Fraud Prevention and Detection Policy

PRN-68: Fraud Prevention and Detection Policy
Company Name: AI Auto-Tech Ltd
Trading/Business Name: Trusted Companionship
Company Registration Number: 15556946
SIC Code: 88100 – Social Work Activities Without Accommodation for the Elderly and Disabled
Email: info@trustedcompanionship.com
Version Number: V01 20260815
Date of Review: (August 2026)

Purpose

The purpose of this policy is to establish a robust framework for preventing, detecting, reporting, investigating, and responding to fraud within the organisation.

The organisation is committed to maintaining the highest standards of honesty, integrity, accountability, and transparency. Fraud can result in significant financial loss, reputational damage, legal consequences, and reduced stakeholder confidence. This policy supports a proactive approach to fraud risk management and promotes a culture where fraudulent activity is not tolerated.

Scope

This policy applies to:

- All employees, regardless of employment status.
- Directors, trustees, officers, and senior leaders.
- Volunteers and temporary workers.
- Contractors, consultants, agency workers, and suppliers.
- Individuals acting on behalf of the organisation.
- All organisational activities, assets, information, systems, and financial transactions.

This policy applies to fraud committed against the organisation, by the organisation, or involving organisational resources.

Policy Statement

The organisation adopts a zero-tolerance approach to fraud and related dishonest conduct.

Any act of fraud, attempted fraud, theft, deception, misappropriation of assets, financial irregularity, or deliberate falsification of records will be treated as a serious disciplinary matter and may result in:

- Disciplinary action.
- Dismissal.
- Recovery of losses.
- Referral to law enforcement agencies.
- Civil or criminal proceedings.

All allegations of fraud will be taken seriously and investigated fairly, objectively, and proportionately.

Employees and representatives are expected to report concerns promptly and cooperate fully with investigations.

Responsibilities

Board of Directors / Trustees

The Board is responsible for:

- Providing oversight of fraud risk management.
- Approving fraud prevention arrangements.
- Reviewing significant fraud cases and trends.
- Ensuring adequate governance controls are maintained.

Senior Management

Senior Management shall:

- Promote an anti-fraud culture.
- Implement appropriate internal controls.
- Ensure fraud risks are regularly assessed.
- Allocate resources for fraud prevention activities.
- Support investigations where required.

Line Managers

Line Managers are responsible for:

- Monitoring activities within their areas.
- Maintaining effective control procedures.
- Identifying unusual or suspicious activity.
- Reporting concerns promptly.

Employees and Representatives

All personnel must:

- Act honestly and ethically.
- Protect organisational assets.
- Follow financial and operational procedures.
- Report suspected fraud immediately.
- Cooperate with investigations.

Finance Department

The Finance function shall:

- Maintain effective financial controls.
- Monitor unusual transactions.
- Support fraud investigations.
- Retain financial evidence as required.

Governance, Compliance or Internal Audit Functions

These functions shall:

- Review fraud risks.
- Conduct compliance monitoring.
- Investigate allegations where appropriate.
- Recommend improvements to control systems.

Procedures / Standards

1. Definition of Fraud

Fraud may include, but is not limited to:

- Theft of money, equipment, or assets.
- False accounting.
- Payroll fraud.
- Expense claim fraud.
- Procurement fraud.
- Corruption and dishonest practices.
- Forgery or falsification of documents.
- Misuse of confidential information.
- Cyber-enabled fraud.
- Deliberate concealment of financial transactions.

Attempted fraud is treated with the same seriousness as successful fraud.

2. Fraud Risk Assessment

The organisation shall periodically assess fraud risks by considering:

- Financial processes.
- Procurement arrangements.
- Payroll systems.
- Data management activities.
- Information technology systems.
- Third-party relationships.

Findings shall be documented and reviewed.

3. Internal Controls

Appropriate controls may include:

- Segregation of duties.
- Authorisation limits.
- Financial reconciliations.
- Monitoring and audit reviews.
- Access controls.

- Procurement approval processes.
- Inventory management procedures.

Controls shall be reviewed regularly to ensure effectiveness.

4. Reporting Suspected Fraud

Any person who suspects fraud must report concerns immediately through:

- A line manager.
- Human Resources.
- Finance management.
- Governance or Compliance functions.
- Internal audit.
- Whistleblowing arrangements.

Reports made in good faith will be supported and protected from retaliation.

5. Investigation Process

Fraud allegations shall be:

1. Logged and acknowledged.
2. Subject to preliminary assessment.
3. Investigated by authorised personnel.
4. Supported by evidence collection.
5. Documented appropriately.
6. Reported to relevant management.
7. Escalated to authorities where necessary.

All investigations shall be conducted confidentially and fairly.

6. Recovery of Losses

Where fraud is substantiated, the organisation may seek:

- Financial recovery.
- Insurance claims.
- Civil remedies.
- Legal action.

Recovery efforts shall be proportionate to the circumstances.

7. Training and Awareness

The organisation shall promote awareness through:

- Policy communication.
- Fraud awareness training.
- Governance briefings.
- Internal communications.
- Control and compliance workshops.

Case Study

Scenario

An employee submits travel expense claims for journeys that did not take place and provides altered receipts to support reimbursement requests.

Risk

The organisation suffers financial loss and inaccurate accounting records. Similar conduct by others may occur if the fraud remains undetected.

Required Action

The manager identifies inconsistencies during a financial review and:

1. Reports the concern to Finance and Compliance.
2. Secures relevant records and evidence.
3. Initiates an investigation.
4. Suspends reimbursement activity pending review.

Outcome

The investigation confirms fraudulent claims. Appropriate disciplinary action is taken, losses are recovered where possible, and expense approval controls are strengthened to prevent recurrence.

Monitoring and Quality Assurance

Compliance with this policy shall be monitored through:

- Internal audits.
- Financial control reviews.
- Fraud risk assessments.
- Incident and investigation analysis.
- Whistleblowing reports.
- Management assurance activities.
- Compliance monitoring programmes.

Corrective actions shall be implemented where weaknesses or control failures are identified.

Review Arrangements

This policy shall be reviewed:

- Every two years; or
- Earlier following significant fraud incidents, legislative changes, audit findings, or organisational restructuring.

Reviews will consider:

- Emerging fraud risks.
- Investigation outcomes.
- Regulatory developments.
- Internal control effectiveness.
- Stakeholder feedback.

Related Policies

This policy should be read in conjunction with:

- Anti-Bribery Policy
- Whistleblowing Policy
- Financial Management Policy
- Procurement and Purchasing Policy
- Risk Management Policy

- Information Security Policy
- Code of Conduct Policy
- Records Management Policy
- Disciplinary Policy