Bradford Diocesan Academies Trust

ANTI-FRAUD & ANTI-CORRUPTION POLICY

Reviewed: November 2025
Due for review: October 2027

Bradford Diocesan Academies Trust

Version Control	Description	Version Update
1	Original Issued 2016	1/6/2016
2	Accommodation rates increased	20/12/2020
3	Policy Reviewed	18/10/2022
4	Added Principles - diversity & inclusion p1	20/9/2023
5	Retitled Principles to Inclusion, Diversity and Equality – p1	3/9/2024
6	Added ECCTA 2023 principles	19/11/2025

Inclusion, Diversity and Equality

As part of our focus on diversity and inclusion, BDAT pledges that our policies will seek to promote equality, fairness, and respect for all staff and students. Our policies reflect the BDAT values of inclusion, compassion, aspiration, resilience, and excellence. By working closely with a range of stakeholders, such as our school, union, and HR colleagues, we have ensured that BDAT's policies do not unlawfully discriminate against anybody.

Introduction

Bradford Diocesan Academies Trust (BDAT) expects staff at all levels will adopt the highest standards of propriety and accountability. This procedure is non-contractual and set out the steps that are taken to combat fraud and corruption.

Fraud is defined as: "The intentional distortion of financial statements or other records by persons internal or external to the organisation which is carried out to conceal the misappropriation of assets or otherwise for gain".

In addition, fraud can be defined as: "The intentional distortion of financial statements or other records, by persons internal or external to the organisation which is carried out to mislead or misrepresent.

Corruption is defined as: "The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of another person". In addition, "the failure to disclose an interest in order to gain financial or other pecuniary gain" (see also Declaration of Interests)

Economic Crime and Corporate Transparency Act

Commitment to Compliance

Bradford Diocesan Academies Trust (BDAT) is committed to full compliance with the Economic Crime and Corporate Transparency Act 2023. BDAT recognises the new corporate offence of failure to prevent fraud and will maintain reasonable fraud prevention procedures to mitigate this risk.

Principles for Fraud Prevention

BDAT adopts the six principles outlined in the Home Office guidance:

1. Top-Level Commitment
The Board of Trustees endorse this policy and will actively promote a culture of integrity, transparency, and zero tolerance for fraud and corruption.

2. Fraud Risk Assessment
BDAT will conduct an annual fraud risk assessment to identify and evaluate risks across all operations, including financial management, procurement, payroll, and third-party relationships.

3. Proportionate Procedures and Controls
Controls are tailored to identified risks and include:

- Segregation of duties
- Dual authorisation for financial transactions
- Regular reconciliations and audits
- Clear procurement and expense approval processes

4. Due Diligence
BDAT will apply due diligence to all associated persons, including staff, contractors, suppliers, and partners, to ensure integrity and compliance with anti-fraud standards.

5. Communication and Training
Training will be provided with and annual refresher training on fraud prevention, reporting obligations, and the implications of ECCTA. Training records will be maintained.

6. Monitoring and Review
BDAT will monitor the effectiveness of fraud prevention measures through internal audits, peer reviews, and periodic policy reviews. Findings will be reported to the Risk and Audit Committee and the Board.

Scope of Fraud Prevention

This policy applies to fraud committed against AND on behalf of the Trust by an associated persons (employees, agents, subsidiaries, contractors).

Prevention of Fraud and Corruption

The Role of Senior Leader:

Senior Leaders at all levels are responsible for the communication and implementation of this policy in their work area. They are also responsible for ensuring that their staff are aware BDAT Finance Policy and that the requirements of each are being met in their everyday business activities.

