



Anti Fraud and Corruption Policy

November 2021

Date of Next Review – 30/09/22

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Statement of intent

This policy details the Trust's position on the prevention of fraud, bribery and corruption, and the promotion of an anti-fraud culture.

This policy and procedure defines the expected conduct of all staff engaged at the Trust, whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption, and who to report it to.

This policy includes clear guidelines on what is acceptable in terms of gifts and hospitality and how these matters are declared.

Apollo Partnership Trust is committed to upholding the highest ethical standards and acting with integrity in all business activities.

As such, we are opposed to corruption and seek to eliminate fraud by the way we conduct Trust business, the culture instilled in staff and the recruitment of trustworthy individuals.

To minimise the risk and impact of fraud and corruption, we aim to create a culture which deters fraudulent and corruptive activity, encourages its prevention and promotes its detection and reporting.

The purpose of this policy is to:

- Provide clear guidance in relation to the responsibilities of the Board of Trustees and staff members in observing and upholding our position on fraud, bribery and corruption.
- Ensure everyone involved with the Trust is aware of their responsibility in respect of preventing and detecting fraud.
- Ensuring the ability to recognise a potential fraud and being able to report it, which is just as important as the measures to prevent and detect.
- Provide information and guidance to all academy staff on how to recognise and deal with concerns over fraudulent activity.
- Promote the early detection of fraudulent and corruptive behaviour.

It is the duty of all employees at Apollo Partnership Trust to take reasonable steps to limit the possibility of corrupt practices, and it is the responsibility of the Responsible Officer and Auditors to review the adequacy of the measures taken by the Trust to test compliance and to draw attention to any weaknesses or omissions.

Any investigation carried out in relation to alleged irregularities is linked to the Trust's Disciplinary & Dismissals procedure

This policy covers all individuals working for the Trust at all levels (whether permanent, fixed-term or temporary), and includes Members, Trustees, governors, volunteers, agents and any other persons associated with the Trust.

1. Legal framework

- 1.1. This policy has due regard to statutory legislation including, but not limited to, the following:
 - **The Bribery Act 2010**
 - **The Fraud Act 2006**
- 1.2. This policy has due regard to relevant guidance including, but not limited to, the following:

ESFA (2018) 'Schools financial value standard (SFVS)'
- 1.3. This policy is implemented in accordance with the following school policies and procedures:
 - Whistleblowing Policy
 - Financial Regulations Policy
 - Conflicts of Interests Policy
 - Disciplinary Policy and Procedure
 - Staff Code of Conduct & Confidentiality Policy
 - Trustees Code of Conduct
 - GDPR Data Policy

2. Definitions

- 2.1. **Fraud** is a criminal offence, which is defined by the Fraud Act 2006 as:

Deceiving through false representation.

Failing to disclose information where there is a legal duty to do so.

Abusing a position of trust.

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. Fraud is in fact intentional deceit and for this reason it cannot include negligence.

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

- 2.2. **Corruption** is the offering, giving, soliciting or accepting of any inducement or reward which may influence the actions taken by the school, its members or officers.
- 2.3. Examples of what could constitute fraud and corruption include, but are not limited to, the following:
 - Theft of cash
 - Non-receipt of income
 - Substitution of personal cheques for cash
 - Travelling and subsistence claims for non-existent journeys or events, or inflating claims
 - Manipulating documentation to increase salaries
 - Payment of invoices for goods received by an individual rather than the school
 - Unauthorised borrowing of equipment
 - Failure to declare a conflict of interest
 - Concealing a generous gift or reward
 - Creation of false documentation*
 - Sending invoices for goods and services that weren't ordered or received*
 - Using the school's credit or debit card to make personal purchases*
 - Intercepting a school cheque and/or amending the name of the payee and/or the amount*
 - Submitting false claims for sickness or expenses*
- 2.4. **Theft** is dishonestly appropriating property belonging to another with the intention of permanently depriving the other of it.
- 2.5. **Bribery** is defined by the Bribery Act 2010 as inducement for an action which is illegal, unethical or a breach of trust. Inducements can take the form of acceptance of gifts/hospitality, loans, fees, rewards or other advantages.

