



## Fraud Policy and Response Plan

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Lead Staff	Mary Barber
Chair of Governing Body	Alex Krutnik
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## Vision and Values

Our school vision is to provide an *outstanding, nurturing, learning environment*, where all our pupils can achieve their full potential and progress to lead happy and fulfilling lives.

Our mission is to provide each and every pupil with the best possible education, delivered in an environment that is supportive, caring and safe.

*“Getting it right for every pupil”*

At Stone Bay we focus on *Evolving Excellence* in all that we do, working towards making our school the best it can be for pupils, staff and families. We are creating lasting *Trust* with all our stakeholders, *Empowering* each other to learn and grow. By adhering to policies and clear processes we ensure *Fairness* and transparency in our decision making and actions, whilst ensuring we are *Collaborating* with others and always looking for ways to help each other to deliver excellence for our pupils.

## Rights Respecting Schools

The Unicef UK Rights Respecting School Award (RRSA) is based on principles of equality, dignity, respect, non-discrimination and participation. The RRSA seeks to put the UN Convention on the Rights of the Child at the heart of a school's ethos and culture to improve well-being and develop every child's talents and abilities to their full potential. A Rights Respecting School is a community where children's rights are learned, taught, practised, respected, protected and promoted.

Stone Bay has been awarded the Silver Award by UNICEF. This is awarded to UK schools that show good progress towards embedding children's rights in the school's policy, practice and ethos, as outlined in the RRSA Strands and Outcomes

## Staff wellbeing

The Leadership Team and the Governing Board of Stone Bay School are committed to promoting positive mental, physical and emotional wellbeing and to providing suitable support for all staff. Taking action to prevent ill health and promote good health makes good educational and business sense, as sickness absence carries high costs both in monetary terms and in terms of the impact upon performance, teaching and learning, morale and productivity, which may disrupt or compromise pupil progress.

All members of staff are entitled to be treated fairly and professionally at all times. The Governing Board of Stone Bay School takes very seriously its duty of care as an employer to all members of staff and a number of policies and procedures have been made in relation to this duty.

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### 1. Policy statement

Stone Bay School has a zero-tolerance policy towards fraud, bribery and corruption. All staff, governors and volunteers are expected to act with honesty and integrity, according to the principles set out in our codes of conduct for their role.

Stone Bay School will thoroughly investigate any suspected or proven cases of fraud or attempted fraud. Disciplinary or legal action, or both, will be taken where appropriate.

#### 1.1 Policy aims

This policy sets out the school's approach to preventing, detecting, and responding to fraud. It aims to:

- Promote an anti-fraud culture within the school
- Define what constitutes fraud
- Outline the responsibilities of the school community in preventing and reporting suspected fraud, or attempts to defraud
- Establish clear procedures for reporting and investigating suspected fraudulent activities
- Set out the actions that may be taken in response to suspected and confirmed fraud

## 2. Legislation and guidance

This policy reflects the following legislation and guidance:

- [Fraud Act 2006](#) - which sets out a definition of fraud
- [Bribery Act 2010](#) - which sets out a definition of bribery
- [Schools financial value standard](#) - which sets out the financial health and resource management standards schools need to confirm they have met in the schools financial value standard
- [Fraud awareness: good practice for education and training providers](#) - guidance to help schools and trusts manage the risk of fraud
- [The School Governance \(Roles, Procedures and Allowances\) \(England\) Regulations 2013](#)
- Our local authority's scheme for financing schools [KCC Scheme for Financing Schools](#)

## 3. Definitions

### 3.1 Fraud

Fraud is deception carried out by a person in order to:

- Gain an unfair advantage for themselves or another, or
- Cause loss to another, or put another at risk of loss

It may involve:

- Supplying false information (known as 'false representation')
- Failing to disclose information that you are legally required to disclose
- Abusing a position of financial responsibility

Examples of fraud in the education sector may include:

- Theft, such as retaining cash collected for school dinners or school trips, or taking away school assets for personal use
- False claims, such as travel which did not take place or claims for unworked overtime
- Unauthorised purchase of school equipment for personal use
- Improper use of petty cash for personal purposes
- Failing to charge appropriately for goods or services, such as not charging for school rooms used for private functions
- Processing false invoices for goods or services not received, and pocketing the proceeds
- Making false entries on the payroll, such as inventing a fictitious employee and arranging to be paid an additional salary

- Payment of inappropriate bonuses
- Misusing school financial systems to run a personal business
- Separating purchases to avoid tendering thresholds
- Suppliers or contractors failing to deliver the agreed goods or services, but still being paid in full

### 3.2 Bribery

Bribery is the giving, promising or offering, or receiving or soliciting something of value, as a means to influence the actions of an individual or organisation in a position of power.

