



The Henrietta Barnett School

Fraud Policy

1. Introduction

The Henrietta Barnett School requires all Staff and Governors to act honestly and with integrity at all times and to safeguard the public resources for which they are responsible. The School will not accept any level of fraud or corruption; consequently, any case will be thoroughly investigated and dealt with appropriately. The School is committed to ensuring that opportunities for fraud and corruption are reduced to the lowest possible level of risk. See the DfE's Fraud Awareness: Good Practice for education and training providers (September 2025)

2. What constitutes Fraud?

Fraud is deception carried out in order to gain an unfair advantage or to disadvantage another. It may involve the misuse of funds or other resources, or the supply of false information.

The Fraud Act 2006, came into force on 15th January 2007, and fraud has been given a legal definition. The act introduces the provision for a general offence of fraud which is broken into three sections:

a. Fraud by false representation

Representation must be made dishonestly, and is made with the intention of making a gain or causing a loss or risk of loss to another. A representation is defined as false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading. Representation can be stated by words or communicated by conduct i.e. written, spoken or by electronic means.

b. Fraud by failing to disclose information

Fraud by failing to disclose information details that a fraud has been committed if a person fails to declare information which he/she has a legal duty to disclose. There is a requirement that the person acts dishonestly and intends to make a gain for himself / herself, cause a loss to another or expose another to a risk of loss.

c. Fraud by abuse of position

Fraud by abuse of position requires a person who is in a privileged position to act dishonestly by abusing the position held; and by doing so, fails to disclose to another person, information which he/she is legally required to disclose. The dishonest act must be with the intention of making a gain for himself/ herself or another. Alternatively it may be with the intention of causing a loss or risk of loss to another. The offence may be committed by omitting to make a declaration as well as by an act.

The introduction of the Fraud Act 2006, does not prevent the prosecution of offences under the various Theft Acts and Forgery and Counterfeiting Act, e.g. theft, counterfeiting and falsification of documents.

a. Corruption

Corruption is a specific type of fraud and involves "The offering, giving, soliciting or acceptance of any inducement or reward which may influence the action of any person". Corruption involves two or more people. Corruption does not always result in a loss, indeed the corrupt person may not benefit directly from their deeds.

b. Irregularity

An irregularity may be any significant matter or issue, other than fraud or corruption, which is so defined and prescribed by the governing body as to fall within the general principles of this policy and may warrant consideration or investigation under the fraud response procedure. For example, an irregularity may be where a member of staff makes a genuine error or mistake in the course of

their duties/responsibilities, but where this error or mistake is subsequently hidden from the governors, perhaps to the on-going detriment of the academy. Additionally, an irregularity may also involve consideration of the possible inappropriate use of academy funds or assets, which may not technically constitute fraud or corruption.

3. Types of Fraud

Common types of fraud in the UK include theft, fictitious (and falsification of) invoices and credit card fraud. The School is vigilant and proactive in relation to cybercrime and have cyber-security arrangements in place.

4. Procedure for Reporting Fraud

Vigorous and prompt investigations will be carried out into all cases of actual or suspected fraud discovered or reported in accordance with the School's Whistleblowing Procedure. All matters will be dealt with in confidence and in strict accordance with the terms of the Public Interest Disclosure Act 1998 which protects the legitimate personal interests of staff.

In line with the Academy Trust Handbook 2025, the School will notify the DfE of any instances of fraud, theft and/or irregularity exceeding £5,000 individually, or £5,000 cumulatively in a financial year. Any unusual or systematic fraud (e.g. regular occurrences of low value theft), regardless of value, must also be reported. Paragraph 6.10 of the Handbook explains the DfE notification process via email.

5. Fraud Response and Investigation Plan

The School has a Fraud Response and Investigation Plan that sets out how to report suspicions, how investigations will be conducted and concluded. This plan forms part of the school's Fraud Policy (Appendix).

Annex 4.9 of the HM Treasury publication [Managing Public Money](#) highlights the responsibilities and expectations of public sector organisations in relation to fraud. An effective fraud risk management strategy involves:

- assessing overall vulnerability to fraud
- testing internal control systems for robustness
- identifying the area's most vulnerable to fraud risk
- evaluating the scale of fraud risk
- responding to the fraud risk through improved control arrangements
- measuring the effectiveness of the risk strategy to potential fraud
- reporting fraud

The most effective way to manage the risk of fraud is to prevent it from happening by developing an effective anti-fraud culture.

6. Responsibilities

The Head as the Accounting Officer is accountable for establishing and maintaining a sound system of internal control that supports the achievement of the School's policies, aims and objectives. The system of internal control is designed to respond to and manage the whole range of risks that the school faces. The system of internal control is based on an on-going process designed to identify the principal risks, to evaluate the nature and extent of those risks and to manage them effectively. Managing fraud risk will be seen in the context of the management of this wider range of risks.