3. Roles and responsibilities

3.1. **The Board of Trustees is responsible for:**

Ensuring that internal controls, procedures and policies are put in place that minimise the risk of fraud and corruption, including theft and bribery.

Monitoring policies and procedures in relation to fraud.

Approving this policy on a regular basis, ensuring that it remains adequate and appropriate for the needs of the Trust.

Working with the Chief Executive Officer and Chief Finance & Operations Director to establish effective recruitment procedures, ensuring that all candidates are thoroughly vetted prior to commencing their employment.

Promoting an anti-fraud and corruption culture within the school.

Setting the standards for the Trust and giving their full support to all systems and controls in place to assure probity.

Ensuring that any business and personal interests of all members of the Board are declared.

Reporting any instances of suspected fraud or irregularity to the ESFA in accordance with the Academies' Financial Handbook.

Ensuring that the Trust meets its duties under the SFVS to guard against fraud and theft by staff, contractors and suppliers.

3.2. The Board of Trustees has appointed external Auditors and Internal Auditors who are responsible for:

Reporting concerns over inadequate fraud controls to the Chief Finance & Operations Director, Chief Executive Officer as Accounting Officer and Board of Trustees.

Recommending necessary changes and improvements to address any inadequacies.

3.3. The Chief Executive Officer is responsible for:

-Ensuring that all employees of the Trust are aware of the Trust's policy on fraudulent and corruptive behaviour and understand the relevant procedures for report any suspect behaviour in any academy within the Trust.

-Setting high examples of conduct in their day-to-day work, which are beyond reproach.

-Publicising the Trust's commitment to fighting fraud and corruption.

-Working with the Board of Trustees to establish recruitment procedures, which ensure all candidates are thoroughly vetted prior to commencing their employment.

-Ensuring and monitoring the Trust's compliance with internal controls and agreed policies and procedures related to fraud and corruption.

-Commencing disciplinary action where appropriate.

-Informing the Chair of the Board of Trustees, the Audit & Pay Committee of Trustees and the ESFA of any indications of fraudulent activity or alleged financial irregularities.

-Reporting to the Board of Trustees on all aspects of fraud risk management.

-Declaring any business and personal interests, as well as any interests or offers of gifts or hospitality, which could be related to the performance of their professional duties.

3.4. **The Chief Finance & Operations Director is responsible for:**

- Ensuring that all employees of the Trust are aware of the Trust's policy on fraudulent and corruptive behaviour and understand the relevant procedures for report any suspect behaviour in any academy within the Trust.
- Setting high examples of conduct in their day-to-day work, which are beyond reproach.
- Publicising the Trust's commitment to fighting fraud and corruption.
- Working with the Board of Trustees to establish recruitment procedures, which ensure all candidates are thoroughly vetted prior to commencing their employment.
- Ensuring and monitoring the Trust's compliance with internal controls and agreed policies and procedures related to fraud and corruption.
- Commencing disciplinary action where appropriate.
- Informing the Chief Executive Officer, Chair of the Board of Trustees, the Audit & Pay Committee of Trustees and the ESFA of any indications of fraudulent activity or alleged financial irregularities.
- Reporting to the Board of Trustees on all aspects of fraud risk management.
- Declaring any business and personal interests, as well as any interests or offers of gifts or hospitality, which could be related to the performance of their professional duties.
- Developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud across the Trust in conjunction with the Chief Executive Officer.
- Developing systems, processes and internal controls across the Trust to elevate risk of Fraud & Corruption
- Ensuring that all relevant staff across the Trust are adequately trained on internal controls and procedures that need to be complied with.
- Implementing any changes to any systems, processes, internal controls and procedures that may have been identified as a result of a fraud or irregularity investigation, to prevent further risk of fraud or corruption across the Trust.

- Informing the Chief Executive Officer, Board of Trustees and Auditors as appropriate, of any indications of fraudulent activity and alleged financial irregularities.
- Declaring any business and personal interests, as well as any interests or offers of gifts or hospitality, which are in any way related to the performance of their duties in relation to the Trust over a single limit of £25 ensuring that any gift is recorded in the register as appropriate.
- Ensuring all academies maintain an up-to-date gifts and hospitality register.

