



Financial Probity & Whistleblowing Policy

Status: Statutory

Member of Staff Responsible: Executive Principal / Business & Operations Director

Associated policies and documentation:

- Financial Administration & Management Policy
- Staff Handbook

Implementation date: September 2013

Review date: August 2017

Next review date: August 2018

**Signed by: Chair of
Governors:**

Date:

Principal:

Date:

1. Introduction

- 1.1 It is the policy of the Trust and local Governing Body that all staff, Members, Trustees and Governors must act in accordance with this Code.
- 1.2 By complying with the Code (including the declaration of any interests they may have and of gifts and hospitality they may receive) governors and staff are protecting themselves from any false accusation of malpractice, corruption or bias.
- 1.3 The Code defines the policy in respect of the following:
 - combating fraud;
 - the disclosure of malpractice (whistleblowing);
 - pecuniary and other interests; and
 - gifts and hospitality (combating bribery).

2. The Expected Standards of Probity

- 2.1 All staff, Members, 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.
- 2.2 All those with responsibility for the public resources under the UTC'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 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 Procedure to do so.
- 2.7 Governors and those staff identified in paragraph 5.1 are required to make a declaration of pecuniary and other interests at least once a year.
- 2.8 All other employees must declare in writing to the Principal any financial or non-financial interests which could reasonably be considered to conflict with the UTC's interests (see Section 5).
- 2.9 All staff and governors must both exercise common sense and consult section 6 before accepting gifts or hospitality from outside individuals or organisations to ensure that neither they nor the UTC commits an offence under the Bribery Act 2010.

3. Combating Fraud

- 3.1 The prevention of fraud is to be understood as both a corporate and an individual imperative.
- 3.2 All Members, Trustees, Governors and staff should be alert to the possibility that unusual events or transactions could be indicators of fraud.

- 3.3 All staff, Members, 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 mentioned above have a duty to co-operate fully with whoever is conducting internal checks or reviews or fraud investigations.
- 3.5 Both the Chair of the Trust, Chairs of 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 Executive Principal as Accounting Officer will ensure that a sound system of internal control designed to manage the whole range of risks faced by the UTC is in place and fully operational.
- 3.7 The Executive Principal and Business & Operations Director will ensure the Finance Provider manages of the risk of fraud, including:
 - 3.7.1 undertaking a regular review of fraud risks;
 - 3.7.2 establishing an effective fraud response plan;
 - 3.7.3 designing effective controls to prevent fraud;
 - 3.7.4 ensuring effective anti-fraud training is provided to appropriate staff;
 - 3.7.5 reporting fraud risk issues and significant incidents of fraud to the Principal (Accounting Officer);
 - 3.7.6 external reporting in compliance with company and charity law and accounting standards;
 - 3.7.7 ensuring that suspicions or allegations of fraud are promptly and vigorously investigated;
 - 3.7.8 alerting the Principal to the need for legal and/or disciplinary action for fraud, supervisory failures or failure to report fraud;
 - 3.7.9 taking appropriate action to recover assets;
 - 3.7.10 ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.
- 3.8 The Responsible Officer, the Auditor and the Resources Committee each has a duty to help managers reduce the risk of fraud and to deter and prevent it.

4. Fraud: The Disclosure of Malpractice (Whistleblowing)

- 4.1 The Trust has adopted the Whistleblowing Procedure (see Annex 3) as their official code of practice on the disclosure of malpractice. The procedure conforms with the Public Interest Disclosure Act 1998.
- 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 Procedure are implemented fairly and energetically.
- 4.4 Members, Trustees or Governors who suspect fraudulent activity should raise their concerns initially with either the Chair of the Trust or the Executive Principal as they think most appropriate to the circumstances.

