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strengthening communities through **excellent** education.



Fraud Response Plan

Responsibility for approval: Audit and Risk Committee
Date of approval: 15/3/23

Contents Page

1.0	Introduction	3
2.0	Reporting Fraud and/or Theft	3
3.0	Investigating Officer	3
4.0	Role of the HR Manager	4
5.0	Managing the Investigation	4
6.0	Gathering evidence and interview procedure	4
7.0	Drawing matters to a conclusion	4

1.0 Introduction

- 1.1 This document provides direction in circumstances where the Trust finds itself having to deal with suspected cases of theft, fraud or corruption. It provides a framework of procedures to ensure evidence is gathered and collated to:
 - facilitate informed decisions and
 - ensure evidence gathered is admissible in future criminal or civil actions.
- 1.2 Key contacts:
 - Chief Executive Officer – moira.marder@tedwraggtrust.co.uk
 - Director of Finance – sue.pym@tedwraggtrust.co.uk
 - Assistant Director of Finance liam.dingle@tedwraggtrust.co.uk
 - Director of People and Strategy – tamsin.frances@tedwraggtrust.co.uk
 - Head of HR – becky.hargreaves@tedwraggtrust.co.uk
 - Head of People Strategy – lisa.thomas@tedwraggtrust.co.uk
 - Head of IT and Digital – ben.mcgowan@tedwraggtrust.co.uk
 - IT Technical Manager: dan.symons@tedwraggtrust.co.uk) or Service Manager jon.gray@tedwraggtrust.co.uk

2.0 Reporting Fraud and/or Theft

- 2.1 If fraud is suspected, you should:
 - discuss matters with your line manager / Headteacher OR
 - with the HR Manager / Director of Finance (DOF).
 - consider whether any actions are required to protect Trust IT systems (e.g. in the event of a cyber or spoofing incident).
- 2.2 If suspicions are grounded, the DOF will always be informed, and take initial responsibility for the investigation. The DOF will consider the need to advise the Bank, mindful of the need for immediate action where funds have been mis-applied.
Contact: <CommercialClientServicingSME@lloydsbanking.com>
- 2.3 The DOF will record details for review by the Audit and Risk Committee. The record will include all reported suspicions, including those dismissed as minor or otherwise not investigated. The record will contain details of actions taken and conclusions reached and will be presented to Audit and Risk Committee for inspection as necessary (eg. following an incident being reported).
- 2.4 The DOF will consider the need to inform the CEO, Executive members, auditors, police, ESFA and RPA. In all but trivial cases of fraud / theft, the Audit and Risk Committee and Board of Trustees are to be advised without delay.
- 2.5 Where applicable, the DOF is to initiate action to end loss, and correct any weaknesses in controls, or supervision.
- 2.6 While responsibility remains with the DOF and CEO depending on the gravity of the suspicions, **investigation** may be delegated, eg. to internal auditors, a manager, or an appropriate professional.
- 2.7 All staff have a responsibility to protect assets, including information as well as property.

3.0 Investigating Officer

- 3.1 The investigating officer will:
 - Initiate a diary of events to record the progress of investigation.
 - Agree objectives, scope and timescale of the investigation and resources required at the outset.
 - Ensure that proper records are kept, including accurate notes of when, where and from whom evidence was obtained.

4.0 Role of the HR Manager

- 4.1 Where a member of staff is to be interviewed or disciplined, the investigating officer / DOF / CEO will take advice from the HR Manager, eg. in relation to employment law, policy and other procedural matters.

5.0 Managing the Investigation

- 5.1 Investigations will try to establish at an early stage whether a criminal act has taken place. This will shape the way that the investigation is handled and determine the likely outcome and course of action.
- 5.2 If a criminal act has not taken place, an internal investigation will be undertaken to determine the facts, consider action and recovery of losses, and to identify system weaknesses. The DOF will maintain records of actions and report as necessary to the Audit and Risk Committee.
- 5.3 In each case the DOF and line manager will liaise with HR to ensure disciplinary procedures are followed. Where it is cost effective, civil action will be pursued to recover any losses through reference to legal advisers.
- 5.4 Where a criminal act has taken place, contact will be made with the police and legal advisers at once. The advice of the police will be followed in taking forward the investigation. Initial reports should be made to 'action fraud' www.actionfraud.police.uk (0300 123 2040), following up with a telephone conversation depending on the materiality of losses.
- 5.5 Where there are sufficient grounds, the Trust will, in addition to seeking recovery of losses, seek a criminal prosecution.
- 5.6 Where appropriate, the DOF will consider the possibility of recovering losses from insurers.

6.0 Gathering evidence and interview procedure

- 6.1 The investigating officer will interview witnesses and gather any advice, seeking professional advice as necessary. Where there are grounds for suspicion, the police will be involved at an early stage albeit that Trust staff may conduct investigations on their behalf, by agreement with the DOF and CEO.
- 6.2 In cases of spoofing or cyber, investigators should take immediate action to lock accounts, and be aware of the potential of inadvertently communicating with an impersonator (spoofing incidents)
- 6.3 If a witness is prepared to give a written statement, the investigating office must maintain written records. Witnesses must be asked to sign the document as a true record.
- 6.4 The investigating officer will take control of physical evidence and maintain a record of where, and from whom it was taken. These are to be tagged with a reference number that corresponds with the written record of investigation.
- 6.5 Before interviewing any suspect(s), the investigating officer will provide a verbal or written report to the DOF and/or CEO who will consult as necessary before reaching a decision on how to proceed.
- 6.6 If an interview is progressed, the interview will usually be carried out by the line manager and HR manager. The individual being interviewed must be informed as follows:
 - of the reason for the interview
 - that a record will be maintained and
 - that they can seek the support of a friend or trade union official.
- 6.7 Once the interview is over, the interviewee will be given the opportunity to read the written record and sign each page as an acknowledgement of its accuracy. All other persons' present will also sign to acknowledge accuracy.

7.0 Drawing matters to a conclusion

- 7.1 Once evidence is gathered, the DOF/CEO will consider whether there is a case to answer and review events with the police as necessary.

- 7.2 In other events, consideration will be given to the need for disciplinary action and / or dismissal with the advice of the HR Manager.
- 7.3 Records are to be updated accordingly.
- 7.4 The need to report to the EFA is to be considered, in line with the Academy Trust Handbook. This states (para 6.12) that:
- 7.5 **'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 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'**