

# John Paul II Multi-Academy

## Fraud Response Plan

New policy for Academy January 2014                      7 April 2014

Next review due:    June 2017

Date policy approved by  
Directors and minuted:    16/06/2016

Member of staff responsible: Principal Finance Officer (PFO)

Policy history:    New policy for Academy January 2014

People involved in the policy formation and consultation process: Principals, PFO, Finance and Audit Committee and Finance Team.

# **JOHN PAUL II MULTI-ACADEMY**

## **Fraud Response Plan (To be used in conjunction with the Academy's Counter Fraud, Theft and Corruption Policy)**

### **Purpose**

The purpose of the plan is to define authority levels, responsibilities for action and reporting lines in the event of a suspected fraud or irregularity.

The use of the plan is intended to enable John Paul II Multi-Academy to:

- prevent further loss
- establish and secure evidence necessary for criminal and disciplinary action
- notify the funding body, if the circumstances are covered by the mandatory requirements of the audit code of practice
- recover losses
- take action against the culprits
- review the reason for the incident, the measures taken to prevent a recurrence and any action needed to strengthen future responses to fraud
- keep all personnel with a need to know suitably informed about the incident and the Academy's response
- inform the police and establish lines of communications
- assign responsibility for investigating the incident
- establish circumstances in which external specialists should be involved
- establish polices for follow on actions, such as the future requests for references for employees involved in the incident

### **Initiating action**

All actual or suspected incidents should be reported immediately to the Accounting Officer. The Accounting Officer should then convene a meeting of the following key directors and personnel who will make up the Fraud Response Committee: Chair of Directors, Chair of the Finance and Audit committee and Principal Finance Officer (PFO), to determine the initial response:

This group will decide the action to be taken including the need to commission special investigations and the resource implications.

### **Issues for the Fraud Response committee to consider:**

Prevention of future loss:

- this may require the suspension with, or without pay of the suspect
- suspects may need to be escorted from the premises and prevented from gaining future access, including access to the Academy's computer systems

- internal audit may consider that other related systems or areas should be investigated

### **Action to be taken against the individual**

The Academy will follow disciplinary procedures against any member of staff who has committed fraud. The Academy will normally pursue the prosecution of any such individual.

### **Notifying the Academy Trust and Education Funding Agency (EFA)**

The circumstances in which the academy must inform the funding body about actual or suspected frauds are detailed in the Academies Financial Handbook (2015) section 3.9 'Investigation of fraud and irregularity'. The Academy Trust is responsible for ensuring appropriate action is taken where fraud and irregularity is suspected or identified.

All instances of fraud or theft committed against the Multi-Academy, whether by employees, or directors or third parties, above £5,000 must be reported by the Multi-Academy to the EFA. Any unusual or systematic fraud, regardless of value, must also be reported.

### **Recovery of loss**

The amount of any loss should be quantified and repayment of losses sought in all cases. Where the loss is substantial legal advice should be obtained without delay.

### **Reporting to Directors**

Any incident of fraud shall be reported without delay by the Accounting Officer to the Chair of the Board of Directors and Chair of the Finance and Audit Committee. Follow up reports with updates of the progress should be provided. Any variation from the approved fraud response plan, together with the reasons for the variations, shall be reported promptly to the Chair of Board of Directors and Chair of Finance and Audit Committee.

A written report shall be submitted to the Finance and Audit committee describing the incident, value of loss, individuals involved and the means of perpetrating the fraud, the measures taken to prevent a recurrence and any actions needed to strengthen future responses to fraud.

### **Review and approval of the plan**

The Fraud Response Plan will be reviewed annually, or after each use. Any need for change will be actioned by the Finance and Audit committee and reported to the Board of Directors for approval.

The Board of Directors, through the Finance and Audit committee review this policy annually. There may be occasions, however, where this policy and plan may be reviewed earlier, if the government produces new regulations or if recommendations are received via the Finance and Audit committee on how this policy can be improved.