Senior Leaders are expected to create an environment where staff are able to approach them with any concerns they may have about suspected irregularities. Senior Leaders, if appointed to do so, are responsible for initially following up any allegation of fraud and corruption received and will:

- Deal promptly with the matter
- Report the matter to the Chief Finance Officer and the Chief Executive Officer. (to ensure any procedures hereon are in line with Staff Discipline Policy)
- Obtain advice from the Human Resources partner, who will advise if an investigation is appropriate and needs to be carried out.
- Record all evidence received.
- Ensure all evidence is sound and adequately supported.
- Contact other agencies, for example the police, when necessary, notify the insurers (RPA), where appropriate.
- Implement the disciplinary policy and procedures where appropriate.

Special arrangements may be necessary where staff are in charge of finance or payroll.

Responsibilities of staff:

Each member of staff is governed in their work by policies and procedures. They are also governed by BDAT's code of conduct for staff.

All staff are responsible for ensuring that they follow all instructions given to them by management, particularly in the safekeeping of the organisation's assets.

All staff are expected always to be aware of the possibility that fraud, corruption and theft may exist in the workplace and be able to share their concerns with management. However, should he or she prefer (because the manager is unavailable or indeed may be the cause for concern), then the Audit and Risk Committee may be approached via the Director of Corporate Affairs claire.berry@bdat-academies.org

If staff still feel unable to raise their concerns through any of the above internal routes, then they may wish to raise them through Public Concern at Work (020 3117 2520 whistle@pcaw.org.uk) a registered charity, whose services are free and confidential.

We recognise that a key preventative measure in dealing with fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential staff. The Equality & Diversity policy will be adhered to during this process.

In particular, written references will be obtained regarding known honesty and integrity of potential staff before employment offers are made. Checks will be made against the application form regarding qualifications and previous employment.

The Internal Auditor provides them with an independent oversight of each academy's financial processes as well as the central financial affairs. The main duties of Internal Audit is to provide the Board with independent assurance that:

- The financial responsibilities of the Board are being properly discharged.
- Resources are being managed in an efficient, economical, and effective manner.
- Sound systems of internal financial control are being maintained and

- Financial considerations are fully taken into account in reaching decisions.

Regular peer review, assurance and internal audit visits to academies and BDAT will ensure that standard checks are carried out to test the controls that are already in place are adequate to reduce the risk of fraud and corruption.

When fraud or corruption has occurred due to a breakdown in BDAT systems and procedures, or the internal audit identifies a potential weakness in controls, the organisation will ensure that appropriate improvements in systems of control are implemented to reduce the risk of a reoccurrence.

Detection and Investigation

There are systems and controls in place to deter fraud and corruption, but it is often the vigilance of staff that aids detection.

In some cases, fraud is discovered by chance or 'tip off' and arrangements will be in place to enable such information to be properly dealt with. Any decision to refer the matter to the police will be made by the Chief Executive Officer, after consultation with the Finance and Resources Committee. We will normally wish for the police to be advised, and investigate independently, where financial impropriety is discovered.

BDAT's disciplinary procedures will be used to facilitate a thorough investigation of allegations of any improper behaviour by staff.

Awareness

Induction of all staff should include the issue of this policy, staff discipline and the Finance Policy. It is the manager's responsibility to ensure this occurs.

The Chief Financial Officer will keep all staff updated on the latest knowledge and provide refresher training to ensure staff are fully aware of the potential implications.

Fraud and Corruption Response Plan

Reporting allegations of fraud or corruption

Concerns should be raised when staff reasonably believe that one or more of the following has occurred, in the process of occurring or is likely to occur:

- A criminal offence
- A failure to comply with a statutory or legal obligation.
- Improper unauthorised use of funds
- Deliberate concealment or complicity in any of the above

BDAT will ensure that any allegations received in any way, including by anonymous letter or phone calls, will be taken seriously, and investigated in an appropriate manner (see also Whistle Blowing Policy and Staff Discipline Policy).

The direct BDAT contact for any reporting of allegations of fraud via:
Responsible Officer - Ashley Reed (Chief Financial Officer)– Ashley.reed@bdat-academies.org

BDAT recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. BDAT will not tolerate harassment or victimisation and will do what it lawfully can to protect an individual when a concern is raised in good faith.