Overall responsibility for managing the risk of fraud has been delegated to the **School Business Manager**. The responsibilities of the School Business Manager therefore include:

- Developing a risk management plan as part of the risk management process and undertaking a regular review of the fraud risks associated with each of the categories in order to keep the risk management plan current;
- Establishing and maintaining an effective Fraud Policy and Fraud Response and Investigation Plan, commensurate to the level of fraud risk identified in the risk management plan;
- Designing an effective control environment to prevent fraud commensurate with the risk management plan;
- Establishing appropriate mechanisms for:
 - reporting fraud risk issues;
 - reporting significant incidents of fraud to the Accounting Officer;
 - external reporting in compliance with Company Law, Accounting Standards and Charity Commission expectations;
- Coordinating assurances about the effectiveness of Fraud policies to support the Statement of Internal Control;
- Liaising with the Finance, Audit & Fundraising Committee on issues of fraud prevention, detection, and management;
- Making sure that all staff are aware of the School's Fraud Policy and know what their responsibilities are in relation to combating fraud;
- Taking appropriate action to recover assets;
- Ensuring that appropriate action is taken to minimise the risk of similar frauds occurring in future.

All Budget Holders are responsible for:

- Ensuring that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively;
- Preventing and detecting fraud;
- Assessing the types of risk involved in the operations for which they are responsible;
- Regularly reviewing and testing the control systems for which they are responsible;
- Ensuring that controls are being complied with and their systems continue to operate effectively;
- Implementing new controls to reduce the risk of similar fraud occurring where frauds have taken place.

The External Auditor is responsible for:

- Delivering an opinion to the Accounting Officer on the adequacy of arrangements for managing the risk of fraud and ensuring that the school promotes an anti-fraud culture;
- Assisting in the deterrence and prevention of fraud by examining and evaluating the effectiveness of control commensurate with the extent of the potential exposure/risk in the various segments of the school's operations;
- Ensuring that the School has reviewed its risk exposures and identified the possibility of fraud as a business risk;
- Assisting the School in conducting any fraud investigations;
- Reporting to the school's Finance, Audit & Fundraising Committee on the efficiency of controls for the prevention, detection and management of fraud.

Every member of staff is responsible for:

- Acting with propriety in the use of official resources and the handling and use of public funds whether they are involved with cash or payments systems, receipts or dealing with suppliers or the School's decision-making bodies;
- Conducting themselves in accordance with the seven principles of public life set out in the first report on Standards in Public Life by the Nolan Committee. They are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership;
- Being alert to the possibility that unusual events or transactions could be indicators of fraud;

- Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or become aware of any suspicious acts or events;
- Cooperating fully with whoever is conducting internal checks or reviews or fraud investigations.

The Governing Body

- The Chair is responsible for ensuring that an adequate system of internal control exists and that controls operate effectively;
- All Governors are responsible for:
 - Abiding by the school's policies and regulations and the guidance on Codes of Practice for Board Members of Public Bodies.
 - Being alert to the possibility that unusual events or transactions could be indicators of fraud;
 - Reporting details immediately through the appropriate channel if they suspect that a fraud has been committed or see any suspicious acts or events;
 - Co-operating fully with whoever is conducting internal checks or reviews or fraud investigations.

Monitoring and Review: This policy will be reviewed every 2 years by the School Business Manager.

Ratified by Governors' Finance, Audit & Fundraising Committee: January 2026

Next Update: January 2028

Appendix to Fraud Policy: Fraud Response and Investigation Plan

1. Introduction

The purpose of this plan is to define the responsibilities for action in the event of a suspected fraud. Its focus is to:

- establish responsibilities for investigating the incident and taking appropriate action
- establish and secure evidence for disciplinary and/or criminal action
- prevent further loss
- recover losses
- establish lines of communication with the police.

2. Procedure

- i. Action of employees/governors/trustees - if you become aware of a suspected fraud or irregularity, you should write down your concerns immediately. Make a note of all relevant details, such as what was said on the telephone or during other conversations, the date, the time and the names of anyone involved. Report the matter immediately to the School Business Manager or in their absence the Head or Deputy Head. When you report your concerns you must be prepared to hand over any notes or evidence you have already gathered. Confidentiality is of paramount importance throughout the process.
- ii. A member of staff or Governor may choose to report concerns anonymously and such anonymity will be respected. It should be noted that if the report suggested criminal activity and the case is referred to the police, the identity of the person reporting the details will be needed at a later date if criminal proceedings are to be pursued effectively. Identification is preferred and will assist the investigation.
- iii. You must not do any of the following:
 - contact the suspected perpetrator in an effort to determine the facts and demand answers
 - discuss the case facts, suspicions or allegations with anyone other than members of the Finance and Fundraising Committee and their nominated investigators.
 - attempt to personally conduct an investigation of your own.

