Lincoln Christ's Hospital School

Anti-Fraud and Corruption Policy

Link member of staff:	**Finance Director**
Date presented to SLT:	**October 2026**
Date presented to Governors:	**October 2026**
Review Date:	**September 2027**

Contents

1 Introduction 3
2 Definitions 3
2.1 Fraud 3
2.2 Corruption 3
2.3 Theft 4
2.4 Bribery 4
2.5 Gifts and Hospitality 4
2.6 Further examples 4
3. Actions to Prevent Fraud 5
3.1 Remote Working 5
4. Roles and Responsibilities 5
4.1 Staff and Governors 5
4.2 Finance Director ..... **Error! Bookmark not defined.**
5. Anti-bribery 6
6. External Relations 6
7. Audit 7
7.1 Internal Audit 7
8. Procedures 7
8.1 Purpose 7
8.2 Reporting a Suspected Fraud and Irregularities: 7
8.3 Response to Allegations 8
9. Confidentiality and Safeguards 9
10. Links with other Policies and documentation 9
11. Recovery of Losses 9
12. Improvements to Systems 9
13. Reporting to the Police; Sanctions and Redress 9

1 Introduction

This policy and procedure defines the expected conduct of all staff engaged at the academy, whether in paid or voluntary employment, in relation to deterring and/or detecting fraud and corruption, and who to report it to. The academy aims to be an honest and ethical institution. As such, it is opposed to fraud and seeks to eliminate fraud by the way it conducts academy business.

The objective of this policy is to safeguard the proper use of the academy's finances and resources. This document sets out the academy's policy and procedures for dealing with the risk of significant fraud or corruption. In order to minimise the risk and impact of fraud, the academy's objectives are to:

- Create a culture which deters fraudulent activity, encourages its prevention and promotes its detection and reporting; and,
- Identify and document its response to cases of fraud and corrupt practices.

This policy, in line with the academy's corporate values of integrity, consistency, impartiality, fairness and best practice, provides both staff and management with mutually understood guidelines for the administration of this procedure.

The scope of this procedure extends to all academy employees, permanent, voluntary and fixed term.

If requested, employees may be accompanied by a recognised trade union representative or work colleague, not involved in any part of the process, at any interviews.

SLT and Governors have been provided with a copy of the most recent DfE document Fraud awareness: good practice for education and training providers.

2 Definitions

For clarity and transparency, the school adopts the following definitions:

2.1 Fraud

Fraud is a general term covering the intentional distortion of financial statements or other records, theft, deliberate misuse or misappropriation of assets or anything that leads to a financial advantage to the perpetrator or others upon whose behalf he or she acts, even if these "others" are in ignorance of the fraud. Fraud is in fact intentional deceit and for this reason it cannot include negligence.

Fraud incorporates theft, larceny, embezzlement, fraudulent conversion, false pretences, forgery, corrupt practices and falsification of accounts.

Examples of fraud in the context of a school environment could be:

- Falsifying or altering accounting records or other documents;
- Suppressing or omitting the effects of transactions from records or documents;
- Adding records of transactions which have no substance;
- Wilful misrepresentation of transactions or other school affairs.

2.2 Corruption

The term 'corrupt practices' is defined for the purpose of this code as the offering, giving, soliciting or acceptance of an inducement or reward which may influence the actions taken by the academy, its staff or Governors.

Examples of corruption in the context of a school environment could be in dealing with:

- Tenders;
- Contracts;
- Disposal of Assets.

2.3 Theft

The dishonest taking of property belonging to another with the intention of depriving that other permanently of its possession.

2.4 Bribery

Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.

Bribery is a serious criminal offence and the school does not and will not, pay bribes or offer improper inducement to anyone for any purpose. Equally the School does not and will not accept any bribes or improper inducements.

2.5 Gifts and Hospitality

Please refer to the Gifts and Hospitality Policy for more detailed guidance.

Business gifts and hospitality may be accepted by any member of staff. However, any gifts, rewards and benefits that are disproportionately generous or that could be seen as an inducement to affect a business decision should be declared.

The acceptance of gifts and hospitality is a sensitive area where actions can easily be misconstrued. Therefore, employees' actions should be such that they would not be embarrassed to explain them to anyone.

2.6 Further examples

The list below is not exhaustive but has been provided to offer some further guidance. Fraud and corruption can take many different paths. If in any doubt about whether a matter is an irregularity or not, clarification must be sought from the Finance Director.

Similarly, if there is concern or doubt about any aspect of a matter which involves an irregularity, or an ongoing investigation into a suspected irregularity, the best approach is to seek advice from the Headteacher.