This does not mean that if the person raising the concern is already the subject of a disciplinary, redundancy or other procedure, that those procedures will be halted as a result of the concern being reported.

BDAT will deal firmly with those who defraud the organisation, or who are corrupt, or where there has been financial malpractice. There is, of course, a need to ensure that any investigation process is not misused, therefore any abuse (such as staff raising malicious allegations) may be deal with as a disciplinary matter.

Steps to be taken in the Reporting Process

1.	Staff to report suspicions to line manager, Chief Financial Officer, Chief Executive (or via Whistleblowing Policy) or HR if more appropriate). Line manager (or member of staff) should be supported with physical or electronic evidence. If this does not exist the Chief Financial Officer, Chief Executive Officer, Risk & Audit Committee will decide whether there is a case to answer.
2.	Based on initial evidence from line manager (or member of staff), the Risk and Audit Committee HR may refer to the Peer Reviewer for advice on evidencing potential fraud or corruption and decide whether the matter warrants an investigation.
3.	If an investigation is deemed appropriate, the Risk and Audit Committee and Chief Financial Officer will appoint independent investigating officer (Manager or Peer Reviewer) to carry out a 'fact finding' investigation meeting with the staff at the earliest date.
4.	The investigating officer will follow the staff discipline and policy and procedure, and interview the member of staff and any witnesses to establish and record adherence/non-adherence to policies and procedures. The investigating officer will report their findings to the Risk and Audit Committee and HR advise as to whether there is still a case for the member of staff to answer the allegations.
5.	At this stage, if concerns arise that a criminal act may have taken place, the Risk and Audit Committee and HR, will advise the Chief Executive of any recommendation to refer the matter to the police,
6.	If liaison with the police is deemed appropriate, the Chief Executive Officer will decide if any BDAT action would compromise a police investigation. If so the Chief Executive Officer will decide if deferral of the investigation is required. The Chief Executive Officer will also seek advice from HR whether it is appropriate to suspend the member of staff pending a formal investigation and disciplinary hearing.
7.	The staff disciplinary policy and procedure will be followed hereon to the appropriate conclusion.

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Fraud Indicators:

The DfE has produced a fraud indication list that shows areas where fraud can occur (see attached appendix).

Appendix 1 - DfE Fraud Indicators:

REF	AREA	RESPONSE
1	**Possible Personal Motives**	
1.1	Personnel believe they receive inadequate compensation and/or rewards (recognition, job security, vacations, promotions etc.)	
1.2	Expensive lifestyle (cars, trips etc.)	
1.3	Personal problems (gambling, alcohol, drugs, debt, etc.)	
1.4	Unusually high degree of competition/peer pressure	
1.5	Related party transactions (business activities with personal friends, relatives or their companies)	
1.6	Conflicts of interest	
1.7	Disgruntled staff (recently demoted, reprimanded etc.)	
1.8	Recent failure associated with specific individual	
1.9	Personal animosity or professional jealousy	
2	**Possible Organisational Motives**	
2.1	Organisation experiencing financial difficulty	
2.2	Commercial arm experiencing financial difficulty	
2.3	Tight or under unusually tight time deadlines to achieve level of outputs	
2.4	Organisation governance lacks clarity and direction	
2.5	Organisation closely identified with/dominated by one individual	
2.6	Organisation under pressure to show results (budgetary, exam results etc.)	
2.7	Organisation recently suffered disappointment /reverses /consequences of bad decisions	
2.8	Organisation wants to expand its scope, obtain additional funding	
2.9	Funding award up for continuation	
2.10	Organisation due for a site visit by auditors, Ofsted or others	
2.11	Organisation has for-profit component	

