

Indecon Building Limited

**South Hanningfield Road, Wickford, Essex, SS11 7PF
01268 711 117**

POLICY ON FRAUD, THEFT, CORRUPTION & FINANCIAL IRREGULARITIES

POLICY ON FRAUD, THEFT, CORRUPTION AND FINANCIAL IRREGULARITIES.

INDEX

1. POLICY STATEMENT
2. COMMITMENT OF THE TRUST TO PUBLIC SERVICE VALUES
3. DEMONSTRATING COMMITMENT
4. WHAT ARE FRAUD, THEFT, CORRUPTION & FINANCIAL IRREGULARITIES?
5. THE ROLE OF MANAGEMENT
6. DUTY OF DIRECTORS, COMPANY OFFICERS AND STAFF
7. NOTIFICATION PROCEDURE
8. ALTERNATIVE DISCLOSURE
9. DUTY OF THE COMPANY SECRETARY

FOREWORD

This document identifies the Indecon Building Ltd. policy and framework for dealing with Fraud, Theft, Corruption and Financial Irregularities. It comprises three elements: -

- Fraud, Theft, Corruption and Financial Irregularity Policy;
- What individuals should do if they suspect fraud, theft, corruption or financial irregularity.
- An indication of how fraud, theft, corruption and financial irregularity will be investigated.

This document is part of the corporate governance framework, which governs the actions of the Company, The Directors and Officers of the Company and Employees.

1. POLICY STATEMENT

Fraud, theft, corruption and financial irregularity, are criminal acts.

- where a Director or member of staff is suspected of fraud, theft, corruption or financial irregularity, he/she will be subject to the disciplinary procedure of the Company, which may lead to dismissal and prosecution.
- where a Police investigation is instigated, this will be separate from any internal disciplinary or grievance process.
- where the Company incurs a loss arising from the theft by, or the fraudulent or corrupt act of a Director or employee the Company may seek compensation and financial restoration.
- requests for references for employees dismissed for reasons connected with fraud, theft, corruption or financial irregularity, must be dealt with by the Managing Director.
- the Police may be contacted immediately at the discretion of the Directors and Officers of the Company. This policy covers the Chairman, Managing Director, Executive and non-Executive Directors, the Company Secretary and all employees of Indecon Building Ltd. The approach the Company will take in addressing fraud, theft, corruption and financial irregularities will be inclusive, professional, comprehensive, fair, balanced, cost effective and consistent.

2. COMMITMENT OF THE COMPANY.

The Company is committed to the seven guiding principles of commerce and the relationship the company has with local authorities, housing associations, all other forms of public bodies and with all private clients, employers agents, architects, engineers and sub contractors.

Selflessness:- Decisions must be made solely in terms of the Company interest, not in order to gain personal financial or other benefits.

Integrity:- Directors and staff should not place themselves under any obligation to third parties.

Objectivity:- In carrying out Company business all appointments, material orders, contracts, sub contract orders and recommendations must be made on merit.

Accountability:- Directors and employees of the Company are accountable for their decisions and actions.

Openness:- The Directors and Offices of the company will be as open as possible on all decisions and action taken.

Honesty:- Directors, Officers and employees have a duty to declare any private interests that may impact on their Company duties.

Leadership:- The Company Directors and Officers will support these principles by leadership and example.

3. DEMONSTRATING COMMITMENT

The commitment of the Company to probity manifests itself in the following: -

- the operation of a remuneration committee.
- the use of clearly defined and documented policies.
- compliance with statutory financial reporting requirements.
- operation of an effective accounting and budgetary control system.
- an adequate and effective internal audit function.
- putting in place appropriate internal controls.
- investigating all cases of alleged fraud, theft, corruption and financial irregularities.

4. THE DEFINITION OF DFRAUD, THEFT, CORRUPTION & FINANCIAL IRREGULARITY

FRAUD

“The intentional distortion or falsification of financial statements or other records which is carried out to conceal the misappropriation of assets or otherwise for gain”.

THEFT

“A person is guilty of theft if he dishonestly appropriates property belonging to another employee, the Company or any other body or person with the intention of permanently depriving the other of it”.

CORRUPTION

“The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person”.

