

ISTITUTO MARANGONI LONDON  
ANTI-FRAUD POLICY

Version Control Statement

Version	3.0
Policy title	Anti-Fraud Policy
Approved by	Audit & Risk Committee (6 July 23)
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Amendments since approval	Explicit reference to students and application of student disciplinary procedures in the event of any suspected fraud involving students. Next scheduled review in 3 years 6 July 2026

## ANTI FRAUD POLICY

### 1. PURPOSE

1.1 The London School is committed to the prevention and detection of fraud and taking appropriate actions in accordance with its legal and regulatory obligations. The London School operates a zero-tolerance attitude to fraud and will impose necessary sanctions where fraud is proven. The Policy sets out the London School's expectations regarding its need to operate a robust and comprehensive system of control including the prevention and detection of corruption and fraud.

### 2. LEGAL DEFINITIONS

2.1 The term 'fraud' is commonly used to describe the use of deception through failure to disclose information, abuse of position or false representation with intent to disadvantage or cause loss to another person or party for financial or other benefit to oneself. It includes, for example:

- the theft, misuse of funds or other resources
- false accounting
- falsification of information
- using the London School funds to purchase items for personal use
- falsely claiming working hours or travel expenses

2.2 Some types of fraud will be subject to criminal investigation. Individuals can also be prosecuted if they make a false representation, fail to disclose information or abuse their position.

### 3. SCOPE

3.1 This Policy applies to all members of staff, students, members of the Board of Directors and its sub-committees, contractors, consultants and agency staff. Members of staff, students and Board members are individually responsible for ensuring that they comply with this policy.

3.2 Failure to comply with this policy may result in the initiation of disciplinary proceedings against members of staff or students the termination of contracts or services provided by third parties. Members of staff or students who are subject to investigation under the disciplinary procedures may depending on the outcome of the investigation and severity of any offence committed be dismissed from employment or expelled from their studies. Disciplinary Criminal proceedings may also be initiated depending on the nature and severity of any breach.

### 4. POLICY STATEMENT

4.1 The London School requires its staff to act honestly and in accordance with the GGE Italia Code of Ethics and for its students to act honestly and in accordance with the School's Code of Conduct. All staff of the London School are required to act with integrity and to safeguard the London School's resources for which they are responsible. In conjunction with the Whistleblowing Policy, this policy is designed to allow staff, students and all members of School Boards and committees to raise concerns or information where they suspect fraud may be involved without fear of reprisal, discrimination or being disadvantaged as a consequence. The Whistleblowing Policy is available on the School's intranet and in the Employees' Handbook.

## 5. ROLES AND RESPONSIBILITIES

5.1 The School Director, as the School's most senior executive officer has primary responsibility for ensuring that appropriate preventative and internal control measures are in place, these operate effectively in practice and foster a culture of compliance and anti-fraud.

5.2 The School Director is also responsible for:

- commissioning any internal investigation of suspected or actual fraud, ensuring no conflict of interest in the role of Investigating Officer;
- acting as the Investigating Officer reporting to the Chair of the Audit and Risk Committee and Managing Director (where applicable);
- notifying the Chair of the Audit and Risk Committee and external auditors regarding any suspected fraud or financial irregularity and taking such steps as considered necessary by way of investigation and report;
- the instigation of disciplinary proceedings (if applicable) and/or referral to the police in liaison with the HR Manager (as applicable);
- informing the police if a criminal offence is suspected and at any stage of the internal investigation;
- notifying relevant regulatory agencies (as applicable), such as the Student Loans Company (SLC) and maintaining regular contact as appropriate;
- reporting any relevant instances of fraud (in agreement with the Chair of the Audit and Risk Committee), or those likely to be in the public interest to the Office for Students in accordance with its requirements relating to reportable events;
- approving management responses in liaison with the Group Head of Finance relating to necessary changes on any preventative measures that may be necessary.

5.3 The Financial Controller is responsible for developing, implementing and policing adequate systems of financial control in line with Group/Shareholder operational procedures and UK financial requirements to prevent and detect fraud.

