



REPORTING AND INVESTIGATION OF SUSPECTED FRAUD

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PART A

Revision

This document will be reviewed annually. Amendments will be marked with a black vertical line in the margin.

Distribution

The Academy Principal shall retain a hard copy of this procedure and distribute controlled copies as required. Electronic copies of this procedure shall be available via the computer network.

Implementation

The requirements of this procedure are mandatory and apply from receipt of this document.

PART B

1. Purpose:

All staff shall have a responsibility to protect the assets of the Academy. This procedure is to insure that there is a mechanism with which to report suspected fraud. The management of the Academy then must have the means to investigate cases of suspected fraud.

2. Scope:

The Academy Principal is responsible for ensuring compliance with the Academy Policies and Procedures. This procedure applies to all Academy staff.

3. Associated documents:

None

4. Abbreviations and Definitions:

None

5. Procedure:

- Any employee that suspects fraud has a duty to report their suspicions. Normally, this should be reported to the employee's line manager. If this is not possible, the suspected fraud should be reported directly to the Academy Principal or Chief Executive. Any line manager notified of suspicions must notify the Academy Principal and Chief Executive. In cases where one of these parties is the one suspected of fraud, the other party should be notified.

- All reports of suspicion of fraud are to be documented thoroughly. All parties reporting these suspicions are held in confidence whenever possible. All aspects of the investigation must be treated as confidential to protect all parties involved.
- The Academy Principal and the Chief Executive are responsible for investigating all allegations of fraud. They should notify the Chair of Governors but involve other parties sparingly and as appropriate to the investigation. Available resources, such as the Police Community Support Officer at the school should be consulted, if deemed beneficial. Witness statements should be taken, if appropriate, from the person reporting their suspicions and from other parties interviewed.
- If a fraud is strongly suspected, steps must be taken to mitigate the potential loss to the company arising from the fraud. For example, a cashier should be assigned to different duties while the investigation is ongoing.
- When convincing evidence is found, advice should be sought from the Director of HR and Operations as to what action can be taken against the employee.
- The Governors should be advised when an investigation shows that fraud is likely, regardless of the size or monetary value involved in the fraud. They should also be advised as to the action recommended. It is the decision of the Governors if the fraud is to be reported to the police for prosecution.
- All occurrences of fraud should be studied to determine whether sufficient procedures and controls exist to prevent fraud. Remedial actions should be put in place to prevent any further occurrences.
- The trust **must** notify the EFA, as soon as 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 academy 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 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 arrangements have offset any loss
- The reporting party should be notified of the outcome of the investigation.

6 Records:

| Record | Where kept | Retention time (Min) | Disposal authority |
|----------------------------|----------------|---------------------------|--------------------|
| Report of Fraud | Finance Office | Current Year plus 6 years | Headteacher |
| Fraud Investigation Papers | Finance Office | Current Year plus 6 years | Headteacher |

7 Attachments:

None