



Theft and Fraud Policy

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1. Purpose

The purpose of this policy is to:

- Protect the Trust's public funds, assets, systems and reputation
- Prevent, detect and respond appropriately to theft, fraud, irregularity and corruption
- Ensure compliance with the **Academy Trust Handbook (ATH)** and funding agreement
- Promote a culture of integrity, accountability and transparency
- Set out clear responsibilities for reporting, investigation and escalation

The Trust operates a **zero-tolerance approach** to theft, fraud and financial irregularity.

2. Status and Regulatory Framework

This policy is issued in accordance with the **Academy Trust Handbook (ATH)**, compliance with which **MUST be adhered to as a condition of the Trust's funding agreement.**

For clarity throughout this policy:

- **"MUST"** reflects **mandatory requirements** of the ATH
- **"SHOULD"** reflects **strongly recommended best practice** used by the DfE, auditors and regulators to assess governance effectiveness

Failure to comply with mandatory requirements may result in regulatory intervention.

3. Scope

This policy applies to:

- Trustees, Members and Local Governing Body members
 - Employees (permanent, temporary, agency and secondees)
 - Volunteers
 - Contractors, consultants and suppliers
 - Any party with access to Trust funds, assets, systems or information
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4. Definitions

- **Fraud:** Any deliberate act of deception intended to secure unfair or unlawful gain, including false representation, abuse of position, or failure to disclose information.
 - **Theft:** Dishonestly taking Trust property or funds without consent.
 - **Irregularity:** Use of Trust resources in breach of rules, guidance or delegated authority.
 - **Assets:** Money, equipment, ICT systems, data, intellectual property and reputation.
 - **Serious Incident:** A case of suspected or actual fraud, theft or irregularity that meets ATH reporting thresholds or exposes significant governance or control weaknesses.
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5. Policy Statement

The Trust is committed to:

- High standards of propriety, regularity and value for money
- Robust systems of internal control
- Timely and transparent reporting of serious incidents
- Fair, thorough and proportionate investigation of all concerns

Any theft or fraud against the Trust is considered a **serious matter** and may constitute **gross misconduct.**

6. Responsibilities

6.1 Board of Trustees

The Board of Trustees **MUST**:

- Ensure effective systems exist to prevent and detect fraud and theft
 - Maintain oversight of fraud risk and serious incident reporting
 - Ensure all reportable incidents are notified to the DfE as required
 - Review outcomes and lessons learned
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6.2 Audit & Risk Committee (or equivalent)

The committee **SHOULD**:

- Oversee fraud risk management and internal controls
 - Review incident reports and investigation outcomes
 - Monitor implementation of corrective actions
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6.3 Accounting Officer (CEO)

The Accounting Officer **MUST**:

- Ensure the Trust complies with ATH requirements
 - Promote an ethical culture and good financial governance
 - Ensure serious incidents are escalated and reported appropriately
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6.4 Chief Financial and Operating Officer (CFOO)

The CFOO **MUST**:

- Maintain effective financial controls and segregation of duties
 - Lead or commission investigations into suspected fraud or theft
 - Maintain a central register of incidents
 - Prepare and submit serious incident notifications
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6.5 Headteachers and Senior Leaders

Headteachers **MUST**:

- Implement Trust controls locally
 - Ensure staff awareness of this policy
 - Report concerns immediately
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6.6 All Staff and Others

All individuals **MUST**:

- Act honestly and with integrity
 - Protect Trust assets
 - Report suspected wrongdoing promptly
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7. Prevention and Internal Controls

In line with the ATH, the Trust **MUST** mitigate fraud risk through proportionate controls, including:

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- Segregation of duties
- Authorisation and approval limits
- Transparent procurement processes
- Regular reconciliations and reviews
- Declarations of interest and related-party controls

The Trust **SHOULD** support this through:

- Internal scrutiny and external audit
 - Periodic fraud risk assessments
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8. Reporting Concerns and Whistleblowing

Suspected theft or fraud **MUST** be reported immediately.

Reports may be made to:

- Headteacher
- CFOO
- CEO / Accounting Officer
- Chair of Trustees (where senior leaders are implicated)
- Via the Whistleblowing Policy

Individuals raising genuine concerns in good faith will be protected.
Malicious or knowingly false allegations may result in disciplinary action.

9. Investigation

All suspected incidents will be:

- Assessed promptly
- Investigated proportionately and confidentially
- Documented with secure evidence handling

Investigations may involve auditors, HR, legal advisors, insurers or law enforcement.

10. Serious Incident Reporting

10.1 Mandatory Reporting Thresholds (ATH)

The Trust **MUST notify the Department for Education (DfE) as soon as possible** of:

- Any fraud, theft or irregularity **exceeding £5,000 (single instance)**
 - **£5,000 cumulatively** in any financial year
 - **Any unusual or systematic fraud**, regardless of value
 - Significant cyber-enabled fraud or data compromise
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10.2 Timelines

The Trust will apply the following timelines:

- **Immediate internal notification:** Upon suspicion
- **Executive escalation:** Within **1 working day**
- **DfE notification:** **As soon as possible** once thresholds are met (normally within **24–72 hours**)

Delays are permitted only where reporting would prejudice a criminal investigation or facts are insufficient to confirm reportability.

10.3 Responsibility for Reporting

- Ultimate accountability: **Board of Trustees**
 - Operational accountability: **Accounting Officer**
 - Preparation and submission: **CFOO**
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10.4 Additional Notifications

As appropriate, the Trust may notify:

- External auditors
- Insurers
- Police or other authorities

This **does not replace** mandatory DfE reporting.

11. Disciplinary, Civil and Criminal Action

Where wrongdoing is proven, the Trust may:

- Dismiss staff (including summary dismissal)
 - Seek financial recovery
 - Refer matters to law enforcement
 - Notify insurers and regulators
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12. Record Keeping and Monitoring

The Trust **MUST**:

- Maintain a central incident register
- Retain investigation and reporting records
- Review trends and control weaknesses

The Trust **SHOULD**:

- Share lessons learned with leadership and trustees
 - Update risk registers and controls accordingly
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13. Review

This policy will be:

- Reviewed annually
- Updated following regulatory or governance change
- Re-approved by the Board of Trustees