



Financial Probity Policy

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1.0 Introduction

- 1.1 All staff, Trustees and Governors must act in accordance with this policy to ensure that the highest standards of integrity and probity are demonstrated at all times.
- 1.2 By complying with the policy Trustees, Governors and staff are protecting themselves from any false accusation of malpractice, corruption or bias.
- 1.3 The policy defines the expectations of the Governing Body (Trustees) in respect of the following:
 - combating fraud
 - the disclosure of malpractice (whistleblowing)
 - pecuniary and other interests
 - combating bribery and the acceptance of gifts and hospitality

2.0 The Expected Standards of Probity

- 2.1 All staff and Trustees and Governors must act honestly, impartially, in good faith and with integrity at all times and in accordance with the Seven Principles of Public Life (see Appendix 1).
- 2.2 All those with responsibility for the public and private resources under the Trust's control must take all reasonable steps to safeguard them.
- 2.3 All staff must act with propriety in the use of resources and the handling and use of public and private funds.
- 2.4 All prescribed financial procedures designed to reduce the possible risk of malpractice must be applied strictly and impartially at all times.
- 2.5 All staff have a responsibility to act in good time to prevent or report fraud, bribery or corruption and to co-operate fully with any internal checks or reviews or fraud investigations.
- 2.6 Staff should report any financial malpractice or suspected malpractice in good faith and may make use of the Whistleblowing Policy and Procedure to do so (see Section 4).
- 2.7 Trustees and Governors and those staff identified in paragraph 5.1 of this policy are required to make a declaration of pecuniary and other interests at least once a year and comply with the Business Interests, Gifts and Hospitality Policy.
- 2.8 All other employees must declare in writing to the Head of School any financial or non-financial interests which could reasonably be considered to conflict with the Trust's interests and comply with the Business Interests, Gifts and Hospitality Policy.
- 2.9 All staff, Trustees and Governors must both exercise common sense and comply with the Business Interests, Gifts and Hospitality Policy (see Section 6) before accepting gifts or hospitality from outside individuals or organisations to ensure that neither they nor the Trust commits an offence under the Bribery Act 2010.

3.0 Combating Fraud

- 3.1 The prevention of fraud (which incorporates a number of criminal activities – see Appendix 2) is to be understood as both a corporate and an individual imperative.
- 3.2 All Trustees, Governors and staff should be alert to the possibility that unusual events or transactions could be indicators of fraud.
- 3.3 All staff, Trustees and Governors should make themselves aware of the appropriate channels through which a suspected fraud should be reported (see also Section 4).

- 3.4 All staff, Trustees and Governors have a duty to co-operate fully with whoever is conducting internal checks, reviews or fraud investigations.
- 3.5 The Chair of Trustees, Governors and all staff in management posts will ensure that an adequate system of internal controls exists within their areas of responsibility and that the controls operate effectively.
- 3.6 The Chief Executive Officer (CEO) as Accounting Officer will ensure that a sound system of internal control designed to manage the whole range of risks faced by the Trust is in place and fully operational.
- 3.7 The Chief Financial Officer has overall responsibility for managing the risk of fraud, including:
- undertaking a regular review of fraud risks
 - establishing an effective fraud response plan
 - designing effective controls to prevent fraud
 - ensuring effective anti-fraud training is provided to appropriate staff
 - reporting fraud risk issues and significant incidents of fraud to the CEO (Accounting Officer) and the Audit and Risk Committee.
 - external reporting in compliance with company and charity law and accounting standards
 - ensuring that suspicions or allegations of fraud are promptly and vigorously investigated
 - alerting the CEO to the need for legal and/or disciplinary action for fraud, supervisory failures or failure to report fraud
 - taking appropriate action to recover assets
 - ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future
- 3.8 The Accounting Officer, the Chief Financial Officer, the Internal Auditor and the Audit and Risk Committee, each has a duty to help managers reduce the risk of fraud and to deter and prevent it.

