

LAMDA

LAMDA LIMITED ANTI-FRAUD POLICY

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1. Scope and purpose of the Anti-Fraud Policy

- 1.1 This Anti-Fraud Policy (the Policy) applies to all Trustees of LAMDA, the Directors of LAMDA Enterprises, and all LAMDA Staff Members, each of whom has an obligation to act in the best interests of LAMDA.
- 1.2 LAMDA is committed to acting in accordance with the highest legal, regulatory and ethical standards. This policy sets out LAMDA's position on fraud, and the responsibilities for its prevention and detection. It is designed to ensure that all suspected or actual fraud is promptly reported, investigated and dealt with, in order to protect the finances and resources of LAMDA.
- 1.3 LAMDA does not tolerate fraud in any form, and will always aim to prosecute anyone who commits fraud against it.
- 1.4 The purpose of the policy is to ensure that everyone governed by it understands:
 - a. What fraud is
 - b. How to prevent fraud
 - c. How to report suspected or actual fraud
- 1.5 This policy should be read in conjunction with LAMDA's other policies, particularly the grievance and disciplinary procedures, anti-bribery policy, whistleblowing policy and conflicts of interest policy. All policies are available on the staff intranet.
- 1.7 LAMDA's reputation is key to its success, and all our operations, both in the UK and overseas, must be conducted with complete integrity at all times.

2 What is Fraud?

- 2.1 Fraud can be defined as the employment of deception with the intention of:
 - gaining an advantage personally and/or for family, friends and associates
 - avoiding an obligation
 - deliberately causing a financial loss to LAMDA or LAMDA Enterprises
- 2.2 Examples of fraud might include:
 - theft of cash, equipment or other property of LAMDA
 - false accounting, e.g. dishonestly destroying, concealing or falsifying necessary records or documents required for accounting purposes, with the intention of obtaining personal gain or causing loss to LAMDA
 - furnishing or producing financial information which may be false or misleading
 - deliberately claiming false expenses or personal expenses not incurred on LAMDA business
 - Use of LAMDA credit cards for personal purchases
 - Abuse of authority or false representation
 - Misuse of LAMDA resources or confidential information for personal gain, or with the intention of causing loss to LAMDA
 - Entering into unfavourable contracts or agreements with suppliers or contractors for personal gain
 - Falsification of documents such as certificates or examination results

This list should not be considered to be exhaustive.

3. Prevention of Fraud

- 3.1 Minimising the risk of fraud is essential, as fraud is costly, not just in terms of financial loss, but also in terms of loss of confidence and reputation.
- 3.2 LAMDA has a number of financial controls and security procedures in place to prevent fraud, in particular a comprehensive set of financial regulations with which all staff are required to comply.
- 3.3 It is the particular responsibility of the Senior Management Team (SMT) to ensure all staff act in accordance with these controls and procedures. Any practical or operational difficulties in complying with these should be reported to the Head of Finance or other member of SMT if the issue is non-financial.
- 3.4. All staff should be vigilant and consider the risk of fraud within their areas. Staff should notify their line managers if they believe an opportunity for fraud exists because of poor procedures or lack of proper supervision. The Head of Finance, or other member of SMT, will provide guidance where these procedures need to be improved.
- 3.5 Certain patterns of behaviour may indicate a desire for secrecy or concealment. Notwithstanding LAMDA's non-standard working patterns, these may include (but are not limited to):
 - Reluctance to take holidays
 - Resistance to the delegation of work to others
 - Defensiveness or reluctance to discuss work issues
 - Frequent working alone late at night, at weekends or over Bank Holidays

Line managers should consider the risk of fraud if staff are regularly exhibiting such patterns of behaviour which cannot be obviously explained by normal work commitments.

- 3.6 Students employed by LAMDA or who have financial or other delegated responsibilities as part of their training must be adequately supervised and made aware of LAMDA's policy on fraud.

4 General responsibilities and reporting

- 4.1 Trustees, Directors and Staff are required to read, understand and comply with this policy
- 4.2 The detection and reporting of fraud is the responsibility of everyone.
- 4.3 All LAMDA staff are subject to enhanced Criminal Records Bureau (CRB) checks on appointment. In addition, it is LAMDA policy that all references and qualifications (if relevant) submitted by job applicants must be checked by the HR Manager prior to the confirmation of any appointment.
- 4.4 A member of staff who suspects fraud may have taken place, or may be attempted, should report the matter to his/her line manager immediately. In the event that the line manager is suspected of the fraud, the matter should be reported to his/her line manager, or in the case of a member of the Senior Management Team, to the Principal. All reports of suspected fraud must be reported through the management structure to the Principal within 24 hours.

