ITALIA
CONTI

Anti-Fraud Policy

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Prepared by:	Head of Quality Assurance
Reviewed by:	Principal Director of Finance Chief Operating Officer
Approved by:	Policy Steering Group Board of Directors
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The Director of Finance owns this policy, and the Chief Executive Officer is accountable for its operation.

The Audit & Risk Committee oversees fraud, public-funding risk and related control weaknesses, with policy governance support from the Policy Steering Group where required.

The Board of Directors approves this policy.

The policy will be reviewed annually and updated earlier where required by legal, regulatory, funding, operational or governance changes, or by audit findings, fraud incidents, suspected fraud, material control weaknesses or lessons learned. Any material change must be approved by the Board.

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1. PURPOSE AND SCOPE

Italia Conti is committed to the prevention of fraud and the promotion of an anti-fraud culture. Italia Conti operates a zero-tolerance attitude to fraud and requires staff to act honestly and with integrity at all times, and to report all reasonable suspicions of fraud.

The purpose of this policy is to set out Italia Conti's approach to preventing, detecting and responding to fraud, and to protecting public funds in its care. It applies to all staff at all levels, members of the Board of Directors, advisers to the Board, contractors, volunteers, agents or any other parties acting on behalf of the organisation or associated with it. This policy also applies to students where alleged fraud, attempted fraud, false or misleading information, funding eligibility, student records, fee liability, public funding or misuse of Italia Conti systems or documents is involved.

This policy forms part of Italia Conti's evidence for OfS initial condition E8: fraud and inappropriate use of public funds. It should be read with the Fraud and Public Funding Declaration, the fraud and public funding risk register or equivalent risk record, the Financial Delegation and Approval Framework, Procurement Policy, Conflict of Interest Policy, Whistleblowing Policy, Anti-Bribery Policy, Risk Management Framework, data/submission controls and OfS Notifications and Reportable Events Procedure. It may also support the evidence base for initial conditions E7 and E9, but does not by itself demonstrate compliance with those conditions.

Fraud may occur internally or externally and may be perpetrated by staff, consultants, suppliers or contractors, individually or in collusion with others.

Italia Conti will investigate all instances of actual, attempted and suspected fraud committed by staff, consultants, suppliers, and other third parties and will seek to recover funds and assets lost through fraud. Perpetrators will be subject to disciplinary and/or legal action.

1.1. What is fraud?

Engagingin fraud is a criminal offence. Fraud is the making of dishonest statements, usually to make a gain or cause another a loss. Fraud can also involve dishonestly withholding information or dishonesty abusing a position of trust. For fraud to be committed, there does not have to be any gain or loss to another person. All that matters is that the person engaging in the fraudulent behaviour intended to cause a gain or loss.

It is also a criminal offence to dishonestly make an incorrect accounting or business record (this is often referred to as false accounting) or to dishonestly evade tax or otherwise cheat the tax authorities (tax fraud).

Fraud can take many forms:

- Fraud by false representation: It is a fraud if a person dishonestly makes a false representation and, in doing so, intends to make a gain for themselves, Italia Conti or to cause a loss to another person. A representation is false if it is untrue or misleading and the person making it knows that it is, or might be, untrue or misleading.

- Fraud by omission: It is a fraud if a person dishonestly fails to disclose to another person information which he is under a legal duty to disclose and, in doing so intends to make a gain for themselves, Italia Conti or to cause a loss to another person. Remaining silent when you have an obligation to inform another person of something is just as much of a fraud as providing a person with false information.

- Fraud by abuse of position: It is a fraud if a person occupies a position of trust and dishonestly abuses that position and, in doing so, intends to make a gain for themselves, Italia Conti or to cause a loss to another person.

- False accounting: It is fraud for a person to dishonestly destroy, conceal or falsify any account, record or document made or required for any accounting purpose and, in doing so, intends to make a gain for themselves, or someone else, or to cause a loss to another person. False accounting could involve dishonestly altering financial records, recognising revenue or costs in the wrong financial year, moving costs between projects, or failing to disclose documents to auditors. Purely internal false accounting could still amount to fraud even where there is no gain or loss to a third party or Italia Conti.

There does not have to be a financial gain or loss for fraud to have occurred. Fraud can be non-financial.

Individuals and Italia Conti can be prosecuted under the Fraud Act 2006 if they engage in fraud. Italia Conti can also face criminal liability for failing to prevent fraud if one of its employees or other associated persons engaged in fraud and in doing so intended to benefit Italia Conti.