- theft of cash;
- non-receipt of income;
- substitution of personal cheques for cash;
- travelling and subsistence claims for non-existent journeys/events;
- travelling and subsistence claims inflated;
- manipulating documentation to increase salaries/wages received, e.g. false overtime claims;

- payment of invoices for goods received by an individual rather than the academy;
- failure to observe, or breaches of, regulations and/or other associated legislation laid down by the academy;
- unauthorised borrowing of equipment;
- breaches of confidentiality regarding information;
- failure to declare a direct pecuniary or otherwise conflicting interest;
- concealing a generous gift or reward;
- unfairly influencing the award of a contract;
- creation of false documents;
- deception;
- using position for personal reward.

3. Actions to Prevent Fraud

The academy takes the following actions to prevent fraud:

- Implementing anti-fraud and whistleblowing policies, regularly updating these and communicating them to staff;
- Conducting regular anti-fraud awareness training events for finance staff;
- Highlighting to staff via this policy that they can also contact the ESFA with any concerns of possible irregularity or fraud;
- Ensuring management communications to pursue identified incidents of fraud;
- Regularly assessing the school's financial controls and ensuring they are well designed and implemented;
- Ensuring that there is appropriate segregation of duties in the school's controls;
- Regularly reviewing the school's processes for references and background checks on new employees;
- Scrutinising significant business transactions and personal relationships to avoid possible conflicts of interest;
- Installing a physical security system to protect the school's assets.

3.1 Remote Working

If staff work from home, they should be ultra-vigilant of potentially fraudulent activity. Fraudsters change their ways of operating during such times, and staff must maintain rigid systems and processes. As most finance work is now electronic and virtually paperless, exercising due diligence is crucial. During home working, Finance staff maintain daily communications and fraud awareness heightened. Regular updates from Lloyds Bank keep us informed of new scams that are circulating.

4. Roles and Responsibilities

4.1 Staff and Governors

Governors and school staff must demonstrate the highest standards of honesty, probity, openness and integrity in the discharge of their functions. This includes:

- Compliance with appropriate legislation, codes of conduct, conditions of service, and any other standards, guidelines or instructions which are relevant to the particular service or activity;
- providing a framework within which counter-fraud arrangements will flourish;
- Holding regular Finance Committee meetings;

- A requirement for all staff to declare prejudicial interests and not contribute to business related to that interest;
- A requirement for staff and governors to disclose personal interests;
- All staff and governors are made aware of the understanding on the acceptance of gifts and hospitality;
- Clear recruitment policies and procedures.

Prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the school or under its control. All staff including third parties working or performing any service on or behalf of the school are to avoid activity that breaches this policy, and must:

- Ensure that they read, understand and comply with the policy.
- Raise concerns as soon as possible if they suspect that this policy has been breached.

4.2 Finance Director

The Finance Director has a responsibility for ensuring that effective systems of internal controls are maintained and will safeguard the resources of the academy.

In respect of fraud, it is therefore the responsibility of the Finance Director to ensure internal controls prevent and detect any frauds promptly. This includes:

- Proper procedures and financial systems;
- Effective management of financial records;
- Management of the academy's financial position.

5. Anti-bribery

It is unacceptable to**:**

- Give, promise to give, or offer payment, gifts or hospitality with the expectation or hope that a favourable advantage will be received, or to reward a favourable advantage already given;
- Give, promise to give, or offer payment, gifts or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- Accept payment from a third party that is offered with the expectation that it will obtain a favourable advantage for them, whether known or suspected;
- Accept a gift or hospitality from a third party if it is offered or provided with an expectation that a favourable advantage will be provided by the school in return, whether known or suspected;
- Retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy;
- Engage in activity in breach of this policy.

6. External Relations

The Governors expect that all external individuals and organisations that it deals with, for example suppliers, contractors, partners, service providers, parents and members of the public, will act with

honesty and integrity and without thought or actions involving fraud, corruption or financial impropriety.

7. Audit

The academy's Annual Report and Financial Statements include an Independent Auditors' Report. This report includes a view as to whether the financial statements give a true and fair view and whether proper accounting records have been kept by the academy throughout the financial year. In addition, it reports on compliance with the accounting requirements of the relevant Companies Act and confirms compliance with the financial reporting and annual accounting requirements issued by the Department of Education.

7.1 Internal Audit

The Internal Audit has specific responsibility for overseeing the financial arrangements on behalf of the governors.

The main duties of Internal Audit are to provide the governors with on-going independent assurance that:

- The financial responsibilities of the governors are being properly discharged;
- The resources are being managed in an efficient, economical and effective manner;
- Sound systems of financial control are being maintained;
- Financial considerations are fully taken into account in reaching decisions; and
- Material risks are mitigated as far as possible.