3.5. The Academy Business Managers are responsible for:

- Developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud within each academy in conjunction with the Chief Finance & Operations Director.
- Ensuring that all relevant staff are adequately trained on internal controls and procedures that need to be complied with.
- Implementing any changes to the internal controls and procedures that may have been identified as a result of a fraud or irregularity investigation, to prevent further instances of fraud or corruption.
- Informing the Chief Finance & Operations Director or Chief Executive Officer, as appropriate, of any indications of fraudulent activity and alleged financial irregularities.
- Declaring any business and personal interests, as well as any interests or offers of gifts or hospitality, which are in any way related to the performance of their duties in relation to the Trust over a single limit of £25 ensuring that any gift is recorded in the register as appropriate.
- Maintaining an up-to-date gifts and hospitality register.

3.6. All members of staff employed by the Trust are responsible for:

- Upholding the anti-fraud and corruption culture within the school.
- Adhering to the Trust's policies and procedures in relation to fraud and corruption, including acts of bribery and theft.
- Ensuring they are familiar with the indicators of potential fraud, in addition to common types of fraud and irregularities that may occur within the Trust.
- Reporting any instances of suspected fraud or irregularity, no matter how trivial they may seem, to the Chief Executive Officer or Chief Finance & Operations Director.

-Declaring any business and personal interests held, as well as any offers of gifts or hospitality, which are in any way related to the performance of their duties in relation to the Trust.

-Ensuring that the Trust's reputation and assets are protected against fraud at all times.

3.7. All members of the Local Governing Body (LGB) and staff, including volunteers, temporary staff and third parties, are responsible for:

-Demonstrating the highest standards of honesty, probity, openness and integrity in the discharge of their duties. This includes:

- Compliance with the provisions outlined in this policy.

-Contributing to a framework within which counter-fraud arrangements will flourish.

-Promoting an anti-fraud and corruption culture.

-Reporting their concerns in relation to fraud.

-Reporting any breach of this policy to the School Business Manager, Headteacher/ Head of School or Chief Finance & Operations Director.

-Providing information about any conflicts of interest and direct or indirect pecuniary interests to the Trust.

4. Creating an ethical culture

4.1. The creation of an ethical, anti-fraud culture underpins all the work done by the Trust to counter fraud and other irregularities.

4.2. All employees are expected to act with high levels of integrity and to adhere to the rules outlined in this policy.

4.3. All individuals and organisations that work with the Trust must act with integrity.

4.4. Anti-fraud awareness training is provided to all employees to ensure employees understand the risk of fraud faced by the Trust.

4.5. Specific training is also provided to employees with responsibility for the Trust's internal controls.

4.6. There are clear reporting mechanisms in place (as outlined in [section 7](#)) and all employees are aware of, and follow, these procedures.

4.7. Concerns may be raised in good faith and without fear or reproach even if the concern is found to be unsubstantiated.

5. Preventing fraud and corruption

- 5.1. Fraud and corruption are minimised through effectively designed and consistently implemented management procedures which deny opportunities for fraud and corruption.
- 5.2. The Headteacher/Head of School and School Business Manager assess the areas of the academy that are most vulnerable to fraud on a termly basis and update the operational Risk Register where appropriate.
- 5.3. Fraud risks are identified for all areas and processes of the academy and are assessed in terms of impact (including monetary and non-monetary) and the likelihood of occurrence.
- 5.4. Robust internal controls are in place to manage the risk of fraud, these cover the following areas:
 - Approval and authorisation process of transactions
 - Access restrictions and transaction controls
 - Account reconciliations
 - Physical security of assets
 - Segregation of responsibilities
 - Pre-employment checks
- 5.5. Internal controls are reviewed on an annual basis by the School Business Manager to ensure they remain effective and are being consistently applied.
- 5.6. Financial procedures and systems reflect the need for internal checks and internal controls. All employees that are involved in the implementation of these controls are provided with training where appropriate.
- 5.7. Robust IT procedures are put in place, including restricting access to certain systems. Other steps taken towards ensuring IT security are outlined in [section 13](#) of this policy.
- 5.8. All employees will follow the Staff Code of Conduct.
- 5.9. Recruitment is conducted in line with the Recruitment procedures and all new employees are required to declare any business or pecuniary interests, and any other conflicts of interest.