4.0 The Disclosure of Malpractice

- 4.1 The Governing Body has adopted a Whistleblowing Policy and Procedure through which disclosure of malpractice should be made if normal line management reporting is not effective or is deemed inappropriate. The Whistleblowing Policy takes account of the Public Interest Disclosure Act 1998 (see Appendix 3).
- 4.2 All staff should make themselves aware of the Whistleblowing Procedure as one means to help them fulfil the duties described in paragraphs 2.5, 2.6, 3.1 and 3.3 above or to raise in good faith any other legitimate concern about wrongdoing that they may have.
- 4.3 Trustees, Governors and senior managers must ensure that the safeguards for informants described in the Whistleblowing Policy and Procedure are implemented fairly and robustly.
- 4.4 Trustees and Governors who suspect fraudulent activity should raise their concerns initially with either the Chair of Trustees or the CEO, as they think most appropriate to the circumstances.

5.0 Pecuniary and Other Interests

- 5.1 All staff, Trustees and Governors must comply with the Business Interests, Gifts and Hospitality Policy.
- 5.2 The following have a duty to make a Declaration of Pecuniary and Personal Interests and to update it as necessary (and in any case at least once a year): all Members, Trustees and Governors; the CEO, Heads of School, the Chief Financial Officer and all other staff working in the Finance Office; the ICT Network

Manager and Estates Manager. If appropriate they must make a nil return. On an annual basis a pro forma form (see Appendix 4) is issued to employees by the Chief Financial Officer and to Members, Trustees and Governors by the Trust Clerk.

- 5.3 All other employees have a duty to advise the CEO in writing of all relationships of a business or private nature with contractors and suppliers of goods and services (with which the Trust might trade) and of any financial or non-financial interests which could reasonably be considered to conflict with the Trust's interests.
- 5.4 The CFO will ensure that all declarations of business and other interests are kept in a Register of Business, Pecuniary and Non-Pecuniary Interests.
- 5.4 In considering whether there is an interest to be declared, staff, Trustees and Governors should consider whether a member of the public, knowing the facts of the situation, could reasonably think that a personal interest or relationship might conflict with the interests of the Trust.

6.0 Combating Bribery – Gifts and Hospitality

- 6.1 The Governing Body and CEO are fully committed to the prevention of bribery. All who are associated with the Trust are expected to ensure that the highest standards are maintained at all times in order to prevent the fact or suspicion of bribery in relation to the Trust's work.
- 6.2 All staff and Trustees and Governors must comply with the Business Interests, Gifts and Hospitality Policy which provides a framework for acceptance of gifts or hospitality.
- 6.3 A risk assessment in relation to Section 7 of the Bribery Act 2010 has been undertaken in accordance with the guidance issued by the Ministry of Justice and will be reviewed annually by senior managers.

Appendix 1

The Seven Principles of Public Life

Selflessness

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.

Appendix 2

Fraud: Some Useful Definitions

Theft - Dishonestly appropriating the property of another with the intention of permanently depriving them of it (Theft Act 1968). This may include the removal or misuse of funds, assets or cash.

False Accounting - Dishonestly destroying, defacing, concealing, or falsifying any account, record, or document required for any accounting purpose, with a view to personal gain for another, or with intent to cause loss to another or furnishing information which is or may be misleading, false or deceptive (Theft Act 1968).

Bribery and Corruption - The offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the authority, its members or officers (Prevention of Corrupt Practices Acts 1889 and 1916).

Deception - Obtaining property or pecuniary advantage by deception (Sections 15 and 16 of the Theft Act 1968 (and obtaining services or evading liability by deception (Sections 1 and 2 of the Theft Act 1978).

Collusion - The term "collusion" in the context of reporting fraud to the Treasury is used to cover any case, in which someone incites, instigates, aids and abets, or attempts to commit any of the crimes listed above.

