



Bishop Bewick Catholic Education Trust

Policy Title:	Anti-Fraud & Corruption Policy
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Approved by:	Trust Board
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Applies to:	All school & Trust settings

Change log:

Version	Author	Date	Approved by	Change
1	COO	Nov 2020	Trust Board	Original
1.1	COO	Aug 2022	Trust Board	Amended to include: Risk of cybercrime and cyber ransom demands
1.2	SO	Nov 2023	Trust Board	Amended, minor corrections made
1.3	CFO	Nov 2023	Trust Board	Added further detail to controls in place to prevent fraud and cyber crime



Anti-Fraud & Corruption Policy

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1. Policy context

The following is stated in the BBCET Scheme of Delegation:

Anti-Fraud and Corruption Statement

The Trust is an honest and ethical organisation. As such, it is opposed to and seeks to eliminate fraud and corruption by the way it conducts its business. The full Anti-Fraud and Corruption Policy sets out the Trust's approach and procedures for dealing with the risk of significant fraud or corruption.

In order to minimise the risk and impact of fraud and corruption, the Trust's objective is to embed a zero-tolerance culture which deters fraudulent activity, encourages its prevention and promotes its detection and reporting.

Any instance of suspected fraud, corruption or financial irregularity must be reported immediately to the COO who will, in liaison with the Accounting Officer (CEO), judge how the matter is investigated and whether to involve the Police.

The Trust must notify the ESFA, as soon as is operationally practical based on its particular circumstances, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or systematic fraud, regardless of value, must also be reported.

In addition to the statement above, BBCET recognises that it must:

- Be aware of the risk of cybercrime and put in place proportionate controls and appropriate action where a cyber security incident has occurred
- Obtain permission from ESFA before paying any cyber ransom demands

2. Introduction

This policy is applicable to all employees of the Bishop Bewick Catholic Education Trust.

The adoption of the Anti-Fraud and Corruption Policy and the maintenance of effective arrangements within the BBCET Trust will help to:

- Ensure the Trust and its schools maintain high standards and an anti-fraud culture
- Reinforce the Trust's commitment to adhere to the Nolan principles
- Ensure the Trust meets all legislative requirements e.g. Bribery Act 2010, Fraud Act 2006
- Provide a clear message as to its attitude towards fraud, corruption and other impropriety



3. Background

The United Kingdom public sector maintains high standards of probity and has a good reputation for protecting the public purse. The Bishop Bewick Catholic Education Trust shares these high standards and reputation and are committed to protecting the public funds entrusted to it so that the maximum amount of resources can be used for their intended purpose.

As part of the Trust's commitment to protecting public funds, and to make the most efficient and effective use of the resources it is responsible for, it is essential that the risk to the Trust of financial losses due to fraud, corruption and financial impropriety are minimised.

4. Commitment

The Trust is committed to ensuring that the ESFA have complete confidence that the affairs of the Trust are conducted in accordance with the highest standards of probity and accountability. As part of this, the Trust is committed to combating fraud, corruption and other financial impropriety (e.g. theft) wherever it may arise in relation to any of the Trust's activities or services and, in achieving this aim, realises this involves any Trustee (Director), Governor, Employee, or member of the public or any other third party associated with the Trust's activities.

5. Standards

The Trust expects its Trustees (Directors), Governors and all employees to demonstrate the highest standards of honesty, probity, openness and integrity in the discharge of their functions. In order to minimise the risk and impact of fraud and corruption, the Trust's objective is to embed a zero-tolerance culture which deters fraudulent activity, encourages its prevention and promotes its detection and reporting.

6. Implementation

The Trust is committed to establishing and maintaining effective arrangements to prevent fraud, corruption, and financial impropriety. It recognises, however, that these cannot always be prevented, and so effective arrangements have been established to detect, report, and investigate all incidents or situations where they are suspected. Such arrangements include, but are not limited to:

- **Understanding our Directors and employees:** appropriate recruitment; staff code of conduct; training and CPD; observing changes in individual behaviours/ lifestyle,



employees eagerness to work independently, or change jobs etc; monitoring and recording related party interests, or conflict of interest, of those employees and Directors with decision making responsibilities.

