

FRAUD

Key Guidance for Schools & Trusts

PREVENT • DETECT • REPORT • RESPOND

Fraud can happen in any organisation. Strong controls, a culture of honesty and vigilance, and timely action can prevent loss, protect reputation and ensure public funds are used properly.



Everyone has a role to play in preventing and detecting fraud. If something does not feel right, speak up.

WHAT IS FRAUD?

- ✓ Intentional deception for personal gain or to cause organisational loss.
- ✓ Theft or misuse of money, assets or data.
- ✓ False invoices, payments or expenses.
- ✓ Bribery, corruption or conflicts of interest.



Fraud is serious and must be challenged.

HOW FRAUD HAPPENS

- ✓ Weak controls create opportunity.
- ✓ Pressure may lead people to take risks.
- ✓ Rationalisation can make behaviour seem acceptable.
- ✓ Access to systems or funds increases exposure.



Understanding risk helps strengthen defences.

COMMON TYPES OF FRAUD

- ✓ Invoice and purchase fraud.
- ✓ Payroll, timesheet and expense fraud.
- ✓ Theft of cash or assets.
- ✓ Cyber-enabled fraud and phishing scams.



Be alert to unusual activity and red flags.

PREVENT FRAUD

- ✓ Maintain robust internal controls.
- ✓ Segregate duties and responsibilities.
- ✓ Use strong procurement processes.
- ✓ Reconcile accounts and bank statements regularly.
- ✓ Provide regular staff training.



Prevention is cheaper than investigation.

RED FLAGS TO WATCH

- ✓ Lifestyle does not match known income.
- ✓ Unusual supplier relationships.
- ✓ Missing or altered documentation.
- ✓ Reluctance to take leave.
- ✓ Overriding controls or due process.



If something looks unusual, report it.

DETECTING FRAUD

- ✓ Regular management oversight.
- ✓ Exception reports and data analytics.
- ✓ Internal scrutiny and independent review.
- ✓ Whistleblowing and staff feedback.
- ✓ Confidential reporting routes.



Early detection reduces loss and impact.

REPORTING FRAUD

- ✓ Report concerns immediately.
- ✓ Use your whistleblowing policy.
- ✓ Record concerns accurately and securely.
- ✓ The Trust should take all reports seriously.
- ✓ Report in good faith.



Speaking up can protect public funds.

RESPONDING TO FRAUD

- ✓ Act promptly and proportionately.
- ✓ Secure evidence and records.
- ✓ Investigate thoroughly and fairly.
- ✓ Take appropriate action.
- ✓ Review controls to prevent recurrence.



A clear response supports accountability.

YOUR ROLE

- ✓ Follow policies and procedures.
- ✓ Be honest and professional.
- ✓ Challenge and report concerns.
- ✓ Protect data, systems and assets.
- ✓ Support a zero-tolerance culture.



Everyone has a responsibility to prevent fraud.



NEED HELP OR ADVICE?

If you are unsure about fraud, speak to your Head of Finance, fraud lead, Data Protection Officer or a member of the Shard Business Services team.



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Part of the SBS Insight Hub
Professional Guidance Series



Produced by Shard Business Services
Helping you do more with less.

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Strong investigation, good governance and continuous improvement help protect pupils, staff, reputation and public funds.



This guidance supports good governance, accountability and a proportionate response to suspected fraud.

INVESTIGATING FRAUD

- ✓ Assess the risks and gather initial information.
- ✓ Secure evidence and protect confidentiality.
- ✓ Keep a written record of actions taken.
- ✓ Act proportionately and stay objective.
- ✓ Seek specialist advice if needed



A fair investigation supports effective outcomes.

WORKING WITH THIRD PARTIES

- ✓ Use suppliers who share your standards.
- ✓ Include anti-fraud clauses in contracts.
- ✓ Verify identity and bank details.
- ✓ Monitor performance and transactions.
- ✓ Report supplier concerns promptly.



Strong partnerships reduce organisational risk.

CYBER FRAUD AWARENESS

- ✓ Be alert to phishing emails and scams.
- ✓ Verify payment requests by phone.
- ✓ Use multi-factor authentication.
- ✓ Keep systems and software up to date.
- ✓ Back up data regularly and securely



Cyber-aware staff are your first line of defence.

PROTECTING CASH AND ASSETS

- ✓ Limit cash holdings and secure storage.
- ✓ Reconcile cash and assets regularly.
- ✓ Use secure systems for payments.
- ✓ Restrict access to assets and information.
- ✓ Report loss or theft immediately.



Protect assets today to prevent loss tomorrow.

WHISTLEBLOWING AND SPEAKING UP

- ✓ Promote a culture where staff speak up.
- ✓ Make it easy to report concerns.
- ✓ Protect confidentiality and anonymity.
- ✓ Do not tolerate retaliation.
- ✓ Act on all concerns raised.



Speaking up is valued and can prevent harm.

LEARNING AND IMPROVEMENT

- ✓ Review incidents and identify root causes.
- ✓ Update controls and policies as needed.
- ✓ Share lessons learned across the trust.
- ✓ Provide regular training and updates.
- ✓ Measure and monitor anti-fraud activity.



Learning from incidents strengthens defences.

GOVERNANCE AND LEADERSHIP

- ✓ Trustees set the tone from the top.
- ✓ Include fraud risk on the audit agenda.
- ✓ Ensure clear roles and responsibilities.
- ✓ Review anti-fraud policy regularly.
- ✓ Model integrity and ethical behaviour.



Visible leadership creates a culture of integrity.

RECORD KEEPING AND EVIDENCE

- ✓ Keep accurate and up-to-date records.
- ✓ Retain documents in line with policy.
- ✓ Track investigations and outcomes.
- ✓ Store evidence securely.
- ✓ Ensure data protection compliance.



Good records support investigations.

WHERE TO GET HELP

- ✓ Head of Finance or fraud lead.
- ✓ Internal auditor or audit committee.
- ✓ DfE Counter Fraud Team.
- ✓ Action Fraud and local police.
- ✓ Legal advice where appropriate.



Do not wait — seek advice early.

THE 5 KEY ACTIONS



Prevent

Strengthen controls and promote a culture of integrity.



Detect

Monitor activity and look for red flags regularly.



Report

Report concerns immediately using the right channels.



Respond

Act quickly, investigate thoroughly and take proportionate action.



Review

Learn from incidents and improve controls.



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