1.2. Public Funds

Public funds in scope include student tuition fee loans administered through the Student Loans Company (SLC), any recurrent grant from the Office for Students (OfS), any funding from the Department for Education (DfE), and any other public or government-sourced income received by Italia Conti.

2. ROLES AND RESPONSIBILITIES

Responsibility for fraud prevention sits at every level of the organisation. The table below sets out the primary accountabilities, staff deployment and oversight arrangements.

Role	Primary responsibilities
Board of Directors	Sets the culture of integrity across the organisation. Approves this policy and reviews it annually. Reviews the findings of the annual financial audit. Holds the CEO to account for the operation of internal controls.
Chair of the Board	Serves as the senior point of escalation for fraud concerns that involve the CEO or senior leadership. Ensures the

	Board receives timely and accurate financial reporting.
Audit & Risk Committee	Reviews the effectiveness of financial controls at least annually. Considers the findings of internal and external audits. Recommends policy changes to the Board.
Chief Executive Officer	Has day-to-day responsibility for the operation of this policy. Ensures financial controls are in place and followed. Reports any material fraud risk or confirmed fraud to the Board without delay. Ensures credible fraud allegations are triaged, recorded and investigated promptly, commissioning independent investigation where required.
Director of Finance	Develops, implements and maintains adequate systems of internal control to prevent and detect fraud. Operates financial controls on a day-to-day basis. Ensures proper accounting records are kept. Regularly reviews Italia Conti's anti-fraud compliance to ensure it remains effective and relevant to the needs of the business. Flags any anomalies or control weaknesses to the CEO promptly. Supports fraud investigations by securing financial records, providing financial analysis, identifying control failures and advising on recovery of funds, unless the Director of Finance is implicated or independence could reasonably be questioned. The Director of Finance must notify the CEO promptly of suspected fraud, financial irregularity, material control weakness or public funding concern.
All staff and Board members	Act with honesty and integrity at all times, ensuring that Italia Conti's reputation and assets are protected against fraud. Monitor compliance with internal controls and agreed policies and procedures. Report any suspicion of fraud through the channels set out in Section 5. Co-operate fully with any investigation into suspected fraud.

3. FINANCIAL CONTROLS

3.1. Authorisation and segregation of duties

Italia Conti maintains clear financial authorisation limits. No single individual has unrestricted authority to commit the organisation to expenditure, make payments, or enter contracts on its behalf. The key controls are set out in the Financial Delegation and Approval Framework and are summarised in this policy only where they are directly relevant to fraud prevention, detection or response.

3.2. Payroll and personnel

The payroll function is subject to the following controls:

- The HR lead confirms all new starters, leavers, and pay changes in writing before payroll runs.
- Payroll is reviewed and approved each month by the CEO, COO or Principal before submission.
- The Director of Finance reconciles payroll output against the approved staff establishment at least quarterly.
- Ghost employees and duplicate payments are checked as part of the annual audit.

3.3. Procurement and purchasing

Procurement and purchasing controls are set out in the Procurement Policy and the Financial Delegation and Approval Framework. Those documents set the approved quotation, tender, contract, exception and approval thresholds, including requirements for competitive quotes or tenders where applicable. For anti-fraud purposes, staff must follow those controls, retain evidence of quotes, tender evaluation, contract approval, supplier due diligence and conflict management where applicable, verify suppliers and bank details independently before payment, avoid approving expenditure where they have a conflict, and refer any proposed waiver, single-supplier route, fewer-than-required-quotes position, emergency procurement or threshold uncertainty to the Director of Finance before commitment.

Where a supplier, consultant, contractor, agent, partner, subcontractor or connected party presents heightened fraud, bribery, public-funding, student-data, student-interest or regulatory risk, the procurement record must evidence the risk-based due diligence undertaken, the conflict check, approval route, supplier-selection rationale and any anti-fraud, anti-bribery, audit, termination or reporting provisions required by the Procurement Policy and Anti-Bribery and Corruption Policy.

3.4. Income and cash handling

- All income, including student fees, SLC-derived income, DfE/DaDA funding, partner payments and OfS grant income where applicable, must be recorded promptly and reconciled to the relevant source documentation, bank receipt, student record, partner statement or funding notification.
- Cash handling is restricted to named individuals and must follow the cash-handling controls in the Financial Delegation and Approval Framework. A second person must verify and sign off any cash receipt above £500, and any lower threshold or stricter

control set by Finance must be followed.