5.4 The Financial Controller is also responsible for:

- advising on the assessment of any losses, including notifying the School Director or Managing Director (as applicable) of any potential suspected or actual fraud detected;
- acting as the Investigating Officer reporting to the School Director and Group Head of Finance (where applicable);
- liaison with the internal and/or external auditors regarding any suspected fraud or financial irregularity and implementing such steps as considered necessary by way of operational enhancement;
- preparing any regulatory notification or report (as applicable), such as the Student Loans Company (SLC) and/or the Office for Students in accordance with its requirements relating to reportable events;
- preparing management responses for School Director approval relating to necessary changes on any preventative measures that may be necessary.

5.5 The Registrar is responsible for:

- liaising with the Chair of the Audit and Risk Committee regarding any specific suspected instances of fraud or irregularity that require its intervention where a member of the management team may be implicated;
- ensuring that any cases involving students are followed in accordance with the Student Code of Conduct and Disciplinary Procedures;
- ensuring that the Audit and Risk Committee receives reports on the outcomes of any investigations and management responses relating to necessary changes on any preventative measures that may be necessary.

5.6 The Board of Directors is ultimately responsible for ensuring that there are systems in place for the prevention, detection and investigation of fraud and any relevant irregularities.

5.7 In accordance with the Scheme of Delegation, the Audit and Risk Committee is responsible for the following:

- adopting, approving and reviewing of the London School's Anti- Fraud Policy and advising on and reporting to the Board of Directors on whether there are adequate and effective control measures in place;
- ensuring there are adequate audit arrangements in place to investigate suspected instances of fraud
- receiving report(s) relating to suspected fraud including the number of suspected cases, investigations and management actions and recommendations in response to any preventative measures.
- authorising actions in relation to any investigations involving senior managers as appropriate;
- commissioning the internal auditors to review policies and prevention and control measures.

5.8 In accordance with the Scheme of Delegation, the Finance and Resources Committee is responsible for the following:

- ensuring IML's assets are being appropriately safeguarded and making recommendations to the Board of Directors as appropriate;
- reviewing and recommending to the Board of Directors approval of IML's Financial Regulations and Policies to reflect required changes in accounting, legal and regulatory requirements;
- monitoring the IML's compliance with relevant legal and regulatory frameworks relevant to its terms of reference.

5.9 Line managers are responsible for ensuring that an adequate system of internal control exists within their areas of responsibility and that those controls are effective. They should assess the types of risk that their individual department is exposed to; review and test those control systems regularly to ensure these are being applied consistently and that these systems continue to operate effectively.

5.10 Line managers must be alert to the possibility that unusual events or transactions could be symptoms of fraud or attempted fraud. Fraud may also be highlighted in response to specific management checks or be through referral from a third party.

5.11 All members of staff and faculty have a responsibility to be aware of fraud and take steps to minimise risk of fraud including and notify the Financial Controller and/or School Director if they has any concerns about actual, attempted or suspected fraud, who shall authorise and instigate the necessary actions. If the suspected fraud is thought to involve the School Director, the member of staff or faculty should immediately notify the Chair of the Audit and Risk Committee who will initiate the necessary actions in consultation with the Registrar.

5.12 All members of staff are also responsible for:

- maintaining and monitoring compliance with internal controls in line with agreed policies and procedures;
- immediately reporting details of any suspected fraud, whether by an employee, consultant or an external organisation;
- assisting in the investigation of suspected fraud where requested to provide any confirmatory information to assist the investigation;
- familiarising themselves with the Anti-Fraud Policy and Whistleblowing Policy (public interest disclosure process) that are available on the School's intranet and included in the Employees Handbook.

## 6. GOVERNANCE

6.1 The Audit and Risk Committee shall have oversight of the implementation and effectiveness of this policy and ensure that all allegations of fraud are properly investigated and that appropriate action is taken in response. In accordance with the Fraud Response Plan (see appendix for details), both the Audit and Risk Committee and Board of Directors will be notified of any cases of fraud or suspected fraud and will be kept informed of any relevant developments during the process of investigation.

## 7. REQUIRED ACTIONS

7.1 The School Director will decide on the action to be taken depending on the nature and scope of the suspected or actual occurrence of fraud. This will usually involve an investigation and report. The School Director will appoint the Investigating Officer.

7.2 If the suspected fraud or financial irregularity involves or implicates the School Director, the matter should be referred to the Managing Director and Chair of the Audit and Risk Committee for appointment of Investigating Officer.

