



# Fraud Awareness Policy

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Date: Autumn 2025

Review: Autumn 2028



## 1. INTRODUCTION

Ferndale Primary School is committed to the highest standards of honesty and integrity. We recognise our responsibility to protect public funds and to ensure that all resources are used appropriately and transparently.

This policy outlines how the school will prevent, detect, and respond to any form of fraud, corruption, or financial irregularity. It follows Department for Education (DfE) guidance:

- *Fraud awareness: good practice for education and training providers*
  - *Indicators for potential fraud: a generic checklist for education providers*
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## 2. DEFINITION OF FRAUD

Under the **Fraud Act 2006**, fraud includes:

- **False representation** – providing untrue or misleading information for personal gain.
- **Failure to disclose information** – not reporting something when there is a legal duty to do so.
- **Abuse of position** – using one's role dishonestly to benefit themselves or another.

Fraud also includes related offences such as:

- **Bribery or corruption**
- **Theft or misuse of assets**
- **False accounting or falsification of documents**
- **Money laundering**

Fraud awareness means not only knowing that fraud exists but understanding **how, why, and when** it occurs — and taking prompt, appropriate action.

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## 3. TYPES OF FRAUD AND EMERGING RISKS

Fraud may occur **internally** (by staff, contractors, or governors) or **externally** (by individuals or organisations outside the school).

Common and emerging fraud risks include:

- **Cyber fraud and phishing** – fake emails or messages trying to obtain passwords or financial data.
- **Malware** – malicious software designed to steal data or disrupt systems.
- **AI-based impersonation (deepfakes)** – artificial intelligence used to mimic voices or messages from school leaders or suppliers (as highlighted by Lloyds and TSB).
- **Mandate (invoice) fraud** – fraudsters requesting payment to new or false bank accounts.
- **Procurement and supplier fraud** – manipulation of tenders, purchase orders, or invoices.

- **Payroll or HR fraud** – false claims for hours, expenses, or qualifications.
- **Data manipulation or certificate fraud** – altering results or documents for personal advantage.
- **Financial statement fraud** – concealing liabilities or misrepresenting income.

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## 4. FRAUD INDICATORS AND WARNING SIGNS

The DfE identifies common **indicators of potential fraud**:

- Pressure to meet financial or performance targets.
- Poor separation of duties or lack of oversight.
- Changes to supplier bank details without confirmation.
- Staff living beyond their means or refusing to take holidays.
- Unusual or unrecorded transactions.
- Incomplete or missing documentation.
- Requests for urgent payments outside normal procedures.

Staff should report any of these warning signs immediately to the Headteacher or School Business Manager.

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## 5. PREVENTING FRAUD

To reduce risk, Ferndale Primary School will:

- Maintain strong **financial controls** and segregation of duties.
- Ensure **dual authorisation** for significant transactions and payments.
- **Verify all new suppliers** and bank detail changes using trusted contact details (not those in new correspondence).
- Protect data and systems through secure passwords and regular updates.
- Conduct regular **internal checks and reconciliations**.
- Require all staff to declare **conflicts of interest** annually.
- Foster a culture of openness and accountability.

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## 6. ROLES AND RESPONSIBILITIES

Role	Responsibilities
<b>Headteacher</b>	Overall responsibility for maintaining strong anti-fraud culture and ensuring staff compliance.
<b>Chair of Governors</b>	Oversight of fraud prevention arrangements and investigation outcomes.
<b>Chair of Finance</b>	Financial scrutiny, monitoring, and ensuring regular review of audit controls.

Role	Responsibilities
<b>School Business Manager</b>	Daily financial control, supplier verification, fraud monitoring, and record keeping.
<b>All Staff and Governors</b>	Stay vigilant, attend training, follow procedures, and report any concerns promptly.

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## 7. FRAUD DETECTION, REPORTING AND INVESTIGATION

All staff have a duty to report suspected fraud or irregularity.

Reports can be made to:

- The **Headteacher** or **Chair of Governors** (in confidence).
- The **Local Authority** finance or audit team.
- The **Department for Education (DfE)** via:  
**allegations.mailbox@education.gov.uk**
- **Action Fraud (Police)** – national reporting centre for fraud.

Reports will be treated confidentially and investigated promptly. The school will cooperate with external agencies where appropriate.

Anonymous reports will be taken seriously. Whistle-blowers are protected under the **Public Interest Disclosure Act 1998**.

Ferndale has a separate Whistleblowing policy that can be referred to as support.

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## 8. TRAINING, AWARENESS AND CULTURE

Fraud awareness is part of our school's safeguarding of public funds.

- All staff receive **induction and refresher training** on financial controls, cyber security, and fraud awareness.
- The School Business Manager will share **updates on new risks**, including AI-driven scams and cyber threats.
- Regular briefings will remind staff to be cautious of unexpected financial or data requests.

Creating a culture where staff **feel safe to question and report** concerns is essential.

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## 9. REVIEW AND MONITORING

This policy will be updated when significant new fraud risks or regulations arise, supported by periodic **internal audits** and control reviews.

Under the **Economic Crime and Corporate Transparency Act 2023**, organisations may be prosecuted if they fail to prevent fraud.

Ferndale Primary School will therefore take all necessary steps to comply with legal and regulatory expectations.