FINANCIAL IRREGULARITY

This may include any of the above descriptions. Fraud or financial irregularity also covers the alleged misuse of the resources of the Company, hired in plant or any resources that the Company manages on behalf of others.

5. THE ROLE OF MANAGEMENT

With regard to fraud, theft, corruption and financial irregularity, it is one of the fundamental duties of management to put in place systems that will ensure: -

- the security of assets
- compliance with laws and regulations
- effective financial stewardship that will demonstrate the probity of transactions
- the reduction of fraud, theft, corruption and financial irregularities to a minimum.

Consequently, all Directors, Officers and Managers have a responsibility for ensuring that all the systems over which they exercise control comply with the principles outlined.

6. DUTY OF COMPANY DIRECTORS, COMPANY OFFICERS AND STAFF

All staff have a duty to protect the assets of the Company. Assets include information and intellectual property as well as tangible items.

Each and every Director, Officer and member of staff of the Company has a responsibility to ensure that any suspected incidence of fraud, theft, corruption or financial irregularity is identified and reported appropriately.

Any Director, Officer or member of staff who is aware of, but does not report any suspected theft or fraudulent or corrupt act is condoning the act.

7. INTERNAL NOTIFICATION PROCEDURE

Where a Director, Officer or member of staff suspects that a fraud, theft, financial irregularity or corrupt act has taken place they should inform their line manager/supervisor immediately. Where they consider that this compromises them in any way they can contact the Chairman, the Managing Director. If the alleged irregularity concerns the Managing Director an approach may be made to the Chairman of the Company. The line manager/supervisor should contact the Managing Director. The matter investigated according to the procedure as set out in the Company's Disciplinary Policy. Any information received will be treated as confidential. However, following investigation and where the invoking of the Company's Disciplinary Procedure is considered as necessary, any information received could form part of the investigation report and individual(s) concerned may be required to submit a signed statement and may be required to appear as witness/es in any subsequent formal hearing. Individuals who do come forward with information that leads to formal proceedings will be given full support throughout this process.

8. ALTERNATIVE DISCLOSURE

An employee may choose instead to contact the charity 'Public Concern at Work' on 020 7404 6609 who will offer the employee advice on how to proceed.

9. DUTY OF THE COMPANY SECRETARY

The responsibility for initiating the investigation of any theft, or fraudulent or corrupt activity against the Company resides with the Company. The Company Secretary has responsibility for ensuring the following are notified as appropriate and be updated as necessary: -

1. Chairman
2. Board of the Company.
3. Police.
4. External Audit.
5. Pension provision agencies.
6. Insurance Brokers/Company.

It is also the responsibility of the Company Secretary to assess and quantify any loss arising and to instigate a process of recovery through civil proceedings, restitution or recovery via a claim on pension contributions.

A GUIDE ON HOW TO REACT TO SUSPECTED FRAUD, THEFT, CORRUPTION OR FINANCIAL IRREGULARITIES

STAFF – Actions to Take

Make an immediate note of your concerns.

Note all relevant details, such as what was said in telephone or other conversations, the date, time and the names of any parties involved.

Convey your suspicions to someone with the appropriate authority and experience.

This is your line manager, Company Secretary or Managing Director.

Deal with the matter promptly, if you feel your concerns are warranted.

Any delay may cause the Company to suffer further financial loss.

Do not,

Do nothing.

Be afraid of raising your concerns. You will not suffer any recriminations from the Company as a result of voicing reasonably held suspicion. The Company will treat any matter you raise sensitively and confidentially.

Approach or accuse any individuals directly.

Try to investigate the matter yourself.

There are special rules surrounding the gathering of evidence for use in criminal cases. Any attempt to gather evidence by people who are unfamiliar with these rules may destroy the case.

Convey your suspicions to anyone other than those with the proper authority.

MANAGERS – Actions to Take

Be responsive to staff concerns.

The Company needs to encourage staff to voice any reasonably held suspicion as part of developing an effective anti-fraud culture. As a manager, you should treat all staff concerns seriously and sensitively.

Do not ridicule suspicions raised by staff.