REF	AREA	RESPONSE
2.12	Organisation recently affected by new/changing conditions (regulatory, economic, environmental etc.)	
2.13	Organisation faces pressure to use or lose funds to sustain future funding levels	
2.14	Record of previous failure(s) by one or more organisational areas	
2.15	Sudden change in organisation practice or pattern of behaviour	
3	**Internal Controls Are Weak**	
3.1	Management demonstrates lack of attention to ethical values (lack of communication regarding importance of integrity and ethics, lack of concern about presence of temptations and inducements to commit fraud, lack of concern regarding instances of fraud, no clear fraud response plan or investigation policy)	
3.2	Management fails to specify needed levels of competence	
3.3	Management displays a penchant for taking risks	
3.4	Lack of an appropriate organisational and governance structure with defined lines of authority and reporting responsibilities	
3.5	Institution lacks policies and communication relating to individual accountability and best practices e.g. procurement travel and subsistence. use of alcohol declarations of interest	
3.6	Lack of personnel policies and recruitment practices	
3.7	Institution lacks personnel performance appraisal measures or practices	
3.8	Management displays lack of commitment towards the identification and management of risks relevant to the preparation of financial statements (does not consider significance of risks, likelihood of occurrence or how they should be managed)	
3.9	There is inadequate comparison of budgets with actual performance and costs, forecasts and prior performance; no	

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REF	AREA	RESPONSE
	regular reconciliation of control records and lack of proper reporting to governing body	
3.10	Management of information systems is inadequate (no policy on information technology security, computer use and access, verification of data accuracy completeness or authorisation of transactions)	
3.11	There is insufficient physical security over facilities, assets, records, computers, data files, cash; failure to compare existing assets with related records at reasonable intervals	
3.12	There is inadequate or inappropriate segregation of duties regarding initiation, authorization and recording of transactions, maintaining custody of assets	
3.13	Accounting systems are inadequate (ineffective method for identifying and recording transactions, no tracking of time periods during which transactions occur, insufficient description of transactions and to which account they should be allocated to, no easy way to know the status of funds on a timely basis, no adequate procedure to prevent duplicate payments or prevent missing payment dates, etc.)	
3.14	There is a lack of internal, ongoing monitoring of controls which are in place; failure to take any corrective actions, if needed	
3.15	Purchasing systems/procedures inadequate (poor or incomplete documentation of purchase, payment, receipt; poor internal controls as to authorization and segregation of duties)	
3.16	Subcontractor records/systems reflect inadequate internal controls	
3.17	Management is unaware of or displays lack of concern regarding applicable laws and regulations e.g. Companies Acts, Charities Acts, Funding Agreement, Child Protection	
3.18	Specific problems and/or reportable conditions identified by prior audit, other audits, or other means of oversight have not been corrected History of problems Slow response to past findings or problems	

REF	AREA	RESPONSE
	Unresolved present findings	
3.19	No mechanism exists to inform management and governors of possible fraud	
3.20	General lack of management oversight	
4	**Transactional Indicators**	
4.1	Related party transactions with inadequate, inaccurate or incomplete documentation or internal controls (business/research activities with friends, family members or their companies)	
4.2	Not-for-profit entity has a for-profit counterpart with linked infrastructure (shared board of governors or other shared functions and personnel)	
4.3	Specific transactions that typically receive minimal oversight	
4.4	Previous audits with findings of questioned costs evidence of non-compliance with applicable laws or regulations and weak internal controls inadequate management response to any of above a qualified opinion	
4.5	Transactions and/or accounts which are difficult to audit or subject to management judgment and estimates	
4.6	Multiple sources of funding with inadequate, incomplete or poor tracking failure to segregate funds and/or existence of pooled funds	
4.7	Unusual, complex or new transactions, particularly if occur at year end, or end of reporting period	
4.8	Transactions and accounts operating under time constraints	
4.9	Cost sharing, matching or leveraging arrangements where industry money or other donation has been put into a foundation (as in a foundation set up to receive gifts) without adequate controls to determine if money or equipment has been spent/used and whether it has gone to allowable costs	