- Bank reconciliations are completed monthly by the Director of Finance or delegated finance officer and reviewed by the CEO, COO or Principal. The reviewer must not be the same person who prepared the reconciliation.

- Any material or unreconciled discrepancy between expected and received income from a lead partner, approved partner university, SLC, DfE, OfS or other public funding source must be recorded, investigated and reported promptly to the Director of Finance and CEO, or to the COO or Principal where needed for absence cover or operational continuity.

- Where a discrepancy may indicate fraud, inappropriate use of public funds, inaccurate data, overpayment, underpayment, control weakness or a reportable event, it must be escalated under the fraud reporting procedure and the OfS Notifications and Reportable Events Procedure, and corrected or notified to the relevant partner, funder or regulator where required.

4. PROTECTION OF PUBLIC FUNDS

Italia Conti receives public funds in the form of student tuition fee loans paid by the Student Loans Company on behalf of eligible students, via its approved partner universities, the University of Chichester and the University of East London. It also receives public funds in the form of student tuition fee and maintenance grants paid by the DfE for students in receipt of Dance and Drama Awards (DaDA). If registered with the OfS, it may also receive recurrent teaching grant. These funds carry obligations of accuracy, transparency and proper use that are additional to general financial governance requirements.

4.1. Fraud & Public Funding Risk register

Italia Conti maintains a fraud and public funding risk register identifying fraud and inappropriate-use-of-public-funds risks, risk owners, controls, mitigations, incidents or near misses, further actions and reporting status. The Director of Finance maintains the finance-control entries; the CEO is accountable for executive escalation; and the Audit & Risk Committee reviews the record at least annually and after any material incident, reporting material risks, control weaknesses and unresolved actions to the Board.

Procurement-related fraud and public-funding risks must include, where relevant, supplier verification, bank mandate fraud, contract splitting, false invoicing, conflicts of interest, connected-party transactions, single-supplier or waiver use, failure to follow competitive quote or tender requirements, and inappropriate use of public funds through supplier or contractor arrangements.

4.2. Student fee income

- Italia Conti reports student enrolment, attendance and withdrawal data to the University of Chichester (UoC) and University of East London (UEL) (as lead providers) and, where required, directly to the SLC, accurately and on time. It also reports student enrolment and withdrawal data directly to the DfE for students in receipt of DaDA funding.

- Fee income from the SLC and DfE is reconciled against expected amounts each term. Any overpayment is returned promptly.
- Any change to a student's registration status that affects their fee entitlement is reported to the relevant partner University and the SLC without delay. For students in receipt of DaDA funding, changes in registration are reported to the DfE.
- Italia Conti does not artificially inflate student numbers or misrepresent student attendance to secure fee income.

Student-number, enrolment, attendance, continuation, completion, withdrawal and fee-liability data used for partner, SLC, DfE or OfS funding or reporting purposes must be subject to documented ownership, checking, reconciliation and sign-off before submission. Evidence of checks, corrections, approvals and reconciliations must be retained so that the data trail can be verified.

4.3. OfS recurrent grant (if applicable)

- Any recurrent grant from the OfS is used only for the purposes for which it was allocated.
- Italia Conti maintains clear accounting records that allow grant income and expenditure to be identified separately from other funds.
- Material changes to the activity underpinning a grant allocation must be assessed under the OfS Notifications and Reportable Events Procedure and reported to the OfS where required.

4.4. Prohibited activities

The following are expressly prohibited in relation to public funds:

- Claiming funding for students who are not actively enrolled or who do not meet eligibility criteria.
- Misrepresenting course structure, contact hours or student outcomes in submissions to the OfS, the SLC, or any other funding body.
- Using public funds to cross-subsidise activities that are not within the scope of the relevant funding stream.
- Failing to return funds to which Italia Conti is not entitled.

5. REPORTING SUSPECTED FRAUD

Italia Conti has established Fraud Response guidelines for senior managers on the immediate actions to be taken in the event of a fraud being discovered or suspected within Italia Conti. It covers reporting and recording requirements, securing evidence and preventing further losses, and the investigation process.

All suspected, alleged or confirmed fraud, financial irregularity, inappropriate use of public funds, material control weakness and related near misses must be recorded in a fraud and public funding incident log. The log must record the date, reporting route, allegation, public-funds impact, immediate controls, investigation owner, conflicts check, evidence secured, notifications considered, decisions taken, lessons learned and actions to prevent recurrence. The log is reviewed by the CEO and reported in summary to the Audit & Risk Committee, with material cases escalated to the Board.

