

Fraud Policy and Response Plan

Veritas Multi Academy Trust

Warden House Primary School, Deal

Pilgrims' Way Primary School, Canterbury

Mundella Primary School, Folkestone



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1. Policy statement

Veritas Multi Academy Trust has a zero-tolerance policy towards fraud, bribery and corruption. All staff, trustees, local governors and volunteers are expected to act with honesty and integrity, according to the principles set out in the codes of conduct for their role.

Veritas Multi Academy Trust will thoroughly investigate any suspected or proven cases of fraud or attempted fraud. Disciplinary or legal action, or both, will be taken where appropriate.

Veritas Multi Academy Trust will not pay ransoms for the restoration of systems following a cyber-attack.

1.1 Policy aims

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

- › Promote an anti-fraud culture within the trust
- › Define what constitutes fraud
- › Outline the responsibilities of the trust 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
- › [Academy trust handbook](#) – sections 6.9 to 6.13 provide information on the requirements on trusts for preventing and reporting fraud
- › [Schools resource management self-assessment checklist](#) – which sets out the appropriate financial management and governance arrangements academy trusts should have in place
- › [Fraud awareness: good practice for education and training providers](#) – guidance to help schools and trusts manage the risk of fraud
- › [Report fraud or financial irregularity to DfE](#) – how to report suspected fraud or financial irregularity in academy trusts
- › Our funding agreement and articles of association.

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 to put another at risk of loss

Fraud is not limited to financial incidents and could include, but is not limited to:

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

Some examples of financial fraud typically found in the education sector may include:

- › Theft, such as retaining cash collected for school dinners or school trips, or taking away school or trust assets for personal use
- › False claims, such as travel which did not take place or claims for unworked overtime
- › Unauthorised purchase of school or trust 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 or providing improper gifts or hospitality
- › 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 or trust 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 (including confidential information), 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. Trustees

- › Act in accordance with the [7 principles of public life \(the 'Nolan principles'\)](#)
- › Take full responsibility for the trust's financial affairs
- › Ensure the Trust adheres to the Academies Trust Handbook in relation to preventing fraud

- › Make sure that the trust has an effective system of internal control to prevent and detect fraud via the Scheme of Delegation
- › Take appropriate action if an executive leader or Trustee is found guilty of fraud, attempted fraud, bribery or corruption.

4.2. Risk and audit committee

- › Review the effectiveness of internal controls
- › Consider the outcomes of internal and external audit work related to fraud risks
- › Review the trust's risk register and makes sure risks are being addressed appropriately
- › Monitor the implementation of this policy and subsequent recommendation to Trust Board for formal ratification.

4.3. Accounting officer

- › Maintain oversight of the trust's financial transactions, including the implementation of robust internal controls
- › Ensure compliance with the Academy trust handbook
- › Ensure all staff, trustees, local governors and volunteers are aware of their responsibilities under this policy

4.4. Chief financial officer (CFO) / Trust Business Manager

- › Develop and maintain internal financial controls
- › Ensure financial records are full and accurate
- › Maintain the trust's risk register
- › Provide advice and guidance on fraud prevention and detection
- › Lead or coordinate fraud investigations as appropriate

4.5. School leaders

- › Implement this policy within their school
- › Ensure all staff are aware of and adhere to financial regulations and controls
- › Ensure all staff are aware of the whistleblowing process and procedures
- › Report any suspected fraud immediately in accordance with this policy

4.6. All school staff and volunteers

- › Act with honesty and integrity
- › Comply with the trust'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 Risk management

Under the Terms of Reference for the Risk and Audit Committee they are responsible for Risk Management across the Trust including oversight of fraud risk and the risk register.

The CFO maintains the risk register. The Risk and Audit Committee reviews the register at least annually, or whenever a significant change occurs.

5.2 Procurement

All procurements must follow the trust's procurement procedures.

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

5.3 Cyberfraud

The Trust aims to ensure the cybersecurity measures outlined by the Department for Education's cyber security standards for schools and colleges are met and implemented.