- 5.10. Following a case of fraud or irregularity, the risk management strategy is reviewed to ensure it considers all relevant risks and is effective.

6. Indicators of fraudulent activity

- 6.1. Some actions and behaviours may give cause for concern, arouse suspicion and possibly indicate fraudulent activity. A list of actions and behaviours that may give cause for concern, arouse suspicion and indicate possible fraud can be found in [Annex A](#) – any actions or behaviours in this list will be brought to the attention of the School Business Manager within an individual academy or Headteacher/Head of School and the individual in question will be closely monitored.
- 6.2. All staff are vigilant to the risks of fraud.
- 6.3. Clarification is sought from the Headteacher/ Head of School or School Business Manager if there are any questions over whether a factor is considered an indicator of fraud.
- 6.4. The Trust recognises that the presence of any of these indicators may not be a cause for concern; however, they will always be investigated appropriately.
- 6.5. It is important to note that any one of these on its own may be perfectly innocent and a function of carrying out normal duties; however, a combination of the factors may give cause for concern.

7. Reporting suspected fraud

- 7.1. Concerns regarding fraudulent activity are reported to the School Business Manager or, where there are concerns over the Business Manager, the Headteacher/ Head of School. Where there are concerns over the Headteacher/ Head of School the Chief Finance & Operations Director should be notified. Where there are concerns regarding the Chief Finance and Operations Director, the Chief Executive Officer should be notified or in the case of concerns with the Chief Executive Officer, the Chair of the Board of Trustees should be notified. Where there are concerns regarding any Trustee the Chair of the Board should be notified. Where there are concerns regarding the Chair of the Board the ESFA should be notified.
- 7.2. Concerns can be raised in person, via email or telephone, or by using a [Fraud Reporting Form](#).
- 7.3. Under no circumstances will staff investigate the matter themselves.
- 7.4. Any concerns are reported **immediately** in the knowledge that such concerns are treated in confidence and properly investigated.

- 7.5. If a member of staff wishes to report a fraud concern anonymously or wishes to seek advice about how to deal with an allegation of fraud, they should contact the Chief Finance & Operations Director of Chief Executive Officer.
- 7.6. Procedures outlined in the **Whistleblowing Policy** are followed to report concerns where the normal reporting procedure is not appropriate. The **Whistleblowing Policy** can be found on the Trust's website or obtained from any academy's school office. Employees who raise concerns in good faith are supported by the Trust and the Trust ensures that they are not subjected to any detrimental treatment as a consequence of their report. Any instances of detrimental treatment against an employee for reporting a suspicion are treated as disciplinary offences.
- 7.7. Claims are, in the first instance, investigated by the School Business Manager or Headteacher/Head of School to ascertain the basic facts, which should then be passed on to the Chief Finance & Operations Director. If the claim concerns the Headteacher/ Head of School, the Chief Finance & Operations Director ascertains the basic facts and reports to the Chief Executive Officer. Where there are concerns regarding the Chief Finance and Operations Director, the Chief Executive Officer should be notified or in the case of concerns with the Chief Executive Officer, the Chair of the Board of Trustees should be notified. Where there are concerns regarding any Trustee the Chair of the Board should be notified. Where there are concerns regarding the Chair of the Board the ESFA should be notified.
- 7.8. Subject to the findings, the matter is reported to the Chair of the Audit & Pay Committee of Trustees, which may result in a full internal investigation by the Trust.
- 7.9. Suspects are not made aware that they are under investigation until agreed by the Investigating Officer or Trustees.
- 7.10. No information concerning suspicions of fraud or corruption are reported to the press, media or any other third party. Such disclosures may damage the investigation and any subsequent actions to be taken.
- 7.11. The Trust's Investigating Officer and/or External Auditors have full right of access to examine any necessary documents and the contents of school property, including the examination of computers and related equipment, as well as to undertake interviews with staff members.
- 7.12. The investigation process includes:
 - Gauging the credibility of the allegation.
 - Securing evidence and ensuring it is retained in the original format.
 - Interviewing witnesses.
 - Taking statements.

Interviewing potential suspects.

Liaising with the Academy Business Managers, Headteacher/ Head of School and LGB's, as well as external agencies where necessary.