REF	AREA	RESPONSE
	and at appropriate and accurate valuations; outside entity such as foundation provided limited access to documentation	
4.10	Travel accounts with inadequate, inaccurate or incomplete documentation or poor internal controls such as appropriate authorisation and review variances between budgeted amounts and actual costs claims in excess of actual expenses reimbursement for personal expenses claims for non-existent travel collecting duplicate payments	
4.11	Credit card accounts with inadequate, inaccurate or incomplete documentation or internal controls such as appropriate authorisation and review	
4.12	Accounts in which activities, transactions or events involve handling of cash or wire transfers; presence of high cash deposits maintained with banks	
4.13	Assets and inventory are of a nature to be easily converted to cash (small size, high marketability, lack of ownership identification, etc.) or easily converted to personal use (cars, houses, equestrian centres, villas etc.)	
4.14	Accounts with large or frequent shifting of budgeted costs from one line item to another without adequate justification	
4.15	Payroll (including fringe benefits) system: Controls inadequate to prevent an individual being paid twice, or paid for non-delivery or non-existence; or outsourced but poor oversight of starters / leavers and payments	
4.16	Consultant agreements which are vague as to work, time period covered, rate of pay, product expected; lack of proof that product or service actually delivered	
4.17	Subcontract agreements which are vague as to work	

REF	AREA	RESPONSE
	time period covered. rate of pay. product expected. Lack of proof that product or service actually delivered	
5	**Possible methods of committing/concealing fraud**	
5.1	Auditee issues such as Refusal or reluctance to turn over documents Unreasonable explanations Annoyance at questions Trying to control the audit process (timetables, access, scope) Auditee blames a mistake on a lack of experience with financial requirements or regulations governing funding Promises of cooperation followed by subsequent excuses to limit or truncate co-operation subtle resistance Answering a question that wasn't asked Offering more information than asked Providing wealth of information in some areas, little to none in others Explaining a problem by saying "we've always done it that way", or "someone at EFA/DfE (or elsewhere) told us to do it that way" or "Mr X said he'd take care of it" A tendency to avoid personal responsibility (overuse of "we" and "our" rather than "I"); blaming someone else Too much forgetfulness Trying to rush the audit process	
6	**Record Keeping /Banking/Other**	
6.1	Documents Missing documents Documents are copies, not originals	

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REF	AREA	RESPONSE
	Documents in pencil Altered documents False signatures/incorrect person signing	
6.2	Deviation from standard procedures (all files but one handled a particular way; all documents but one included in file, etc.)	
6.3	Excessive journal entries	
6.4	Transfers to or via any type of holding or suspension account	
6.5	Inter-fund loans to other linked organisations	
6.6	Records maintained are inadequate, not updated or reconciled	
6.7	Use of several different banks, or frequent bank changes; use of several different bank accounts	
6.8	Failure to disclose unusual accounting practices or transactions	
6.9	Uncharacteristic willingness to settle questioned costs Non-serial-numbered transactions or out-of-sequence invoices or other documents Duplicate invoices Eagerness to work unusual hours Access to/use of computers at unusual hours Reluctance to take leave Insistence on doing job alone Refusal of promotion or reluctance to change job	
6.10	Creation of fictitious accounts, transactions, members of staff, charges Writing large cheques to cash or repeatedly to a particular individual Excessive or large cash transactions Payroll checks with unusual/questionable endorsements Payees have similar names/addresses Non-payroll checks written to a member of staff	

REF	AREA	RESPONSE
6.11	Defining delivery needs in ways that can only be met by one source	
6.12	Continued reliance on person/entity despite poor performance	
6.13	Charging items to project account for personal purposes (books and supplies bought for family members, home gym equipment charged to project account etc.)	
6.14	Materials erroneously reported as purchased; repeated purchases of same items; identical items purchased in different quantities within a short time period; equipment not used as promised, doesn't work, doesn't exist	