## 8. PREVENTION OF FURTHER LOSS

8.1 Where an initial investigation provides reasonable grounds for suspecting a member or members of the School of fraud, the School Director will determine how to prevent further loss after consultation with the police, Group Head of Finance and/or the School's legal advisers (as necessary). This may require a suspension of duties of the relevant staff/ department, and suspension, with pay, of suspect(s) who are members of staff or suspension of study in the case of a student. It may be necessary to plan the timing of suspension to prevent the suspect from destroying or removing evidence that may be needed to support disciplinary or criminal action.

8.2 The act of suspension should be undertaken in accordance with HR disciplinary procedures as defined within the Employee Handbook or student Disciplinary Procedures. In these circumstances, it may be appropriate for the suspect to be approached unannounced. They should be supervised at all times before leaving the premises. They should be allowed to collect personal property under supervision, but should not be able to remove any property belonging to the School. Any security passes, keys to premises, offices and furniture should be returned. At this point, fraud has not been proven and the process should be undertaken with respect and with strict confidentiality. The School Director will also normally, depending on the nature of the case, instruct the IT Manager to withdraw without delay access permissions to the School's IT systems.

## 9. ESTABLISHING AND SECURING EVIDENCE

9.1 The Investigating Officer will take immediate steps to secure physical assets, including computers and any records that may constitute evidence. They will ensure that appropriate controls are put in place to prevent any further loss. In compiling evidence for the investigation, the Investigating Officer will ensure that all records are maintained in line with any potential legal or criminal proceedings.

## 10. DISCIPLINARY AND LEGAL PROCEEDINGS

10.1 The London School will initiate and follow disciplinary procedures against any member of staff or student where fraud is proven. The School will also normally pursue the prosecution of any such individual, and will be responsible for determining when to initiate contact with the police. The School Director will normally initiate and maintain contact with the Police, determining when this contact should occur. The School Director will also consult the School's HR Manager and Legal representatives to ensure that all staff involved in a fraud investigation are familiar with and follow rules on the admissibility of documentary and other evidence in criminal and civil proceedings.

Where the police *are not* notified of a suspected or actual fraud, the Audit and Risk Committee should be advised of the reason.

## 11. REPORTING TO THE AUDIT AND RISK COMMITTEE AND BOARD OF DIRECTORS

10.1 The School Director or their nominee shall report as soon as reasonably practicable any incident of actual or suspected fraud to the Managing Director, Chair of Board of Directors and the Chair of the Audit and Risk Committee on the outcome. Such a report is in addition to the annual reporting on fraud. Such report will normally include the following:

- a description of the incident, including the value of any loss, the individuals involved and the means of perpetrating the fraud;
- quantification of losses;
- preventative measures to prevent future incidents;
- recommended actions to strengthen internal controls.
- The Audit and Risk Committee will also receive a follow-up report of progress and implementation, alongside confirming the completion of any further actions.

NOTE: In very serious or potentially serious cases, the London School will act in accordance with any directive given by the police including suspending the process until legal proceedings are concluded.

## 12. REVIEW

12.1 This Policy will be reviewed every three years in accordance with its scheduled review period. It may also be reviewed and updated in the interim to take account of any learning from any instances of fraud or near misses, audit recommendations or in response to legislative changes.

## APPENDIX

### FRAUD RESPONSE PLAN

The Investigating Officer shall provide a confidential report to the School Director and/or Managing Director and the Chair of Audit and Risk Committee on the instigation and on-going progress of fraud investigation. This will report on the following findings and outcomes from its investigation:

- A description of the incident, including:
  - the value of any loss, the individuals involved and the means of perpetrating the fraud;
  - quantification of losses;
  - progress and outcomes from recovery action;
  - progress with disciplinary action;
  - progress with criminal action;
  - estimate of resources and timescales to conclude the investigation;
  - preventative actions taken to prevent and detect similar incidents in the future.

The Investigating Officer will also make a final report to the Audit and Risk Committee once the investigation is completed to confirm the outcome of actions taken. The report will also be used to inform any disciplinary hearings or legal proceedings.

NOTE: In very serious or potentially serious cases, the School will act in accordance with any directive given by the police including, suspending the internal process until legal proceedings have been concluded (this is to ensure that any criminal proceedings are not compromised).