- 7.13. The Investigating Officer will work closely with the Academy, Chief Finance & Operations Director and Chief Executive Officer in fraud related cases involving disciplinary investigation.
- 7.14. Cases of fraud are also reported to Action Fraud via their [website](#) or via their hotline: 0300 123 2040.
- 7.15. Where fraud is proven, this constitutes gross misconduct and cases are dealt with in accordance with the Trust's disciplinary procedures.
- 7.16. Where appropriate, the Trust refers cases to the police for them to consider taking criminal action.
- 7.17. The Trust will seek to apply appropriate criminal, civil and disciplinary sanctions to all cases of proven fraud and corruption.

8. Recovery of losses

- 8.1. Where practicable, the Trust seeks to recover any losses incurred as a result of fraud or corruption.
- 8.2. The Board of Trustees Audit & Pay Committee are immediately informed of any potential loss and provided with details of the case and any recovery action being undertaken.
- 8.3. If an individual under investigation offers money in settlement of losses to the Trust, the monies are accepted without prejudice to any other action the Trust may wish to take.
- 8.4. Money will only be accepted in respect of losses to date and the Trust will reserve the right to seek the recovery of further losses that may come to light in the future.
- 8.5. The Trust will only claim under insurance arrangements once all other avenues of recovery have been exhausted.

9. Gifts and hospitality

- 9.1. All employees must act in line with the Financial Regulations Policy in respect of Gifts & Hospitality
- 9.2. It is not acceptable for Trust employees to:

-Give, promise or offer a payment, gift or hospitality with the expectation or hope that an advantage for the Trust will be received, or to reward an advantage already received.

-Give, promise or offer a payment, gift or hospitality to a government official, agent or representative to facilitate or expedite a routine procedure.

-Accept payment from a third party if they know or suspect that it is offered with the expectation of a business advantage in return.

-Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns regarding bribery.

-Engage in any activity that may lead to a breach of the Trust's Financial Regulations Policy in respect of Gifts and Hospitality.

9.3. The Trust does not prohibit normal and appropriate hospitality or gifts (both given and received) if the following requirements are met:

-It is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in exchange for favours or benefits

-It is given in the Trust's name, not an individual's name

-It complies with local law

-It does not include cash or a cash equivalent, e.g. vouchers or gift certificate

-It is appropriate in the circumstances, e.g. the giving of small gifts/hospitality at Christmas time or the end of the academic year.

-The type and value of the gift is reasonable given the reason the gift is offered

-It is given openly, not secretly

-Gifts/hospitality should not be offered to, or accepted from, government officials or representatives without the prior approval of the School Business Manager and Headteacher/Head of School and recorded in the register if over £25 in value

9.4. Gifts/hospitality of a value of £25 or less can be accepted from parents, pupils and others without approval from the Headteacher/ Head of School. These gifts/hospitality do not need to be recorded in the Gifts and Hospitality Register.

9.5. The advice of the Trust is to, in all circumstances, consider whether the gift or hospitality is reasonable and justified, and to consider the intention behind the gift.

10.Charitable donations

10.1. Charitable donations are part of the Trust's wider purpose. The Trust supports several carefully selected charities. The Trust may also support fundraising events

involving employees or pupils and students. The Trust only makes charitable donations that are legal and ethical. No donation must be offered or made in the Trust's name without the prior approval of the Chief Finance & Operations Director.

11. Reporting suspected bribery

- 11.1. Employees are encouraged to raise concerns about any suspicion of bribery or corruption at the earliest possible opportunity. Issues that should be reported include:
 - Any suspected or actual attempts at bribery.
 - Any concerns that an employee may be in receipt of bribes.
 - Any concerns that an employee may be offering or delivering bribes.
- 11.2. All concerns should be reported following the procedure set out in the Trust's Whistleblowing Policy which can be found on the Trust's website at <http://www.apollopartnershiptrust.uk/policies/>.
- 11.3. All reports of bribery are investigated thoroughly and in a timely manner by the Trust in the strictest confidence. Employees are required to assist in any investigation into possible or suspected bribery.
- 11.4. Employees who raise concerns in good faith are supported by the Trust and the Trust ensures that they are not subjected to any detrimental treatment as a consequence of their report. Any detrimental treatment against an employee for reporting a suspicion is treated as a disciplinary offence.
- 11.5. The Trust invokes disciplinary procedures where any employee is found guilty of bribery, and this may result in a finding of gross misconduct and immediate dismissal. The Trust may terminate the contracts of any associated persons, including consultants or other workers acting for, or on behalf of the Trust, who are found to have breached this policy.
- 11.6. Where appropriate, the Trust refers cases to the police for them to consider taking criminal action.
- 11.7. The Trust seeks to apply appropriate criminal, civil and disciplinary sanctions to all cases of proven bribery.