- **Strong internal control arrangements relating to procurement and purchasing** processes including: finance handbook; training/guidance; defined budgetholders; segregation of duties regarding authorization and ordering; minimize use of cash/ petty cash; thorough new supplier checks; faster payment requests accepted only by exception; monitoring contacts centrally; follow up and challenge to budgetholders on any unusual transactions or inappropriate purchasing route; tight control and scrutiny over travel/expense claims and credit card purchases, payroll controls etc
- **Strong financial systems and processes** including: physical security of facilities, assets, accounting records/systems, bank, cash etc; regular bank reconciliation; appropriate coding and ledger management; monthly review and reporting of budgets versus actual costs;
- Positive cooperation from all employees towards internal assurance reviews and auditors; any issues raised accepted and actioned promptly. **Maintaining and promoting an anti-fraud and corruption culture** that enables Governors, Employees, and other external parties to express concerns and suspicions without fear of repercussion or intimidation and in the knowledge that the information will be treated confidentially and will be investigated fully and rigorously. This includes established reporting arrangements through the Trust's Whistle-blowing Policy. Any instance of suspected fraud, corruption or financial irregularity must be reported immediately to the COO (CFO) who will, in liaison with the CEO (Accounting Officer), judge how the matter is investigated and whether to involve the Police.

Controls in our Trust and schools in respect of cyber crime include, but are not limited to, the following:

- Advice from external technical experts
- Appropriate system controls to protect the organization from ransomware; unauthorized access with malicious intent; phishing; mandate fraud etc
- Maintain an Acceptable use Policy for IT systems
- Ensure all staff receive appropriate training/guidance on potential cyber crime vulnerabilities and what to do, or not do, to protect the organization e.g. be alert – take



time to question legitimacy of emails before acting; password control, how to check if an email and attachment is genuine (if in any doubt forward to IT without clicking on links); follow up with telephone confirmation to a known (trusted) number if asking for anything; understand the risks of using public Wi-Fi

- IT systems access controls are regularly reviewed (so staff who no longer need access are removed promptly)
- Strong passwords and multi-factor authentication applied to business-critical data systems
- Prevention of the use of removeable media e.g. flash drives
- A tested back up schedule in place
- All devices and software licensed, supported and set up to meet the technical requirements, with a process in place to allow for timely patching
- Devices no longer supported by the manufacturer but still in use and essential are isolated from the internet
- Logging and monitoring of ICT systems and networks for unusual behaviour

The Trust will not tolerate dishonesty on the part of any Director, Governor, Employee or any person or organisation involved in any way with the Trust. Where fraud or corruption is detected, the Trust will rigorously pursue appropriate action against the persons concerned including legal and/or disciplinary action, and wherever possible and deemed appropriate, will take action to recover any losses suffered.

The Trust is committed to working constructively with the police and other relevant agencies in relation to combating fraud, corruption, and financial impropriety within the Academy or within the wider public sector.

The Trust will notify the ESFA, as soon as is operationally practical based on its circumstances, of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any academy financial year. Any unusual or systematic fraud, regardless of value, will also be reported. The Trust recognises that it must obtain permission from the ESFA before paying any cyber ransom demands.



7. Recovery of Losses and outcome

The COO will be responsible for quantifying the amount of any loss for all fraud investigations. Repayment of losses will normally be sought and legal advice will be obtained about the options available. In the event of the discovery of criminal behaviour the Trust will inform the police who may take the investigation further. The Trust will always seek to learn lessons from any incidents and take steps to minimise the risk of similar frauds occurring in future.

8. Discipline

BBCET will take appropriate legal and/or disciplinary action against the perpetrators of fraud and those whose failures contributed to the fraud.

9. Awareness

The Trust will seek to ensure that its stance on anti-fraud and corruption is widely publicised both internally and externally to all schools/employees. All Board Directors, Governors, employees, and other associated bodies/persons with whom the Trust conducts its business will be appropriately briefed as to this Policy.