3. Malicious allegations

If an allegation is made frivolously, in bad faith, maliciously or for personal gain, disciplinary action may be taken against the person making the allegation.

4. Action by the school

- i. The school has incorporated the role of an Audit Committee into the responsibilities of the Finance and Fundraising Committee. A suspected fraud situation will be reported to the Finance, Audit & Fundraising Committee without undue delay.
- ii. Members of the Senior Team must immediately inform the Head of any concerns reported to them.
- iii. Any member of staff who reports a suspected fraud should feel confident they will be listened to seriously and sensitively. They should be given a fair hearing and they should feel reassured that they will not suffer because they have voiced their suspicions.
- iv. If any of the core membership of the Finance and Fundraising Committee are personally implicated in the suspected fraud, it should be reported instead directly to the Chair of Governors and Chair of the Finance, Audit & Fundraising Committee. In such circumstances, the Chair of Governors will determine, in consultation with the Head and the Chair of the Finance, Audit & Fundraising Committee, the procedure for examining the facts of the suspected fraud, any subsequent investigation and for deciding action.
- v. The Finance, Audit & Fundraising Committee will be kept informed when any suspected fraud is reported. An extraordinary meeting of the Committee may be convened.
- vi. The Finance, Audit & Fundraising Committee will consider the report of suspected fraud and decide:

- whether to instigate an investigation to establish the facts of what has taken place
 - whether to recommend that the matter is reported to the police
 - whether to recommend to suspend the individual(s) suspected pending further investigation (see 5. below).
- vii. Where further evidence is required before deciding whether to instigate an investigation, the Finance, Audit & Fundraising Committee will commission the gathering of further evidence and reconsider the position in order to make a decision.

5. Suspension pending investigation

- i. The Finance, Audit & Fundraising Committee will consider whether to make a recommendation to suspend the individual(s) suspected pending further investigation. The prime consideration in this respect is to prevent further loss and/or the destruction or removal of evidence.
- ii. Where an individual is to be suspended they should be approached unannounced and asked to attend a meeting, where the suspension is confirmed and explained. Wherever possible, they should be given the opportunity to be accompanied at the meeting by a trade union representative or work colleague. If it is not possible for them to be accompanied, the meeting may proceed nonetheless so that action can be taken to prevent further loss and/or the destruction or removal of evidence. Following suspension, the individual(s) will be supervised at all times before leaving the premises.
- iii. Suspension pending investigation of suspected fraud does not imply that it has been established that fraud has taken place and does not represent disciplinary action. Members of staff will remain on full pay during the period of suspension.

6. Investigation of suspected fraud

- i. The Finance, Audit & Fundraising Committee will normally commission an internal investigation of the suspected fraud, but will have authority to appoint other experts to conduct the investigation where necessary.
- ii. The school, its employees and Governors will make available to the investigator all such information and records as are necessary to pursue the investigation.
- iii. The matters investigated will be kept confidential in so far as this does not hinder or frustrate the investigation process.
- iv. The investigator will prepare a report setting out their findings from the investigation. The report will cover:
 - an opinion on whether a fraud has been committed and the reasons and summary evidence in support of the opinion
 - where the opinion is that a fraud has been committed, description of the fraud, value of loss, people involved and the means by which the fraud was perpetrated
 - measures already taken or to be taken to prevent recurrence
 - any recommendations for action to strengthen future responses to fraud.
- v. The Finance, Audit & Fundraising Committee will consider the report and determine whether it demonstrates that a fraud has been committed and who may be responsible. In the light of their conclusions, the Committee will decide the action to be taken, as follows:
 - if it is determined on the basis of the evidence that no fraud has taken place, the Finance, Audit & Fundraising Committee will agree action to ensure that all relevant parties are informed. If any individual(s) have been suspended pending investigation, the School Business Manager will be responsible for advising on action relating to the lifting of the suspension in the case of staff.
 - if it is determined on the basis of the evidence that a fraud has taken place, the Finance, Audit & Fundraising Committee will refer to the Disciplinary Procedure in the case of staff. The Committee will also agree any action necessary under the School's requirements for reporting to external bodies such as the ESFA and The Audit Commission. The Finance, Audit & Fundraising Committee may recommend to the Head that the matter is reported to

the police if this has not happened at an earlier stage and/or that civil action is taken to recover losses.

- if the report recommends improvements to the school's control systems, the School Business Manager will ensure that these are implemented at the earliest opportunity.

vi. Where the matter is referred to staff disciplinary procedures, a separate investigation under those procedures will be necessary and evidence from the Finance, Audit & Fundraising Committee's investigation will form part of the disciplinary investigation.

7. Recovery of losses

The Finance, Audit & Fundraising Committee will assess the opportunity for recovering any losses, including taking legal action through the Courts, where appropriate. The Head will be responsible for ensuring that any legal action is pursued.

This policy will be reviewed annually. It was last reviewed in January 2026.