8. Procedures

8.1 Purpose

The purpose of this fraud response procedure is to define authority levels, responsibilities for action and reporting lines in the event of suspected fraud or irregularity. Those investigating a suspected fraud should:

- Aim to prevent further loss;
- Liaise with the academy's insurer;
- Establish and secure evidence necessary for criminal and disciplinary action;
- Inform the police;
- Notify the Education & Skills Funding Agency (ESFA);
- Endeavour to recover losses;
- Take appropriate action against those responsible;
- Keep internal personnel and outside organisations with a need to know suitably informed, on a confidential basis, about the incident and the academy's response;
- Deal with requests for references for employees disciplined or prosecuted for fraud;
- Review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud.

8.2 Reporting a Suspected Fraud and Irregularities:

All allegations of suspected fraud and irregularities are to be brought to the attention of the Finance Director and also referred to the Headteacher, unless either of these individuals is suspected to be involved in the irregularity, in which case the Chair of Governors should be informed.

Any employee that suspects fraud or corruption has a duty to report their suspicions, in accordance with the Whistle-Blowing Policy. Staff can also contact the ESFA with any concerns of possible irregularity or fraud. Where external third parties become aware of or become concerned about the possibility of any fraud and corruption, they should report their concerns promptly to the school. In the first instance please contact the Headteacher.

Please refer to the Academy Whistleblowing Policy for further guidance.

8.3 Response to Allegations

The Headteacher will have initial responsibility for co-ordinating the initial response. In doing this they will consult with the Human Resource department regarding potential employment issues. The Headteacher will also seek legal advice from the academy's solicitors on both employment and litigation issues before taking any further action.

The Finance Director and the Headteacher will ascertain whether or not the suspicions aroused have substance. In every case, and as soon as possible after the initial investigation, they will pass the matter on to the Chair of Finance Committee. Even if there is no evidence to support the allegation, the matter must be reported.

The Finance, Property, Risk and Audit Committee will undertake the management of the investigation.

- They will, if appropriate, conduct a preliminary investigation to gather factual information and reach an initial view as to whether further action is required;
- They will determine whether the findings, conclusions and any recommendations arising from the preliminary investigation should be reported to the Chair of Governors;
- If further investigations are required, they will determine which outside agencies should be involved (police, auditors);

Although it is inappropriate to apply a standard methodology to every case, the investigating officer will ensure that:

- Each investigation is carried out in a professional and systematic manner;
- Each reported case of suspected fraud or corruption is properly managed and directed;
- All matters are recorded adequately;
- Appropriate evidence is sought and secured.

The Headteacher or Finance Director and others who have information about an investigation will regard it as strictly confidential and will not share that information except in the proper furtherance of the investigation.

The Headteacher is required to notify the Governing Body of any serious financial irregularities. This action will be taken at the first opportunity following the completion of the initial investigations and will involve keeping the Chair of the Governing Body fully informed between governor meetings of any developments relating to serious control weaknesses, fraud or major accounting breakdowns.

If evidence of fraud is forthcoming then the Governing Body will inform the ESFA as required by the Academies Trust Handbook and will consider whether or not to refer the matter to the police.

9. Confidentiality and Safeguards

LCHS recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the alleged malpractice. The academy will not tolerate harassment or victimisation and will do what it lawfully can to protect an individual when a concern is raised in good faith.

This does not mean that if the person raising the concern is already the subject of a disciplinary, redundancy or other procedure, that those procedures will be halted as a result of the concern being reported.

There is a need to ensure that the process is not misused. For further guidance refer to the academy Disciplinary, Grievance and Capability policy.

10. Links with other Policies and documentation

The Governing Body is committed to preventing fraud and corruption. To help achieve this objective there is a clear network of systems and procedures in place for the prevention, detection and investigation of fraud and corruption. This Anti-Fraud and Anti-Corruption policy attempts to consolidate those in one document and should be read in conjunction with the following academy policies:

- Whistle-Blowing Policy;
- Financial Procedures /Regulations;
- Disciplinary and Dismissal Policy;
- Equality Policy;
- Gifts and Hospitality Policy.

11. Recovery of Losses

The Finance Director shall take appropriate action for the recovery of any loss.

12. Improvements to Systems

Whenever irregularity is found to have taken place, the relevant systems and procedures shall be reviewed critically by the Finance Director in order to recommend improvements to the processes so as to preclude any repetition.

13. Reporting to the Police; Sanctions and Redress

Staff who breach this policy face the possibility of civil and criminal prosecution. They also face disciplinary action, which could result in dismissal for gross misconduct.

The Headteacher and Governors, and, if an employee is involved, the Human Resources Manager or Governors (where they are the employer), will decide whether any matter is referred to the police for further investigation and follow the reporting processes set out in the School's Employee Code of Conduct.