12. Confidentiality

- 12.1. The Trust understands that the decision to report a concern can be a difficult one to make.
- 12.2. Victimisation or harassment of anyone who has made a report is never tolerated.

- 12.3. Where possible, the identity of the person who made the report is kept confidential – their identity is only shared on a need-to-know basis.

13.Cybercrime and cybersecurity

- 13.1. The Trust is vigilant of cybercrime and clear cybersecurity measures are in place, as outlined in the GDPR Policy.
- 13.2. The following measures are in place specifically relating to addressing the risk of fraud, theft and/or irregularity:
- Firewalls, anti-virus software and strong passwords are used
 - Data is routinely backed up
 - A restricted number of devices are used to access data
 - Staff receive training to ensure they:
 - Check the sender of an email is genuine before, for example, sending payment, data or passwords.
 - Make direct contact with the sender where an email requests a payment – this is done in person where possible, but at a minimum, staff must use another method other than the direct reply function.
 - Understand the risks of using public Wi-Fi.
 - Understand the risks of not following payment checks and measures.
- 13.3. Any suspected incidents of fraud, theft and/or irregularity relating to cybersecurity are reported and managed as outlined in [section 7](#).

14.Record keeping

- 14.1. The Trust keeps financial records and has appropriate internal controls to provide evidence for business reasons and for making payments to third parties. Employees must make the School Business Manager or Chief Finance & Operations Director aware of all hospitality or gifts received or offered over the value of £25 – these are subject to managerial review.
- 14.2. Employees' expense claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Trust's **Expenses Policy**.
- 14.3. All invoices, accounts and related documents are prepared and maintained with the highest accuracy and completeness.
- 14.4. No accounts are kept "off-book".

15.Monitoring and review

- 15.1. This policy is reviewed on a regular basis as part of the management of policies by the Board of Trustees.
- 15.2. The scheduled review date for this policy is September 2021.

Annex A: Indicators of potential fraud

[This list is not exhaustive and is a guide only. Due to the nature of fraud, indicators may not be exclusive to just one area.]

Personal motives for fraud

- Personnel believe they receive inadequate compensation and/or rewards, e.g. remuneration, recognition, job security, holidays or promotions
- Expensive lifestyle, e.g. luxury cars and holidays
- Personal problems, e.g. gambling, alcohol, drugs or debt
- Unusually high degree of competition or peer pressure
- Related party transactions
- Conflicts of interest
- Disgruntled employees, e.g. being recently demoted or reprimanded
- Recent failure associated with specific individual
- Personal animosity or professional jealousy

Organisational motives for fraud

- Organisation experiencing financial difficulty
- Commercial arm experiencing financial difficulty
- Tight or unusually tight time deadlines to achieve level of outputs
- Organisational governance lacks clarity, direction or substance
- Organisation closely identified with, or dominated by, one individual
- Organisation under pressure to show results, e.g. budgetary matters or exam results
- Organisation recently suffered disappointment or the consequences of bad decisions
- Organisation wants to expand its scope or obtain additional funding
- Funding award or contract for services is up for renewal or continuation
- Organisation due for a site visit by auditors, Ofsted or others
- Organisation has a for-profit component
- Organisation recently affected by new and/or changing conditions, e.g. regulatory, economic or environmental
- Organisation faces pressure to use or lose funds to sustain future funding levels
- Record of previous failure(s) by one or more organisational areas, associated business or key personnel
- Sudden change in organisation practice or pattern of behaviour

Weakness in internal controls

- There is a general lack of transparency about how the organisation works, and its procedures and controls
- Management demonstrates a lack of attention to ethical values – including a lack of communication regarding the importance of integrity and ethics, a lack of concern about the presence of temptations and inducements to commit fraud, a lack of concern regarding instances of fraud, and no clear fraud response plan or investigation policy

