



This is our
Anti-fraud

Policy 2023/2024

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INTRODUCTION

Liquid Friday conducts its business in a legal and ethical manner. Its employee's, officers, sub-contractors and any other associated person are responsible for acting honestly and with integrity by ensuring that their activities, interests and behaviours do not conflict with the obligations laid out in this policy, regardless of their seniority.

Liquid Friday is committed to the prevention of fraud and the promotion of an anti-fraud culture. We operate a zero-tolerance attitude to fraud and requires its staff and our partners to act honestly and with integrity at all times and to report all reasonable suspicions of fraud.

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

The purpose of this policy is to provide a definition of fraud and define authority levels, responsibilities and reporting lines in the event of suspected, attempted or actual fraud or irregularity perpetrated by an individual or business against Liquid Friday.

DEFINITION OF FRAUD

The Fraud Act 2006 provides a framework within which there are three potential areas that an individual may be guilty of fraud if in breach. These are fraud by:

- a) False representation i.e. if a person intentionally and dishonestly makes a false representation.
- b) Failing to disclose information: a person commits a fraud if they dishonestly fail to disclose information.
- c) Abuse of position: a person commits a fraud if they dishonestly abuse their position.

In the above the individual is deemed to have committed a fraud if they make a false representation/ statement or purposely fail to provide information or abuse their position with the aim of;

- i. Making a gain for themselves or another; or
- ii. Causing a loss to another or to expose another to a risk of loss.

Liquid Friday's definition can be found below;

"A false representation of a matter of fact—whether by words or by conduct, by false or misleading allegations, or by concealment of what should have been disclosed—that deceives and is intended to deceive another so that the individual will act upon it to her or his injury."

KEY RESPONSIBILITIES

The Chief Operating Officer (COO) is responsible for developing, implementing and maintaining adequate systems of internal control to prevent and detect fraud and is supported by the Directors.

Heads of Departments are responsible for familiarising themselves and their teams with the types of fraud and dishonesty that might occur within their respective business units, monitoring compliance with internal processes, agreed policies and procedures and notifying their line manager or any of the specified people named below of any indications of fraudulent activity.

Suspicion of fraud or irregularity may be captured through a number of means;

- a) Individuals reporting suspicions of fraud or irregularity to their Line Manager/ HR Manager/ COO or Director
- b) Individuals using the companies Whistleblowing Policy
- c) Identification through operational procedures
- d) Discovery through planned audit work

REPORTING OF FRAUD

All suspected or actual incidents of fraud or irregularity allegedly perpetrated by individuals or business should be reported without delay to their Line Manager, COO or Director. Any of the above should, as soon as practically possible, notify the Board of Directors.

At which stage the case should be reported to the police or other external agencies will be decided by the COO or a Director.

Where the initial investigation provides reasonable grounds for suspicion of fraud the COO or Director will decide how to prevent further loss. If the individual is an employee this may require suspension of the person (s) alleged to have committed the suspected fraud/ irregularity.

It may be necessary to plan the timing of suspension to prevent individuals from destroying or removing evidence that may be needed to support further action.

RECOVERY OF LOSSES

Recovering losses is a major objective of any fraud investigation. The COO shall ensure that in all fraud investigations the amount of any loss will be quantified. Repayment of losses should be sought in all cases.

The COO will, as necessary, consider seeking legal advice. For example, on the freezing of suspects assets in cases of substantial loss and on the recovery of the losses and costs through courts.

COMMUNICATION & TRAINING

Liquid Friday ensures that its fraud prevention and associated policies and procedures are embedded and understood throughout the organisation through internal and external communication, including training that is proportionate to the level of risk it faces.

Line Managers are responsible for ensuring all employees receive appropriate training and for the communication of this policy and other relevant policies to associated person(s). Line Manager will also monitor and review their procedures and action plans to ensure their suitability, adequacy and effectiveness in relation to this policy and implement improvements as appropriate.

TOP LEVEL COMMITMENT

This policy is reviewed annually to ensure fitness for purpose by the Board of Directors and adopted in full by the Liquid Friday management team and has the full support of the CEO and Senior Management.