



## Legate Group Limited

# Fraud Policy & Fraud Response Plan

### *Revision History*

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V1	30/09/2020	T. Clarke	
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### *Document Control*

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<i>T.Clarke</i>	<i>30/09/2023</i>	<i>3</i>	<i>Fraud &amp; Corruption</i>



## **1. TITLE**

Fraud Policy & Fraud Response Plan

## **2. POLICY STATEMENT**

The Company has a commitment to high legal, ethical and moral standards. All members of staff, consultants and agents are expected to share this commitment. This policy is established to facilitate the development of procedures, which will aid in the investigation of fraud and related offences.

## **3. PURPOSE**

The Company already has procedures in place that reduce the likelihood of fraud occurring. These include documented standard operating procedures, systems of internal control and risk assessments. In addition, the Company tries to ensure that a risk (and fraud) awareness culture exists in this organisation.

This document, together with the Fraud Response Plan is intended to provide direction and help to those officers and directors who find themselves having to deal with suspected cases of theft, fraud or corruption. These documents give a framework for a response, advice and information on various aspects and implications of an investigation and are not intended to provide direction on prevention of fraud.

## **4. SCOPE**

The Company has a commitment to high legal, ethical and moral standards. All members of staff, consultants and agents are expected to share this commitment. This policy is established to facilitate the development of procedures, which will aid in the investigation of fraud and related offences.

The Policy applies to all employees, consultants, agents, contractors, subcontractors, business partners and any other parties (including individuals, partnerships and bodies corporate) associated with the Company.

## **5. WHAT CONSTITUTES FRAUD**

Fraud comprises both the use of deception to obtain an unjust or illegal financial advantage and intentional misrepresentations affecting the financial statements by one or more individuals among management, staff or third parties.

All managers, staff and consultants have a duty to familiarise themselves with the types of improprieties that might be expected to occur within the areas of operation and to be alert for any indications or irregularity.



## **6. REPORTING INCIDENTS**

The Company wishes to encourage anyone having reasonable suspicions of fraud to report them. Therefore, it is also the Company's policy, which will be rigorously enforced, that no employee will suffer in any way as a result of reporting reasonably held suspicions.

All members of staff can therefore be confident that they will not suffer in any way if reporting reasonably held suspicions of fraud. For these purposes reasonably held "suspicions" shall mean any suspicions other than those, which are raised maliciously and found to be groundless.

## **7. STAFF TRAINING**

The Company will ensure that all staff will receive annual fraud awareness refresher training.

### **Fraud Response Plan**

#### **1. Introduction**

1.1 This plan deals mainly with the responsibilities of all staff in deterring losses to the Company. The document deals mainly with the internal response and actions that we need to take within the business to both deter fraud and to respond to any suspicion of it that comes to our attention. That said, it is important to remember that fraud could be carried out by people outside the business and we all need to be aware of this in our dealings with external parties.

1.2 Any suspicion of fraud will be investigated as set out in this plan. Any proven instance of fraud will result in disciplinary action being taken against any member of staff or consultant involved. The policy of the Company is to notify the police in circumstances where there is evidence that a crime may have been committed.

1.3 The Staff Code of Conduct sets out standards, which staff and consultants are expected to meet at all times, particularly with regard to the safeguarding of client assets.

#### **2. What is Fraud?**

2.1 For practical purposes, so far as this document is concerned, fraud may be taken to mean the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

2.2 The essential elements of fraud are dishonesty, which can include non-disclosure of important facts, and deprivation or risk of deprivation.



2.3 The term is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.

### 3. **Responsibilities**

3.1 Individual members of staff are responsible for: -

Acting with propriety in the use of official resources and in the handling and use of public funds, whether they are involved with cash or payments systems, receipts or dealing with contractors or suppliers.

Reporting immediately to the Company's director next most senior manager if they suspect that a fraud has been committed or see any suspicious acts or events.

3.2 In addition to those individual responsibilities, managers are responsible for: -

Identifying the risks to which systems and procedures are exposed.

Developing and maintaining effective controls to prevent and detect fraud.

Ensuring that controls are complied with.

### 4. **Objectives of the Plan**

4.1 The objectives of having a widely circulated and understood response plan are:

To deter fraud by publicising steps that will be taken if any is discovered.

To set out managers' responsibilities in this area.

To set out clear guidance on the appropriate steps to be taken if managers become aware of, or suspect that, fraud may be taking place.

4.2 The steps set out in the Plan have been devised with the aims of: -

Minimising delay in taking any appropriate action:

Reducing the impact of any fraud that takes place.

Ensuring that any possible frauds are investigated.

Preventing or minimising losses of funds.

Maximising the possibility and amounts of recovery.

Identifying perpetrators of fraud and increasing the likelihood of successful disciplinary



or legal action.

Minimising the possibility of adverse publicity.

Ensuring that lessons learned from any instances of suspected fraud are implemented.

## 5. **Reporting**

Immediately that fraud is discovered or suspected, the matter should be reported to the Company's director, Tony Clarke, or other person nominated by the Company, who will decide what further action is appropriate.

## 6. **Immediate Considerations and Actions**

The primary objective should be to ensure that losses are contained and funds are protected. The initial investigation should attempt to determine whether there is any possibility of further offences taking place. If there is any possibility of recurrence, then actions that should be considered include:

Freezing bank accounts.

Suspending BACS or cheque payments.

Suspending individuals.

## 7. **Enquiries**

Enquiries into the possibility of fraud taking place should begin without delay. Facts need to be established, steps taken to protect any individual or company that may have been unwittingly involved and to ensure that any evidence that is discovered can be used in any subsequent action that might be necessary. To assist in this, it may be appropriate to involve the Police where there is evidence that a criminal offence may have taken place.

## 8. **Recovery Action**

8.1 Prompt action is likely to be important in maximising recovery of any funds that have been lost or are thought to be vulnerable as a result of the fraud.

8.2 Consideration should be given to involving other parties such as:

The Bank Manager to discuss the desirability or possibility of recalling BACS/CHAPS payments, cancelling cheque payments or withdrawing and replacing pre-printed payment stationery.

A legal adviser for advice on recovery of other assets.



**9. Reporting Actions**

Notify affected client(s), where appropriate.

Notify regulators, if appropriate.

**10. Discipline and Legal Action**

Appropriate disciplinary action will be taken in line with the disciplinary procedure, which is set out in the Staff Handbook.

When legal action is considered appropriate, full co-operation will be given to investigating and prosecuting authorities.

**11. Further Action**

A full report on the circumstances and outcome of any fraud or suspected fraud will be produced. The report will cover the identification of any shortfall in current procedures that contributed to the commission, recommendations on actions which could be taken to prevent or reduce the effect of any future occurrence and who will be responsible for considering these.