

## Counter Fraud Policy Statement (Sheet 1 of 3)

BBC Fire Protection Ltd is committed to the prevention of fraud.

It is important to BBC Fire Protection Limited to use its income and resources in the most effective way for the installation and distribution of high quality products and services. BBC Fire Protection Limited requires all staff at all times to act honestly and with integrity and to safeguard the resources for which they are responsible.

### Context

We believe our staff to be fair and honest, but a small minority can behave irresponsibly or break the law and as result BBC Fire Protection Limited could become the victim of a number of frauds from time to time. Examples of actions that are considered to be fraud are as follows (this list is by no means exhaustive): -

- Theft of any company property;
- Forgery or alteration of any document, e.g. a cheque;
- Destruction or removal of records;
- Acceptance of goods and services as an inducement to giving works to any supplier.
- Falsifying expense claims;
- Disclosing confidential information to outside parties without authority for personal gain;
- Use of the Company's assets and facilities for personal use.

The purpose of this statement is to set out the procedures to be followed where a fraud is suspected or detected. It is part of the Company's overall approach to security and therefore it applies to BBC Fire Protection Limited and all other parties who are given access to the Company's information and premises. It covers all personnel whether staff of BBC Fire Protection Limited, freelance, casual and temporary agency staff and contractors.

### Fraud Reporting

It is the responsibility of everyone to be alert for occurrences of fraud and to be aware that unusual events or transactions or behaviours could be indications of fraud

or attempted fraud. Fraud may also be highlighted as a result of specific management checks, by a third party, or in the course of audit reviews by both internal and external audit.

If there is any uncertainty as to whether an action could constitute fraud, you should contact a Director of the Company or the Company Secretary.

### Fraud Response Plan

Any suspicion of fraud, however innocent, will be reviewed and analysed. If you become aware of a suspected fraud or irregularity you should report it to one of the following immediately you become aware: -

- Your Manager
- The Company Secretary
- A Director of the Company

Confidentiality for all parties will be maintained over reports made in good faith that cannot be substantiated following investigation. A reporting member of staff may choose to remain anonymous and such anonymity will be respected. However identification is preferred and will assist the investigation.

You must not do any of the following: -

- Contact the suspected individual in an effort to determine facts or demand restitution.
- Discuss the case facts, suspicions, or allegations with anyone outside the Company (including the Press) unless specifically asked to do so by a Director or the Company Secretary.
- Discuss the case with anyone within the Company other than the people listed above

There should be no statement of the action that is to be taken against individuals named in the report. It is for the disciplinary hearing to decide whether a fraudulent act has been committed and the appropriate disciplinary action. The report should not prejudice the outcome of the disciplinary hearing.

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### Investigation Procedure

The Directors and Company Secretary has joint responsibility for initiating and overseeing all fraud investigations and for subsequent follow-up work to be completed.

You must not attempt to personally conduct investigations or interviews or question anyone unless asked to do so by a Director of the Company or the Company Secretary.

Investigation results will not be disclosed to or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected, but subsequently found innocent of wrongful conduct, and to protect the Company from potential civil liability.

In cases where an individual is suspected of fraud that a subsequent investigation does not substantiate, it is important that the potential damage to the individual's reputation is minimised. Whoever originally reported the suspected fraud or irregularity will be informed that the investigation has revealed no wrongdoing.

Any necessary investigative activity will be conducted without regard to any person's relationship to the Company, position or length of service.

### Conduct of Investigation

Where an investigation is carried out, it will be carried out with discretion and sensitivity.

Those carrying out the investigation will confine themselves to investigating those matters that are the subject of, or relevant to the suspected fraud.

The investigation having been conducted, a written report will be prepared which states the facts discovered by the investigation. The report should avoid speculation, nor should any statement be made that cannot be supported by the facts.

### Learn From Past Experience

Where a fraud has occurred management must make any necessary changes to systems and procedures to ensure that similar frauds will not recur. The investigation may highlight where there has been a failure of supervision or a breakdown / absence of control.