5. Pecuniary and Other Interests

- 5.1 The following have a duty to make a Declaration of Pecuniary Interests and to update it as necessary (and in any case at least once a year): all Governors / Trustees and Members; the Executive Principal, the Principal, Vice Principals and Senior Leader Inclusion, the Business & Operations Director and any Curriculum Director who is responsible for a budget in excess of £10,000. If appropriate they must make a nil return. The Declaration pro forma is shown at the end of this document.
- 5.2 All other employees have a duty to advise the Principal in writing of all relationships of a business or private nature with contractors and suppliers of goods and services (with which the UTC might trade) and of any financial or non-financial interests which could reasonably be considered to conflict with the UTC's interests. All staff, Members, Trustees and Governors are asked to complete a Declaration of Interest Form on an annual basis.
- 5.3 The Business & Operations Director will ensure that all declarations under paragraphs 5.1 and 5.2 are kept in a Register of Pecuniary Interests.
- 5.4 In considering whether there is an interest to be declared, staff, Members, 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 UTC.
- 5.5 A pecuniary interest should be declared where a, Member, Trustee, Governor or member of staff is a Local Authority Associated Person or has:
- 5.5.1 a directorship of a company or business;
 - 5.5.2 direct ownership or partnership in a company;
 - 5.5.3 a significant shareholding in a company;
 - 5.5.4 a position of authority in a charity or voluntary organisation;
 - 5.5.5 a position which entails part time or occasional work for a company;
 - 5.5.6 business interests that could conflict with the UTC's interests;
 - 5.5.7 family relationships or friendships with anyone who tenders for work from the UTC.
- 5.6 Anyone with a pecuniary interest in a potential contract should not take part in drawing up the specification and/or tender document.
- 5.7 Anyone with a pecuniary interest in a particular decision should not normally take part in the process leading to that decision.
- 5.8 All persons having power to spend or to participate in discussions to spend monies on behalf of the UTC or any of its students must observe the following procedures:

- 5.8.1 Whenever a relevant person is called upon to make or participate in making or is in a position to influence the making of a decision on expenditure on behalf of the UTC or any of its students, that person should consider whether to make a declaration and subsequently withdraw from further discussion regarding the issue.
- 5.8.2 The declaration should be made if the person concerned is aware that the recipient of the expenditure is or might be:
- (a) him/herself
 - (b) his/her employer or employee
 - (c) a business in which he/she has an interest (however remote)
 - (d) a member of his/her extended family
 - (e) a friend or
 - (f) someone to whom an obligation (either legal or moral) is owed.
- 5.8.3 The declaration should preferably be made in writing or recorded in the Minutes of a meeting. It should identify the decision on expenditure to be made and the nature of the connection.
- 5.8.4 If the person making the declaration is only one of a number participating in the decision, the declaration should be made to the other participants. They should consider, taking into account the amount of the expenditure, the nature of the connection and other relevant circumstances, whether to invite the person to exclude him / herself from the decision-making process.
- 5.8.5 If the person making the declaration is the only person making the decision on expenditure, the declaration should be made to the Executive Principal / Principal. The Executive Principal / Principal should consider, taking into account the amount of expenditure, the nature of the connection and other relevant circumstances, whether it is appropriate for the person concerned to make the decision or whether the decision should be made by someone else.
- 5.8.6 If the person making the declaration is the Executive Principal / Principal, the declaration should be made to the Resources Sub-committee of the Trust / the appropriate committee for the Trust Board, who should thereupon make the decision, excluding the Executive Principal / Principal from the discussions.

6. Gifts and Hospitality (Combating Bribery)

- 6.1 The Trust and Executive Principal are fully committed to the prevention of bribery. All who are associated with the UTC 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 UTC's work.
- 6.3 All Members, Trustees, Governors and staff must abide by the standards and procedures in this section of the Code when considering whether to accept gifts or hospitality.
- 6.4 Offers of hospitality should only be accepted if there is a genuine need to represent the UTC.
- 6.5 Examples of when it may be proper to accept hospitality (always depending upon the particular circumstances) are as listed in sub-paragraphs 6.5.1 to 6.5.4, but overnight hospitality should never be accepted.

6.5.1 Attendance at conferences, events and demonstrations of equipment organised by outside bodies where there is a service interest.

6.5.2 Attendance at events or functions where there is a demonstrable need for the UTC to be represented to either give or to receive information or to participate as part of the UTC's corporate image.

6.5.3 Attendance at events or functions which are part of the civic, cultural or sporting life of the UTC.

6.5.4 Working lunches where this is an appropriate and effective way of conducting business and the refreshments provided are on a reasonable level.