Where a suspected fraud, financial irregularity, public-funding concern or control weakness may also involve bribery, corruption, inappropriate gifts or hospitality, donations, procurement influence, a connected party or an actual, potential or perceived conflict of interest, the matter must also be recorded and managed under the Anti-Bribery and Corruption Policy, Conflict of Interest Policy and any applicable Gifts and Hospitality Register.

Any director, member of staff, student or contractor who suspects fraud, or who is aware of activity that may indicate fraud, must report it promptly. Reports can be made:

- to the Director of Finance for financial-control, procurement, payroll, income, SLC, DfE, partner or OfS funding concerns, unless the concern involves the Director of Finance;

- to the CEO for any concern not involving the CEO;

- to the Chair of the Board, or the Chair of the Audit & Risk Committee where appropriate, if the concern involves the CEO, Director of Finance, a Board member or senior leadership, or if the reporter reasonably considers the usual route inappropriate;

- via Italia Conti's Whistleblowing Policy, which allows reports to be made confidentially (speakup@italiaconti.co.uk).

Reports concerning the Principal may be made to the CEO, Chair of the Board, or Chair of the Audit & Risk Committee. Where such a report is made to the CEO, the CEO must notify the Chair of the Board and Chair of the Audit & Risk Committee promptly unless doing so would compromise the investigation.

Staff should not attempt to investigate any fraud themselves.

A copy of Italia Conti's Whistleblowing Policy can be found on the Italia Conti website.

Italia Conti will not penalise anyone who makes a fraud report in good faith. Victimisation of a whistleblower is itself a disciplinary matter. The Public Interest Disclosure Act 1998 protects employees who raise concerns about certain matters of public interest in good faith. Staff can obtain free independent advice from the charity Protect on 020 3117 2520.

Where suspected or actual fraud, financial irregularity, inappropriate use of public funds, or a material control weakness may be reportable to the OfS, the CEO will ensure the matter is assessed promptly under the OfS Notifications and Reportable Events Procedure. Where a reportable event is identified, Italia Conti will report to the OfS within the timescale required by the applicable OfS F3 notice and guidance.

Where the matter relates to a lead provider, SLC, DfE or another funding body, the relevant contractual or funding notification requirements will also be checked and followed.

If the matter involves the CEO or accountable officer, the Chair of the Board will determine an appropriate reporting route that avoids the conflict.

6. INVESTIGATION AND RESPONSE

The CEO is responsible for ensuring that any credible fraud allegation, suspected financial irregularity, inappropriate use of public funds, material control weakness or related near miss is triaged, recorded and investigated promptly.

Where the allegation involves the CEO, or where the CEO has an actual or perceived conflict of interest, the Chair of the Board will lead the response. Where the allegation involves the Principal, the CEO must promptly notify the Chair of the Board and the Chair of the Audit & Risk Committee, and agree an investigation route that preserves independence and, where relevant, academic assurance. The Principal must not participate in the triage, investigation, decision-making or reporting of any allegation in which they are implicated.

Investigation activity must be recorded in the fraud and public funding incident log referred to in section 5.

Depending on the nature and scale of the allegation, Italia Conti will:

- secure relevant financial records, student records, correspondence, system access records and other evidence, and restrict access as needed;
- identify an appropriate investigation owner, ensuring that no person investigates a matter where their independence could reasonably be questioned;
- commission an independent investigation where the allegation is serious, involves senior staff, involves public funds, or may have material governance, financial, student-protection or regulatory implications;
- consider suspension or other interim action for a member of staff under investigation, in line with the applicable disciplinary procedure;
- take steps to prevent further loss, recover funds or correct inaccurate data where appropriate;
- report to the police or other relevant authority where there is evidence of a criminal offence;
- assess whether the matter is reportable to the OfS under the OfS Notifications and Reportable Events Procedure and, where required, report within the applicable OfS timescale;

- notify the relevant approved partner university, SLC, DfE or other funding body where required by contract, funding rules or regulatory obligations.