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

The Trust enforces strong password policies and multi-factor authentication (where appropriate), and any employee who leaves has their account(s) disabled and permissions immediately removed from the trust's digital IT systems.

5.4 Financial control measures

The trust 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
- › Budget monitoring approval required by Chair of Trust Board.

5.5 Fraud awareness training

Staff at all levels are trained to be aware of fraud, including regular, relevant training on emerging and new technology-based frauds (such as cyberfraud, see section 5.3), 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.

All staff are encouraged to sign up to the [DfE's fraud alerts notification service](#) to stay up to date on emerging issues related to fraud.

5.6 Testing

Internal systems are regularly tested to assess robustness against fraud and error. Testing is carried out by internal scrutiny and external audits. Audit report findings are shared with the Risk and Audit committee for review alongside the Risk Register.

6. Reporting suspected fraud

6.1 How to report

Staff are encouraged to report any concerns under the Trust's Whistleblowing Policy – see Policy on Trust website. If employees are unsure of how to report suspected fraud, please contact the Governance Professionals Email: governance.professional@veritasmatt.co.uk for guidance.

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

Initial assessment and formal investigation process

Will follow the process outlined within the Trust's Whistleblowing Policy.

If fraud, bribery or corruption has taken place, the investigation will outline:

- The extent of any fraud, theft or bribery which has taken place
- Identify all those involved
- Quantify any losses
- Identify any weaknesses in controls that allowed the fraud, or attempt to defraud, to occur

All relevant evidence will be gathered and preserved, including financial records, electronic data and witness statements.

If a member of staff is suspected of fraud, we will follow the investigation procedure set out in our disciplinary procedures.

7.2 Reporting to the DfE

The board of trustees must [notify the DfE](#) as soon as possible of all instances of fraud, theft or irregularity exceeding £5,000 individually, or £5,000 cumulatively in any financial year. Unusual or systematic fraud, regardless of value, must also be reported. The following information should be included, where possible:

- Full details of the events with dates
- The financial value of the loss
- Measures taken to prevent recurrence
- Whether it was referred to the police (and if not, why)
- Whether insurance or the risk protection arrangement have offset any loss

The DfE will not disclose the identity of any individual making a report without permission, unless there is a legal requirement to do so. If a report is made anonymously, it may not be able to investigate.

7.3 Reporting to the police

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

This decision will be taken by the accounting officer in consultation with the chair of trustees (or if the accounting officer is implicated, the chair of trustees in consultation with the risk and audit committee.

7.4 Additional reporting requirements

It is also important to report a fraud to organisations that might be related to how the fraud has been committed. Examples might include:

- › An attempt to take money – inform the trust's bank or credit card provider
- › An attempt to steal the identity of an individual or the credentials of the trust – 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 as a cyber incident [here](#). You can forward suspicious emails to: 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 certificates – inform the relevant awarding body
- › Exploitation of the friends and/or family of fraud victims whose details have obtained via fraud – warn these people, along with organisational contacts (such as contractors) whose details might have become known to or compromised by fraudsters

7.5 Suspension

If there is a reasonable suspicion that an employee has committed fraud, they may be suspended in accordance with the Trust's Discipline and Conduct policy. This is not an assumption of guilt.

Individuals running the trust (which includes but is not limited to trustees) who are suspected of fraud, may be suspended by the Charity Commission (**note:** it is not necessary for trusts to report directly to the Charity Commission, but the case may be referred if regularity action is needed).

7.6 Disciplinary action

If the investigation concludes that fraud has occurred, we will take disciplinary action in accordance with the trust's Discipline and Conduct 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.

Trustees who are found guilty of fraud will be removed in accordance with the trust's articles of association.

7.7 Recovery of losses

The trust 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 trust's insurance policies (if applicable)

8. Monitoring and review

The trust board/ risk and audit committee will review this fraud policy annually, or whenever there are significant changes to relevant legislation or the trust's financial practices or following an incident of fraud or attempted fraud.

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

9. Links to other policies

- › [Whistleblowing policy](#)
- › [Staff code of conduct](#)

➤ [Discipline and Conduct Policy](#)