



The Painsley Catholic Academy

Better Together

Fraud Response Plan
(To be used in conjunction with the Academy's Counter Fraud, Theft, Irregularity and Cybercrime Policy)
2021/22

Approved by: Directors **Date:** September 2021

Last reviewed on: August 2021

Next review due by: August 2022

Purpose

The purpose of the plan is to define the areas of responsibility for action and reporting lines in the event of a suspected fraud or irregularity.

The use of the plan is intended to enable The Painsley Catholic 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 policies for follow on actions, such as the future requests for references for employees involved in the incident

Initiating action

All instances of fraud or theft committed against the MAC, whether by employees, or directors or third parties, exceeding £5,000 individually, or £5,000 cumulatively in any financial year, must be reported by the MAC to the ESFA. Any unusual or systematic fraud, regardless of value, must also be reported.

All actual or suspected incidents should be reported immediately to the CEO/ Accounting Officer by any member of staff, Director or LGB. The Accounting Officer should then convene a meeting of the Fraud Response committee if the value of the fraud exceeds £5,000 individually, or £5,000 cumulatively in any financial year. The Fraud Response committee will consist of the following key directors and personnel who will make up the Fraud Response Committee: Chair of Directors, Chair of the Resources committee, CEO, CFO, Internal Auditor and Chair of the Audit & Risk committee, 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 reporting the incident to the police, bank, cyber fraud and to the ESFA.

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
- May be GDPR implications and reporting to Information Commissioner's Office (ICO) may be required.
- IT systems may need to be secured in the instance of cyber fraud
- auditors 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 Skills Funding Agency (ESFA)

The circumstances in which the academy must inform the funding body about actual or suspected frauds are detailed in the Academy Trust Handbook (September 21) section 6.12, page 58 'Fraud, theft, irregularity and cybercrime'. The MAC 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 MAC, whether by employees, or directors or third parties, exceeding £5,000 individually, or £5,000 cumulatively in any financial year, must be reported by the MAC to the ESFA. 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 to prevent recurrence
- whether it was referred to the police (and if not why)
- whether insurance or the RPA have offset any loss.

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 Resources 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 Resources.

A written report shall be submitted to the Resources 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 reported to the Audit and Risk committee for approval.

The Board of Directors, through the Audit and Risk 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 Audit and Risk committee on how this policy can be improved.