- Management fails to specify and/or require appropriate levels of qualifications, experience or competence for employees
- Management displays a penchant for taking risks
- Lack of an appropriate organisational and governance structures with defined lines of authority and reporting responsibilities
- Organisation lacks policies and communication relating to individual accountability and best practice, e.g. relating to procurement, expenses, use of alcohol and declarations of interest
- Lack of personnel policies and recruitment practices
- Organisation lacks personnel performance appraisal measures or practices
- Management displays a lack of commitment towards the identification and management of risks relevant to the preparation of financial statements
- There is inadequate comparison of budgets with actual performance and costs, forecasts and prior performance – there is also no regular reconciliation of control records and a lack of proper reporting to the governing board
- Management of information systems is inadequate, e.g. no policy on ICT security, computer use, verification of data accuracy, or completeness or authorisation of transactions
- There is insufficient physical security over facilities, assets, records, computers, data files and cash
- Failure to compare existing assets with related records at reasonable intervals
- There is inadequate or inappropriate segregation of duties regarding initiation, authorisation, recording transactions, maintaining custody of assets and alike
- Accounting systems are inadequate, i.e. they have an ineffective method for identifying and recording transactions, no tracking of time periods during which transactions occur, insufficient description of transactions and to which account they should be allocated to, no easy way to know the status of funds on a timely basis, and no adequate procedure to prevent duplicate payments or missing payment dates
- Purchasing systems and/or procedures are inadequate, e.g. poor or incomplete documentation to support procedure, purchase, payment or receipt of goods or services
- Subcontractor records and/or systems reflect inadequate internal controls
- There is a lack of internal, ongoing monitoring of controls which are in place and/or failure to take any necessary corrective actions
- Management is unaware of or displays a lack of concern regarding applicable laws, e.g. Companies Act 2006, Charities Act 2011
- Specific problems and/or reportable conditions identified by prior audits or other means of oversight have not been corrected
- No mechanism exists to inform management, directors, trustees or governors of possible fraud
- General lack of management oversight

Transactional indicators

- Related party transactions with inadequate, inaccurate or incomplete documentation or internal controls, e.g. business activities with friends
- Not-for-profit entity has for-profit counterpart with linked infrastructure, e.g. shared board of trustees, governors or other shared functions and personnel
- Specific transactions that typically receive minimal oversight

- Previous audits with findings of questioned costs, evidence of non-compliance with applicable laws or regulations, weak internal controls or an inadequate management response to any of these issues
- Transactions and/or accounts which are difficult to audit and/or subject to management judgement and estimates
- Multiple sources of funding with inadequate, incomplete or poor tracking, failure to segregate funds, or existence of pooled funds
- Unusual, complex or new transactions, particularly if they occur at year end or the end of the reporting period
- Transactions and accounts operating under time constraints
- Cost sharing, matching or leveraging arrangements where industry money or another donation has been put into a foundation without adequate controls to determine if money or equipment has been spent/used and whether it has gone to allowable costs and at appropriate and accurate valuations
- Outside entity provided limited access to documentation
- Travel accounts with inadequate, inaccurate or incomplete documentation or poor internal controls, variances between budgeted amounts and actual costs, claims in excess of actual expenses, reimbursement for personal expenses, claims for non-existent travel, or collecting duplicate payments
- Credit card accounts with inadequate, inaccurate or incomplete documentation or internal controls such as appropriate authorisation and review
- Accounts in which activities, transactions or events involve handling of cash or wire transfers
- Presence of high cash deposits maintained with banks
- Assets which are of a nature easily converted to cash (e.g. small size, high value, high marketability or lack of ownership identification) or easily diverted to personal use (e.g. cars or houses)
- Accounts with large or frequent shifting of budgeted costs from one cost centre to another without adequate justification
- Payroll (including fringe benefits) system has inadequate controls to prevent an individual being paid twice or paid for non-delivery or non-existence
- Payroll (including fringe benefits) system is outsourced but there is poor oversight of starters, leavers and payments
- Consultant and subcontract agreements which are vague regarding the work, time period covered, rate of pay or product expected
- There is a lack of proof that a product or service was delivered by a consultant or subcontractor
- Sudden and/or rapid growth of newly contracted or existing education providers, e.g. significant increase in pupil numbers for newly contracted providers

