Anti-Fraud Policy

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# Introduction

No precise legal definition of fraud exists, many offences referred to as fraud are covered by the Theft Acts of 1968 and 1978. The term is used to describe acts such as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriate, false representation, concealment of material facts and collusion. For practical purposes, and for this policy, fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

This policy concerns itself with occupational fraud i.e. fraud committed by a Microlink PC (UK) Limited (MLPC) member of staff or contractors in the course of their work. The issues and procedures arising from the private and personal activities of staff which may impinge on the performance of their duties or risk bringing discredit to MLPC are contained in:

* Anti-Bribery Policy
* Background Checking Guidance
* Code of Conduct
* Conflict of Interest Policy
* Disciplinary Policy
* Employee Manual
* Employment Standards Policy
* Ethics Policy
* Home Working Policy
* IT Policy
* Whistleblowing Policy

Occupational fraud and abuses fall into four main categories:

1. Theft, this misappropriation or misuse of assets for personal benefit.
2. Bribery and Corruption.
3. False accounting and/or making fraudulent statements with a view to personal gain for another e.g falsely claiming overtime, travel and subsistence, sick leave or special leave (with or without pay).
4. Externally perpetrated fraud against an organisation.

# Policy and Principles

MLPC is committed to preventing fraud and corruption form occurring and to developing an anti-fraud culture. To achieve this, MLPC will comply with the requirements of Government Accounting to:

Develop and maintain effective controls to prevent fraud.

We will

* Ensure that if fraud occurs a vigorous and prompt investigation takes place.
* Take appropriate disciplinary and legal action in all cases, where justified
* Review systems and procedures to prevent similar frauds
* Investigate whether there has been a failure in supervision and take appropriate disciplinary action where supervisory failures occurred
* Record and report all discovered cases of fraud.
* MLPC staff must be, and be seen to have, the highest standards of honesty, propriety, and integrity in the exercise of their duties.
* MLPC will not tolerate fraud, impropriety, or dishonesty and will investigate all instances of suspected fraud, impropriety, or dishonest conduct by MLPC staff or external organisations (contractors or clients).
* MLPC staff must not defraud colleagues, clients or contractors in any way.
* MLPC will take action, including dismissal and/or criminal prosecution against any member of staff defrauding, or attempting to defraud MLPC, other staff or MLPC clients or contractors.
* MLPC will co-operate fully with any external investigating body.
* MLPC will always seek to recover funds lost through fraud.
* All frauds will be reported and appear on the company’s Risk Register.

# Action to be taken in the event of discovery or suspicion of Fraud

MLPC has established arrangements for staff to report any concerns they may have without fear of prejudice or harassment. This applies to concerns relating to fraud and to any other concerns within the context of the Public Interest Disclosure Act 1998.

Concerns which should be reported include, but are not limited to staff committing or attempting to commit:

Any dishonest of fraudulent act.

Forgery or alteration of documents or accounts.

Misappropriation of funds, supplies or other assets.

Impropriety in the handling or reporting of money or financial transactions.

Profiting from an official position.

Disclosure of official activities or information for advantage.

Accepting or seeking value from third parties by virtue of official position or duties and theft or misuse of property, facilities or services.

External organisations’ actions which should be reported include:

* Being offered a bribe or inducement by a supplier.
* Receiving fraudulent (rather than erroneous) invoices from a supplier.
* Reported allegations of corruption or deception by a supplier.

# Responsibilities

The creation of an anti-fraud culture underpins all work to counter fraud. All MLPC staff should understand the risk of fraud, that fraud is serious and diverts resources away from MLPC’s primary objectives.

The Executive Management are responsible for establishing internal control systems designed to counter the risks faced by MLPC. Managing fraud risk should be seen in the context of the management of the wider range of risks.

Legal Counsel/HR/Finance Director are responsible for making arrangements for investigating allegations of fraud.

# The Director of Finance

The Director of Finance is responsible for developing and maintaining effective controls against fraud.

# Human Resources

Human Resources will be responsible for enforcing MLPC’s anti-fraud policy, including:

Instigating disciplinary and legal action (both civil and criminal) against the perpetrators of fraud.

Taking disciplinary action against supervisors where supervisory failures have contributed to the commission of fraud.

Providing confidential advice to staff who suspect a member of staff of fraud.

# Appointed Investigator

Legal Counsel will be responsible for investigating allegations of fraud if suspected, with the support of HR by.

* Gathering evidence, taking statements and writing reports on suspected frauds.
* Liaising with the Director of Finance and the Executive Board where investigations conclude that a fraud has taken place.
* Identifying any weaknesses which contributed to the fraud, and
* If necessary, making recommendations for remedial action.

To carry out these duties, the appointed member of staff will have unrestricted access to the relevant employees.

# Manager and Directors

Managers are the first line of defence against fraud. They should be alert to the possibility that unusual events may be symptoms of fraud or attempted fraud and that fraud may be highlighted as a result of management checks or be brought to attention by a third party. They are responsible for:

* Being aware of the potential for fraud.
* Ensuring that an adequate system of internal control exists within their area of responsibility, appropriate to the risk involved and those controls are properly operated and complied with.
* Reviewing and testing control systems to satisfy themselves the systems continue to operate effectively.

Employees should inform if there are indications that an external organisation (such as a contractor or client) may be trying to defraud (or has defrauded) MLPC.

Managers should inform HR if they suspect their staff may be involved in fraudulent activity, impropriety or dishonest conduct. HR will contact the Director of Finance and Legal Counsel being alerted to such suspicions. Time is of the essence in reporting suspicions.

The Executive Board should take care to avoid doing anything which might prejudice the case against the suspected fraudster.

Employees reporting or investigating suspected fraud should take care to avoid doing anything which might prejudice the case against the suspected fraudster.

# Further advice and guidance

Legal Counsel/HR will provide advice when line managers are unavailable or unable to do so.

This Policy was approved & authorised by:

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| --- | --- |
| Name:  | Michael Moore |
| Position: | Legal Counsel |
| Date: | 21 June 2021 |
| Signature: |  |

# *Controls and Monitoring Policy*

The policy will be monitored on an annual basis, monitoring of the policy is essential to assess how effective MLPC has been. In addition to the introduction of its importance within Induction training, documented annual refresher training takes place.