The Company cannot operate effective anti-fraud and “whistleblowing” policies if staff are reluctant to pass on their concerns to management. Staff may be reluctant to raise concerns for fear of ridicule or recrimination. You need to ensure that all staff concerns are given a fair hearing. In addition, you should reassure staff that they will not suffer recrimination as a result of raising any reasonably held suspicion.

Note details.

Note all relevant details. Get as much information as possible from the reporting staff member. If the staff member has made any notes, obtain these also. In addition, note any documentary evidence that may exist to support the allegations made. But do not interfere with this evidence in any way.

Evaluate the allegation objectively.

Before you take the matter further, you need to determine whether any suspicions appear to be justified. Be objective when evaluating the issue. Consider the facts as they appear, based on the information you have to hand. If in doubt, report your suspicions anyway.

Advise the appropriate person.

Please refer to the Fraud and Corruption Policy contact list.

Deal with the matter promptly, if you feel your concerns are warranted.

Any delay may cause your organisation to suffer further financial

Do not,

Approach or accuse any individuals directly.

Convey your suspicions to anyone other than those with the proper authority.

Try to investigate the matter yourself. Remember that poorly managed investigations by staff that are unfamiliar with evidential requirements are highly likely to jeopardise a successful criminal prosecution.

GUIDANCE ON BUSINESS CONDUCT - CHECKLIST FOR STAFF

- Make sure you understand the guidelines on standards of business conduct, and consult your line manager if you are not sure.
- Make sure you are not in a position where your private interests and Indecon duties may conflict.
- Declare to your employer any relevant interests. If in doubt, ask yourself:
 - a. am I, or might I be, in a position where I, (or my family/friends) could gain from the connection between my private interests and my employment?
 - b. do I have access to information that could influence purchasing decisions?
 - c. could my outside interest be in any way detrimental to Indecon.
 - d. do I have any other reasons to think I may be risking a conflict of interest?

If still unsure - **Declare it!**

- Adhere to the ethical code of the Institute of Purchasing and Supply if you are involved in any way with the acquisition of goods and services.
- Seek your employer's permission before taking on outside work, if there is any question of it adversely affecting your Indecon duties.

Do not:

- Accept any personal gifts, inducements or any hospitality without seeking guidance and sanction from the Managing Director.
- Abuse your past or present official position to obtain preferential rates for private deals.
- Unfairly advantage one supplier or sub contractor over another or show favouritism in awarding orders or contracts.
- Misuse or make available official "commercial in confidence" information.

Guidance for Declaring Other Employment

All staff are required to consult with the Managing Director regarding secondary employment, should they be considering taking on outside work or already be employed elsewhere. All such notifications and discussions will be kept confidential. The grievance procedure is an option if you are unhappy with your manager's decision. It may be appropriate to address the following questions in discussions with your manager.

1. Is there likely to be a "business" conflict of interests.
2. Is it possible that your secondary employment will interfere with your capacity to complete to your satisfaction, or your manager's, your duties or responsibilities at Indecon.
3. Will you, in the course of your secondary employment, use Indecon equipment, stationery, lease cars or any other of Indecon resources?
4. Will your secondary employment in any way be detrimental to Indecon interests?

Instructions To Staff

You should be assured that there will be no recriminations against staff that report reasonably held suspicions. Victimising or deterring staff from reporting concerns is a serious disciplinary matter. Any contravention of this policy should be reported to the Managing Director or the Company Secretary. Equally however, abuse of the process by raising malicious allegations could be regarded as a disciplinary matter. If you believe you have good reason to suspect a colleague, patient or other person of a fraud or an offence involving Indecon Building Ltd.

(examples could include):

- theft of Indecon property
- abuse of Indecon property
- deception or falsification of records (e.g. fraudulent time sheets or expense claims).

You should discuss it in the first place with your manager – unless you suspect the manager of involvement in the fraud, in which case you should go to the next most senior person. If you are concerned about speaking to another member of staff, you could ask advice first from the charity "Public Concern at Work" (telephone 0207 404 6609). It can provide independent and confidential advice to you. If you and your manager decide between you that your suspicion may be justified, your manager will report the matter to the Managing Director or Company Secretary.

REMEMBER THAT TIME MAY BE OF THE UTMOST IMPORTANCE TO PREVENT LOSS TO INDECON.