Methods used to commit and/or conceal fraud

Employee indicators such as:

- Eagerness to work unusual hours
- Access to or use of computers at unusual hours
- Reluctance to take leave or seek support
- Insistence on doing their job alone

- Refusal of promotion or reluctance to change their job

Auditor/employee issues such as:

- Refusal or reluctance to provide information or hand over documents
- Unreasonable explanations
- Annoyance or aggressive responses to questions or requests to deter auditors
- Trying to control the audit process
- Auditee/employee blames a mistake on a lack of experience with financial requirements or regulations governing funding
- Promises of cooperation followed by subsequent excuses to limit or truncate cooperation
- Subtle resistance
- Answering a question that was not asked
- Offering more information than asked
- Providing a lot of information in some areas and little to none in others
- Explaining a problem by saying “we’ve always done it that way” or “someone from the government told us to do it that way”
- A tendency to avoid personal responsibility, e.g. overuse of “we” and “our” rather than “I”
- Blaming someone else
- Unreasonable levels of forgetfulness
- Trying to rush the audit process
- Uncharacteristic willingness to settle questioned costs in an attempt to deter further investigation or analysis

General indicators such as:

- A general lack of transparency about how the organisation works and its procedures and controls
- Fabricated explanations to support inability or unwillingness to evidence transactions or assets, such as stated loss of electronic data or theft of business records

Record keeping, banking and other

- Documents that are missing, copied, written in pencil, altered, or that contain false signatures, the incorrect signature or no authorisation where it would be expected
- Deviation from standard procedures, e.g. all files but one handled in a particular way
- Excessive and/or poorly evidenced journal entries and unable to provide an explanation for journal entries
- Transfer to or via any type of holding or suspension account
- Inter-fund company loads to other linked organisations
- Records maintained are inadequate, not updated or not reconciled
- Use of several different banks or frequent bank changes
- Use of several different bank accounts
- Failure to disclose unusual accounting practices or transactions
- Unusual accounting practices or transactions, including:
 - Uncharacteristic willingness to settle questioned costs
 - Non-serial-numbered transactions or out-of-sequence invoices or other documents

- Creation of fictitious accounts, transactions, employees or charges
- Writing large cheques to cash or repeatedly to an individual
- Excessive or large cash transactions
- Payroll cheques with unusual or questionable endorsements
- Payees with similar names or addresses
- Non-payroll cheques written to an employee
- Defining delivery needs in ways that can only be met by one source or individual
- Continued reliance on person or entity despite poor performance
- Treating non-business and/or personal goods or services as business transactions in financial records
- Misuse of a director's loan account facility, e.g. deliberate miscoding of transactions in a director's loan account to gain personal advantage
- Materials goods and/or services fictitiously and erroneously reported as purchased, and evidence has been fabricated to support the claim. This could potentially be evidenced by:
 - Repeated purchases of the same items
 - Identical items purchased in different quantities within a short time period
 - Invoices and statements used to evidence purchase facilitating duplicate transactions or payments
 - Anomalies in the format of purchase invoices
 - Goods or equipment are not used as promised, or they do not work or exist
- Legitimate business assets put to non-business or private use

Annex B: Fraud Reporting Form

If you have any concerns over fraud, corruption or bribery at the Trust, please contact the Chief Finance & Operations Director at info@apollopartnershiptrust.uk or call 01530 834368. Further contact information can be found on our website at <http://www.apollopartnershiptrust.uk/contact/> All information is treated in strict confidence.

If you wish to remain anonymous, please leave the 'Your details' fields blank.

Your details

Name:	
Address:	
Contact number:	

Details of the suspected fraud, corruption or bribery

Name of the person(s) you suspect to be involved in fraud, corruption or bribery:	
Address (if known):	
Department and job title (if known):	

Please use the space below to provide details of your suspicions. Please provide as much detail as possible including dates, times, locations, conversations and the names of any other parties involved. The more information you can provide, the better the chances of the issue being successfully resolved. If necessary, continue overleaf and attach any additional evidence you may have.

Continued:

Please return this form in an envelope marked 'Private and Confidential' to info@apollopartnershiptrust.uk