### 3.3 Corruption

Corruption is the abuse of entrusted power for private benefit that usually breaches laws, regulations, standards of integrity and or standards of professional behaviour.

## 4. Roles and responsibilities

### 4.1 Headteacher

- Put in place robust internal financial procedures and controls to prevent fraud
- Make sure all staff are aware of and follow this policy and the school's financial procedures, including internal controls to prevent and detect fraud
- Conduct preliminary enquiries into reports of suspected fraud or suspected attempts of fraud
- Reporting suspected fraud to the local authority's audit team
- Take appropriate disciplinary action where fraud, or an attempt to defraud, by a member of school staff is proven
- Take appropriate action if a volunteer is found guilty of fraud or attempted fraud
- Report cases of suspected fraud or attempts to defraud the governing body, the local authority and other relevant external authorities, such as the police, if appropriate

### 4.2 School business professional

- Establish and maintain robust financial procedures and controls to prevent fraud
- Conduct preliminary enquiries into reports of suspected fraud or suspected attempts of fraud

### 4.3 Governors

- Act in accordance with the [7 Nolan principles of public life](#)
- Maintain a basic understanding of the school's financial cycle and legal requirements on accountability, spending and procurement
- Oversee school spending
- Seek assurance from the headteacher and senior leaders that the school has adequate financial controls, also policies and procedures that are robust, understood and adhered to by all staff and volunteers
- Regularly review and approve the fraud policy and response plan
- Take appropriate action if a governor is found guilty of fraud or attempted fraud

#### 4.4 All school staff and volunteers

- Act with integrity and honesty
- Comply with the school's financial regulations, staff code of conduct and all other relevant policies and procedures
- Are vigilant, and report any suspicions of fraud, bribery or corruption immediately in accordance with the procedures outlined in this policy
- Cooperate fully with any formal investigation

## 5. Prevention

### 5.1 Procurement

All procurements must follow the local authority's procurement procedures.

All suppliers and providers are subject to robust due diligence to ensure they are not a fraud threat.

### 5.2 Cyberfraud

The school's cyber security measures meet/exceed the Department for Education's cyber security [standards](#) it should be working towards meeting them.

All new starters receive cybersecurity training, and all staff at all levels attend regular up-to-date 'refresher' training.

The school enforces strong password policies, and any employee who leaves has their account(s) disabled and permissions immediately removed from the school's digital IT systems.

### 5.3 Financial control measures

The school has adequate arrangements in place to safeguard against fraud and attempts to defraud. These include:

- Financial management checks, reconciling accounts at the end of each month and keeping an audit trail of documents
- Separation of duties, so no one member of staff is responsible for both validating and processing a transaction – for example, certifying that goods have been received and making the payment for them
- Strictly limited access to systems for authorising and making payments
- Spot checks on systems and transactions
- Investigation and logging of every incident of irregularity, including instances of attempted fraud
- Making staff members' financial responsibilities clear through written job descriptions and desk instructions

#### 5.4 Fraud awareness training

Staff at all levels are trained to be aware of fraud, including emerging and new technology-based frauds, (such as cyberfraud, see section 5.2), to help create a counter-fraud culture where challenge and reporting are encouraged.

Staff with higher levels of financial responsibility are encouraged to attend external counter-fraud events and training sessions as part of their ongoing professional development.

#### 5.5 Testing

Internal systems are regularly tested to assess robustness against fraud and error. Testing is carried out by KCC Financial Compliance department.

## 6. Reporting suspected fraud

### 6.1 How to report

Staff are encouraged to report concerns under the school's Whistleblowing Policy, which provides protection for those raising legitimate concerns in good faith.

Governors and volunteers should follow the same reporting procedure set out in the Whistleblowing Policy.

School-based volunteers should follow the same reporting procedure as set out for school-based staff in the whistleblowing policy.

Any staff member, governor or volunteer who suspects fraud, or an attempt to defraud, should report their concerns immediately to the headteacher.

If the suspicion involves the headteacher, they should report to the school business professional/other senior leader.