The CEO must notify the Chair of the Board and the Chair of the Audit & Risk Committee promptly of any material fraud allegation, suspected misuse of public funds, significant control weakness or matter that may require notification to the OfS or another funding body. The Board will receive a written report following any material fraud investigation, including findings, public-funds implications, reporting decisions, recovery action, lessons learned and steps taken to prevent recurrence. Where urgency or materiality requires earlier oversight, the Chair may convene an extraordinary Board or Audit & Risk Committee discussion.

7. MONITORING AND REVIEW

The Audit & Risk Committee reviews the effectiveness of financial controls at least once per year and reports its findings to the Board.

Italia Conti commissions an independent external audit of its financial accounts each year. The auditor's management letter is reviewed by the Audit & Risk Committee, and any recommendations are acted on within an agreed timeframe.

The CEO reports to the Board at each meeting on any material financial risk, control weakness, or fraud concern that has arisen since the previous meeting.

This policy is reviewed annually by the Board, or sooner if there is a material change to the regulatory environment, a fraud incident, or a significant change to Italia Conti funding arrangements.

8. STAFF TRAINING

Effective fraud prevention depends on staff understanding their responsibilities and the risks the organisation faces. Italia Conti puts the following training arrangements in place.

Before the start of each academic year, the CEO will confirm that fraud awareness, public-funding obligations, data-submission risks and reporting routes are included in staff induction as appropriate, Board induction, the annual all-staff training schedule and relevant refresher activity. Completion evidence, non-completion follow-up and exceptions must be retained and reported to the Audit & Risk Committee.

Italia Conti has established Fraud Response guidelines for senior managers on the immediate actions to be taken in the event of a fraud being discovered or suspected within Italia Conti. It covers reporting and recording requirements, securing evidence and preventing further losses, and the investigation process.

Induction – All new staff and Board members receive an introduction to this policy as part of their induction. The induction covers: the types of conduct that could constitute a fraud offence under the Fraud Act 2006 or Bribery Act 2010; the controls in section 3 and why they exist; how to report a suspicion of fraud; and the protection available to anyone who makes a report in good faith. The CEO is responsible for ensuring induction training takes place and is recorded.

Annual refresher – All staff and Board members complete a refresher on fraud awareness and public funds obligations at the start of each academic year. The refresher is updated to reflect any changes in regulatory requirements, any fraud incidents or near-misses from the previous year, and any areas identified by the Audit & Risk Committee as warranting additional attention. The Director of Finance is responsible for coordinating the refresher, and the CEO confirms completion to the Board.

Finance function training - Staff with specific responsibilities under section 3 — including the Director of Finance and any staff involved in payroll, procurement or income handling — receive role-specific training on the controls relevant to their work. This training takes place at induction, when responsibilities change, and whenever a material change is made to the controls. The CEO ensures that funding and time are available for this training.

Records – Italia Conti maintains a training record for each member of staff and each Board member, noting the date and content of training completed. The Audit & Risk Committee reviews training completion rates as part of its annual review of the effectiveness of fraud prevention arrangements and reports any concerns to the Board.

Third parties – Contractors and agents operating on Italia Conti behalf are made aware of the requirements of this policy as part of their engagement. Where a contractor or agent has ongoing access to public funds or student data, Italia Conti satisfies itself that they have appropriate fraud awareness training in place within their own organisation.

9. LINKED POLICIES AND REGULATORY CONTEXT

This policy should be read alongside:

- Financial Delegation and Approval Framework
- Conflict of Interest Policy
- Whistleblowing Policy
- Student Disciplinary Policy and Procedure
- Staff Disciplinary Policy
- University of Chichester Student Contract and Tuition Fee Policy
- University of East London Student Contract and Tuition Fee Policy
- Italia Conti Tuition Fee Policy
- DaDA Funding arrangements and contracts
- Procurement Policy
- Anti-Bribery and Corruption Policy
- Risk Management Framework, including the fraud and public funding risk register or

equivalent risk record

- OfS Notifications and Reportable Events Procedure
- Data and regulatory returns procedures relevant to partner, SLC, Department for Education (DfE) and OfS submissions

Relevant regulatory and legal context includes:

- OfS initial condition E7: set of governing documents and business plans; OfS initial condition E8: fraud and inappropriate use of public funds; OfS initial condition E9: individuals – knowledge and expertise, and fit and proper persons; ongoing conditions E2, E3 and F3, where relevant after registration
- OfS Accounts Direction (as applicable to registered providers)
- Dance and Drama Awards guide - GOV.UK
- Fraud Act 2006
- Bribery Act 2010
- Public Interest Disclosure Act 1998 (whistleblowing protections)