6.6 Gifts should only be accepted in the exceptional cases listed in paragraphs 6.7 and 6.8.

6.7 The following types of gift may be accepted:

6.7.1 modest gifts of a promotional character, e.g. calendars, diaries and other similar articles;

6.7.2 gifts on the conclusion of any courtesy visit to an outside organisation of a sort normally given by that organisation;

6.7.3 small gifts, which are defined as being up to £10 in value.

6.8 Gifts which are intended for the UTC may be accepted as long as there is clearly no intention that a function will be performed improperly as a result. More substantial gifts or donations to the UTC should not be accepted unless both the Executive Principal and another Trustee / Governor (having regard to all the circumstances) have agreed that this is the case. Gifts that are accepted must be passed to the Principal / Executive Principal to receive and record on behalf of the Governing Body / Trust.

6.9 Upon receipt of any gift (other than small gifts given as a "thank you" by students to tutors or subject teachers, for example at Christmas or at the conclusion of a course) or hospitality, governors and staff must provide written details to the Business & Operations Director. The Business & Operations Director shall receive the Declarations (once countersigned by the Principal) and keep them in a Register of Gifts and Hospitality.

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.

Annex 2

Fraud etc.: 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.

Whistleblowing Procedure

Purpose of the procedure

The purpose of this procedure is to encourage any employee who has a genuine concern that practices in their UTC do not meet the required standards of probity to raise that concern at an appropriate level and in an appropriate manner.

This procedure is also intended to guide any employee who genuinely believes that s/he has a disclosure to make about malpractice in their academy in making that disclosure. It sets out to whom malpractice (or suspected malpractice) should be reported and how it should be reported.

The procedure also sets out the safeguards that the UTC will offer to any employee who makes a disclosure in the recommended way and in good faith.

Definitions and exclusions

The term “malpractice” may cover a broad range of acts, omissions, or practices. What employees may wish to report will usually be a specific instance or instances of wrongdoing on the part of an individual or a group of individuals. However, in certain circumstances, employees may wish to report bad practice which, if it were to continue, would be likely to lead to wrongdoing.

The following examples indicate the type of actions which would normally be inappropriate use of an academy’s delegated budget:

- disregard of proper tendering procedure for contracts;
- manipulation or falsification of accounting records;
- making decisions for personal gain;
- inappropriate (e.g. private) use of academy assets;
- abuse of position for personal advantage or gain.

The UTC’s Funding Agreement and Financial Management & Administration Policy, sets out the standards of good practice in academy management and administration to determine whether or not academy governors and employees have acted properly.

An action does not have to constitute a criminal offence in order to be classified as “malpractice”, although clearly anything that constitutes a criminal offence would almost certainly amount to malpractice.

This procedure is not intended to substitute for other procedures through which employees may raise specific concerns or complaints about their personal treatment. Complaints by employees about their personal treatment by others or about the way in which employment policies and practices have been applied to them (including decisions about pay and grading) should be raised under the UTC’s grievance procedure, the harassment/bullying procedure or under any other appropriate procedure.

Complaints about the protection of children should normally be raised under the separate procedures designated for that purpose. This procedure would not normally be appropriate for raising concerns about health and safety issues, unless they were related to a broader complaint of malpractice.

Procedure for making a disclosure

The means of making a disclosure will depend to some extent on the nature and seriousness of the concern, the sensitivity of the issues and the individual, or individuals, thought to be involved in the malpractice reported.

As a general rule, an employee wishing to make a disclosure (the “informant”) should raise his/her concerns in the first instance with the Principal or the Chair of the UTC’s Governing Body. This would be the normal channel where the concern is about the conduct or practice of immediate colleagues – e.g. a concern that the UTC’s policies and procedures are not being properly or fairly applied. This will enable the issue to be addressed immediately at UTC level.

Where an informant genuinely believes that s/he cannot approach the Principal, Executive Principal or the Chair of Governors, or Chair of the Trust, the concern should be raised with the Local Authority / ESFA. This course of action would only be appropriate if the disclosure were about the conduct or practice of the Trust.

A disclosure may be made verbally (e.g. by telephone) or in writing. An informant should normally identify him/herself and should make it clear that s/he is making a disclosure within the terms of this whistleblowing procedure. Concerns raised in casual conversation do not constitute a disclosure.

An informant raising a concern verbally will normally be expected to support and substantiate those concerns in writing, unless there are special circumstances indicating that this is inappropriate. Informants who feel unable to commit their concerns to writing will normally be asked to meet with an appropriate senior officer, who will compile a written note of the disclosure.