- 4.5 In the event of a suspected fraud being reported by an external third party, the person receiving the report shall immediately refer it to his/her line manager for escalation through the management structure to the Principal within 24 hours.
- 4.6 In cases of suspected financial fraud, the matter should also be reported to the Head of Finance. In the event that the Head of Finance is implicated in the fraud, the matter should be reported directly to the Principal. In the event that the Principal is implicated in the fraud, the matter should be reported directly to the Chair of the Audit Committee
- 4.7 If a LAMDA trustee or LAMDA Enterprises director is suspected of fraud, the matter should be reported to the Company Secretary within 24 hours.
- 4.8 If any LAMDA student is suspected of fraud, the matter should be reported immediately to his/her Course Director, and then to the Principal within 24 hours.
- 4.9 LAMDA's external auditors have their own procedures for detecting and reporting any cases of suspected fraud discovered during the course of their audit work
- 4.10 All reports of fraud will be reported immediately by the Principal or the Company Secretary to LAMDA's Audit Committee within 24 hours of discovery. The Committee will convene within a maximum of 2 working days to consider the course of action to be taken, and will report the circumstances to the full Board of Trustees within a further 2 working days. In serious cases, or in the event that the Audit Committee is unable to convene promptly, immediate action may be agreed by conference call or e-mail. Action should not be delayed.
- 4.11 Matters for consideration by the Audit Committee will include (but will not be restricted to):
- Whether an investigation should take place – an investigation would normally take place unless there are compelling and exceptional circumstances preventing it.
 - Who should undertake the investigation in the first instance, i.e. the line manager, senior staff and/or trustees
 - The initial scope and timescale of the investigation
 - Whether any external support is required for the investigation
 - Whether the police, Action Fraud or LAMDA's insurers should be contacted prior to any investigation or at any point during the investigation
 - Whether or not (and at what stage) independent legal advice should be sought
 - Whether any staff or students should be suspended pending the investigation
 - Any other action which should be taken immediately to secure evidence and/or protect against further losses
 - Who will be the key contact(s) for the police, insurers, media and external advisers, to ensure consistency of approach and, where applicable, the management of reputation.
- 4.12 All reported cases of suspected fraud will be investigated promptly, discreetly and proportionately, observing the principles of natural justice and maintaining confidentiality wherever practicable. However, it should be recognised that it may not be possible to maintain complete confidentiality during the course of an investigation.
- 4.13 Everyone covered by this policy must cooperate in any investigations, or actions, whether conducted or implemented internally or by appointed external investigators, to mitigate loss to

LAMDA, and must maintain confidentiality at all times in accordance with investigation procedures

4.14 Anyone implicated in a suspected fraud may be subject to some or all of the following actions during the course of any investigation (this list is not exhaustive):

- Temporary suspension from duty (or his/her course, if the suspect is a student)
- Denial of access to LAMDA's premises and computer networks
- Summary dismissal or dismissal under notice
- Instigation of criminal proceedings
- Civil action against the perpetrator to recover losses.

Any action will be in accordance with LAMDA's published disciplinary procedures for staff and students.

4.15 Fraud is a criminal offence and LAMDA will call in the police if there is reasonable suspicion of fraudulent activity.

5. Board of Trustees:

5.1 All investigations of actual or suspected fraud must be recorded in a written report from the Audit Committee outlining the extent, methodology and conclusions of the investigation, and recommendations for further action. This report will be submitted to the Board of Trustees for consideration at the next full meeting following the incident.

5.2 This Policy and its procedures will be reviewed by the Board of Trustees annually. LAMDA reserves the right to amend any aspect of this policy at any time.

6. Definition of terms

1. **Audit Committee:** a sub-committee of the Board of Trustees, with delegated responsibility to oversee all policies and procedures relating to LAMDA's corporate governance, including adoption, implementation and monitoring of an anti-fraud Policy.
2. **Company Secretary:** as defined under the Companies Act 2006; the individual appointed by the Trustees to fulfil this role.
3. **Director(s):** The Directors of LAMDA Enterprises. In this Policy, they are referred to in both capacities individually as a Director and collectively as Directors.
4. **LAMDA Enterprises Limited (LAMDA Enterprises):** The wholly owned subsidiary of LAMDA, registered with Companies House (registration number 03700617) which is the trading arm of LAMDA and undertakes non-charitable, commercial activities and gift aids the profits to LAMDA Limited.
5. **LAMDA Limited (LAMDA):** The charitable company, whose objects are to advance education for the public benefit in particular by maintaining and carrying on an Academy, College, School or Examinations board, is incorporated in the United Kingdom, limited by guarantee, registered with Companies House (registration number: 364456), and governed by the Companies Act of 2006. LAMDA is also registered with the Charity Commission as LAMDA Ltd, (charity number: 312821).
6. **Principal:** The Chief Executive Officer, to whom day-to-day operational management of LAMDA is delegated by the Trustees
7. **Senior Staff:** Members of LAMDA's Senior Management Team (SMT), as defined by their contracts of employment, or other staff such as Heads of Department as designated from time to time by the Trustees, Principal or SMT.
8. **Staff or Staff Member:** Those individuals, including Senior Staff, who either have employment contracts with LAMDA or are under contractual arrangements to supply services to LAMDA, sometimes also referred to as employee(s).
9. **Trustee(s) and Board of Trustees:** The Trustees of LAMDA who are Trustees as defined under the Charities Act 2006 who also serve as Directors of LAMDA under the provisions of the Companies Act of 2006. In this Policy they are referred to in both capacities individually as a Trustee and collectively as Trustees. Together they act as the Board of Trustees and are responsible for the governance of LAMDA and are ultimately responsible for monitoring and managing all Anti-Fraud.