### Additional Details on Investigation Process

If as part of the investigation the individual suspected of fraud is to be interviewed the following requirements must be observed: -

- The purpose of the questioning must be clearly explained at the outset.
- The person conducting the investigation should be accompanied by a management colleague.
- The member of staff has the right to be accompanied by another member of staff.
- On no account will staff be encouraged to incriminate themselves further as part of the investigation nor should they be invited to explain their side of the case.
- Once it is established that the individual may have committed a breach of discipline that justifies commencing the disciplinary procedure the interview should be terminated.
- The meeting should be documented and form part of the investigation report.

The report should not make any judgment on the guilt or innocence of the individuals named in the report. It is the purpose of the disciplinary procedure to decide whether an individual committed the fraud.

The disciplinary procedure requires that an individual is given copies of relevant statements, reports and records of interviews relating to the allegation under consideration, except where management believes there could be a risk of intimidation, in which case some or all of such documents can be withheld. Thus, under most circumstances the report of the investigation will be given to the person under suspicion of fraud.

As a result of the internal investigation the Directors will seriously consider involving the police, with a view to securing a criminal prosecution. In taking the decision to involve the police the following factors should be taken into account: -

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- The scale of the fraud.
- Whether there has been any external involvement in perpetrating the fraud.
- The company's responsibility to act to protect funds.

It may be necessary to involve the police for other reasons e.g. forensic evidence or to search premises. In all instances, the Directors should instigate contact with the police.

The timing of a decision to involve the police will be dependent on facts emerging which justify the course of action and in some cases this will be after the disciplinary hearing is completed, in others it will be immediately the fraud is discovered

particularly in cases of external involvement. The company, when carrying out a disciplinary action is not bound by the legal requirements of proof in a criminal case.

Once original documents are handed to the police they will not be returned. A copy should be kept of everything that is handed to the police.

The fact that the police are involved in the matter should not under normal circumstances be reason for suspending the disciplinary procedure. Provided the Directors are satisfied that there are grounds for proceeding with the disciplinary procedure this should go ahead. The grounds for police involvement and possible prosecution will not necessarily be the same grounds that justify proceeding with a disciplinary hearing.

The evidence that is assembled for a disciplinary hearing is not evidence that will be accepted in a court of law (with the exception of an Employment Tribunal). Only admissions made under proper cautionary rules of the Police and Criminal Evidence Act are acceptable.

### Disciplinary Procedure

As for other cases of misconduct, matters of alleged fraud will be dealt with under the procedure laid down in the Agreed Statement of the Disciplinary Procedures.

At the hearing the member of staff needs to be clearly told that any comments made may be notified to the police and may become admissible in any subsequent legal proceedings. Only after the disciplinary interview has taken place and any further enquiries have been completed can any consideration be given to disciplinary action.

Where staff is exonerated, no further action should be taken and all records of the incident should be destroyed.

Where an individual is judged to have committed an act of fraud, the Director conducting the disciplinary hearing will decide upon the appropriate disciplinary action.

Fraud is a form of dishonesty and the disciplinary procedure provides for summary dismissal in cases of gross misconduct that can include dishonesty. An act of fraud is a breach in the trust implicit between an employer and employee and under most circumstances it is anticipated that the appropriate disciplinary action will be summary dismissal.

If disciplinary action is taken against an individual there is a right of appeal under the procedure set down in Agreed Statement on Appeals and Grievances.

Where a disciplinary case assumes a high profile, managers and staff should work closely with the Directors and / or Legal Advisers to ensure that any public statements made at the various stages of the procedure do not contravene the laws of contempt.

### Recovery of Loss

Where the Company has suffered loss, restitution will be sought of any benefit or advantage obtained and the recovery of costs will be sought from individual(s) responsible for fraud.

As a first step the individual concerned will be asked to make good the loss.

It may be appropriate to consider recovering the loss from any monies due to the individual on termination. The advice of Legal Advisers should be sought before attempting to make recovery.

If the individual cannot or will not make good the loss consideration should be given to taking civil action to recover the loss, subject to legal advice received.