The informant may be accompanied by a trade union representative or friend at any meeting either with the person to whom a disclosure is being made or who has been authorised to conduct an investigation into an allegation of malpractice.

It is not necessary for an informant to produce conclusive evidence to support his/her disclosure. Suspicion may be valid grounds for raising a concern. However, the informant should normally have direct information about, or knowledge of, the malpractice alleged or know where such evidence is located. The informant’s concern should be based on more than hearsay, gossip, or the reports of others.

Other than in very exceptional circumstances, disclosures should not be made to the press, radio, television or other news media. The recommended internal reporting channels should be used. Employees have certain rights under the Public Interest Disclosure Act to report malpractice to specified external agencies (e.g. an employee who suspects that a criminal act has been committed may inform the Police). However, it would be expected that an informant would make any disclosure in the first instance either within the UTC or to the Local Authority, as set out above.

Responding to a disclosure

The response to an informant’s disclosure will depend on a number of factors such as the seriousness and complexity of the allegations made. Allegations may be:

- investigated within the UTC.
- referred to the UTC’s Responsible Officer and or auditors;
- referred to the Police;
- referred to another independent form of enquiry;
- (or any combination of the above).

Disclosures will be subject to initial enquiries in order to decide whether a full investigation is necessary and, if so, what form it should take, who should conduct it, and whether any reference to another agency is necessary or desirable. Some concerns may be resolved through agreed action without the need for further investigation.

If the informant's concern falls within the scope of an alternative procedure, s/he will be advised to pursue it through that procedure.

An informant who presents his/her disclosures in writing will receive written acknowledgement, and will be informed of the outcome of any investigation. The extent of the information given to informants will depend upon a number of factors, e.g. whether the investigation is referred to the Police and leads to criminal prosecution. Where an investigation is protracted, the academy or officer dealing with the matter will normally report to the informant on the progress of the investigation.

Where an informant is unwilling to identify him/herself, any person receiving a complaint about malpractice should log the incident and consult the Principal / Executive Principal, Chair of Governors or Chair of the Trust to decide whether or not any investigation should be undertaken.

Safeguards for informants

The decision to report malpractice can be a difficult one for an employee, who may possibly fear subsequent victimisation or harassment. No action will be taken against an employee who has raised a concern in good faith, even if that concern is seen to be unfounded after investigation.

However, informants who are themselves the subject of investigation or action under formal procedure (e.g. discipline, capability or harassment) should not necessarily expect that the procedure will be discontinued as a result of their disclosure.

Victimisation or harassment of an employee who has raised a concern in good faith, or any other attempt at reprisal either by an employee whose conduct is the subject of investigation or others; will be considered a disciplinary offence.

Where informants do not wish to be identified to others in the course of an investigation that wish will be respected in so far as it is reasonably practicable. However anonymity cannot be guaranteed. The process of investigation may reveal the identity of informants and, especially in serious cases, informants may be required to give evidence, either by the UTC, the Local Authority, or the Police. Any person subject to disciplinary action or prosecution would have access to such evidence. Informants who are subsequently required to give evidence will be given all reasonable and practicable support and protection from reprisals.

The UTC will take all reasonable steps to minimise any difficulties informants may experience as a result of raising a genuine concern. Informants who are required to give evidence in disciplinary or criminal proceedings may seek advice from the Local Authority on procedural aspects of this obligation. The academy will consider sympathetically requests from informants for special leave, counselling or other support.

False or malicious allegations

If an allegation is made or a concern is raised in good faith, no action will be taken against an informant. However, malicious, or vexatious allegations, or disclosures made for personal gain will be considered as disciplinary offences and are likely to result in disciplinary action being taken against the informant.

Annex 4

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.

DECLARATION OF PECUNIARY INTERESTS

Name:	_____
Position:	Member / Trustee / Governor / Principal / Other employee
Address:	_____ _____ _____
Name of Business or Company:	_____
Address of Business or Company:	_____ _____ _____
Nature of Business or Company:	_____
Connection to business or company:	Director / Shareholder: _____ _____
Signed:	_____ Date: _____
Signed (Principal / Chair of Governors / Chair of the Trust)	_____ Date: _____