Appendix 3

THE PUBLIC INTEREST DISCLOSURE ACT 1998

This legislation aims to protect workers who make 'qualifying disclosures' of malpractice in their organisation from victimisation as a result of making such a disclosure. It is automatically unfair to dismiss an employee or select him/her for redundancy because s/he made a disclosure, provided that the disclosure qualifies under the Act.

A 'qualifying disclosure' must relate to:

- a criminal offence
- a failure to comply with any legal obligation
- a miscarriage of justice
- danger to health and safety of any individual
- damage to the environment
- an attempt to cover up any of these

Any disclosure must be made in good faith and not for personal gain. The employee does not have to prove that malpractice has occurred, simply that s/he has a reasonable belief that it took place or was about to take place.

The Act directs workers to raise their concerns internally in the first place, wherever their employer has a procedure for doing so. In certain cases the Act also protects disclosure to 'prescribed regulators' such as the Audit Commission.

The Act only protects wider disclosure (e.g. to the media, an MP etc.) if:

- the employee reasonably believed they would be victimised if they had raised the matter internally or with a prescribed regulator;
- there was no prescribed regulator and they reasonably believed the evidence would be concealed;
- the concern had already been raised with the employer or prescribed regulator;
- the concern was exceptionally serious.

Appendix 4

Clarion Corvus Trust

Register of Business and Pecuniary Interests

As you will appreciate, the governing body and school must ensure that Trustees, Governors and staff are not involved in activities that might conflict with their role within the school. It is especially important to demonstrate that individuals do not benefit personally from the decisions made by the Trustees, Governors or staff, unless such decisions are made openly and legitimately.

The governing body is not concerned with any hobbies from which no income is made, or even minor commercial interest that you might have. However, you must declare any interest you have, or plans you, your spouse, partner or a close family member might have, that are related to or might be construed as being related to the school and its budget. Further information and a definition of business and pecuniary interests can be found overleaf. If you are unsure about whether an interest should be declared please discuss this with the Chief Financial Officer or Chief Executive Officer.

Please would you sign and date the declaration below and return this form to the Chief Financial Officer

IN CONFIDENCE

Please delete one of the statements A or B and provide details in statement B if necessary. Then sign and date the form.

- A. Neither I, my spouse, my partner nor a close family member have private interests that could conflict with my work in the school. I will inform the Chief Financial Officer if this should change in the future.
- B. I need to declare that either I, my spouse, my partner or a close family member have a business or pecuniary interest in the school and provide details of this below.

Name _____

Signature _____ Date _____

N.B. If circumstances change a new declaration must be completed

7.0 Definition of Business Interests and Pecuniary Interests

Business Interests

A business interest is the involvement of an individual or their family members in any trade, profession or official position in a public or charitable body, along with any direct interest they may have in any company providing goods or services to the school. For example, if a Governor runs their own building company or provides training courses for teaching staff. When making a decision about what or what not to declare, the individual should consider how they may be challenged about their decision not to disclose information.

All members of the Governing Body, the CEO, the Headteacher, Heads of School and any staff who influence financial decisions, are expected to declare any business interests that they or any family member may have. A register of the business interests should be made available in the school and there should be an annual review of this register. In addition, where a Governor or member of staff has no business interests, they should complete a form saying 'No interests to declare'. New Trustees and Governors or members of staff, influencing financial decisions, should be asked to complete a form on joining the Governing Body or school.

Pecuniary Interests

It is a common misconception that pecuniary interests are the same as business interests; however, pecuniary interest is a wider term. Pecuniary interests include personal financial interests, such as involvement in a trust fund or investment, as well as potential interests, for example, where a member of staff's husband is applying for a vacancy in the school or where a teacher Governor is involved in the decision over the promotion of a colleague, and where they may be a potential candidate for the post made available.

Because of the nature of these interests, they cannot only be declared annually. All members of the Governing Body and all members of staff should be made aware at Governor and staff meetings of the need to declare these interests, as they arise. Declarations should be made in writing to the CEO, Head teachers or the Chair of Trustees and Governors and these should be filed in a register of pecuniary interests.