of fraud is forthcoming then the Board of Directors will inform the DfE/ESFA as required by the Funding Agreement/ Academies Financial Handbook and will consider whether or not to refer the matter to the police.

## **10. Confidentiality and Safeguards**

- 10.1 Christ the King Catholic Collegiate 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 company 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.
- 10.2 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.
- 10.3 There is a need to ensure that the process is not misused. For further guidance refer to the company Disciplinary, Grievance and Capability policies.

## **11. Links with other Policies**

As outlined above, the Board of Directors 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 and Anti- Corruption policy attempts to consolidate those in one document and should be read in conjunction with the following Academy policies:

- Whistle-Blowing Policy
- Financial Regulations and Procedure Manual
- Disciplinary Policy
- Equalities Policy