If the suspicion involves both the headteacher and school business professional/other senior leader, the report should be made to the chair of governors directly.

Reports should ideally be in writing, detailing the nature of the suspicion and all individual(s) involved (if known). Anonymous reports will be considered, but may be more challenging to investigate.

## 6.2 Confidentiality

All reports will be treated with the utmost confidentiality, consistent with the need to conduct a thorough investigation.

The identity of the person(s) making the report will be protected, as far practically possible.

## 7. Fraud response plan

### 7.1 Investigation procedures

Once a report is received, the school will take the following steps:

#### **Initial assessment:**

- The headteacher and/or school business professional (or chair of governors, as appropriate) will immediately conduct an initial assessment of the allegation, to determine its credibility and potential impact on the school
- The headteacher (or chair of governors, as appropriate) will immediately inform the governing board if the suspicion appears credible, and can be backed up by evidence
- The headteacher (or chair of governors, as appropriate) will immediately inform Kent County Council's Section 151 Officer via [internal.audit@kent.gov.uk](mailto:internal.audit@kent.gov.uk)

### **Securing evidence:**

- The headteacher and/or school business professional (or chair of governors, as appropriate) will take immediate steps to gather and secure all relevant evidence (for example, financial records, computer files, physical assets) to prevent its destruction or alteration
- The headteacher (or chair of governors, as appropriate) may take the decision to restrict access to relevant financial systems

### **Formal investigation**

This will be carried out by the local authority's internal audit team. All school staff, governors and volunteers are expected to cooperate fully when required to do so.

#### **7.2 Reporting to the police**

If there is evidence of criminal activity, the headteacher will submit a report to Action Fraud on 0300 123 2040, or via the [Action Fraud website](#) .

This decision will be made by the headteacher, in consultation with the chair of governors.

#### **7.3 Additional reporting requirements**

It is also important to report fraud to any organisation(s) that might be related to how the fraud has been committed/the type of fraud. Examples might include:

- An attempt to take money – inform the school's bank or credit card provider
- An attempt to steal the identity of an individual or the credentials of the school – inform relevant government departments or public bodies such as HMRC, the Department for Work and Pensions (DWP) or the Department for Business and Trade (DBT)
- An internet or phishing scam – you can report a cyber incident [here](#). You can forward suspicious emails to: [report@phishing.gov.uk](mailto:report@phishing.gov.uk) and forward texts to: 7726
- A data breach – may need to be reported to the Information Commissioner's Office [ICO](#)
- Using a particular online platform – inform the provider of the platform, e.g. the social media company
- An impact on an insurance policy – inform the insurance company
- Misuse of official certificates – inform the relevant awarding body
- Exploitation of the friends and/or family of the victim(s) whose details have been obtained via fraud – warn these people along with organisational contacts (such as contractors), whose details might have become known to or compromised by fraudsters

- Report serious incidents to the Charity Commission, including the ‘loss of charity money or assets’

#### 7.4 Suspension

If there is a reasonable suspicion that an employee has committed fraud, the employee may be suspended in accordance with the school’s disciplinary policy. This is not an assumption of guilt.

If there is reasonable suspicion that a governor has committed fraud, they will be suspended in accordance with [The School Governance \(Roles, Procedures and Allowances\) \(England\) Regulations 2013](#)

#### 7.5 Disciplinary action

If the formal investigation concludes that fraud (or attempted fraud) has been committed by a member of school staff, the school will take disciplinary action in accordance with the staff disciplinary policy.

Fraud is a serious offence and will typically lead to gross misconduct proceedings, which may result in dismissal.

Any disciplinary action will be separate from, but may run in parallel with, any criminal investigation.

Governors who are found guilty of fraud will be removed in accordance with [The School Governance \(Constitution\) \(England\) Regulations 2012](#) (see schedule 4 for the list of disqualifications).

#### 7.6 Recovery of losses

The school will take all reasonable steps to recover any funds or assets lost due to fraud. This may include:

- Seeking restitution from the individual(s) involved
- Pursuing civil legal action
- Claiming on the school’s insurance policies (if applicable)

## 8. Monitoring and review

The governing board will review this policy annually, or whenever there are significant changes to relevant legislation or the school’s financial practices, or following an incident of fraud or attempted fraud.

Lessons learned from any incident will be used to strengthen controls and update this fraud response plan.

## 9. Links to other policies

- Whistleblowing policy
- Staff code of conduct
- Staff disciplinary procedures