

Group Fraud Policy Statement

August 2022

McLaughlin & Harvey is committed to the prevention, deterrence, detection and investigation of all forms of fraud, bribery and corruption.

This policy outlines how the company intends to meet this commitment.

Who does this policy apply to?

It is the responsibility of all staff to read and be familiar with the contents of this policy and any related procedures, and to identify and notify the company of any suspected cases of fraud or fraud risk.

Subcontractors, suppliers and other third parties are also expected to adhere to the principles contained within this policy in their dealings with the company.

What do we mean by Fraud, bribery and corruption

Fraud occurs where a person unlawfully obtains money or other property belonging to another person or organisation by knowingly giving false information or omitting to declare information. Fraud may include (but is not limited to):

- Theft
- Forgery
- Falsification of records
- Bank and cheque fraud
- Holiday fraud
- Travel and subsistence fraud
- Corporate fraud
- Phishing scams
- Fake invoicing scams
- Fake emails
- Procurement fraud
- Domain name scams
- Mass marketing fraud
- Cyber fraud
- False accounting
- Personnel mismanagement

Bribery and corruption involves the offering and acceptance of a reward for doing something or omitting to do something. It would usually occur in connection with contracts or decision making. The company is bound under The Bribery Act 2010 to have in place adequate procedures to prevent bribery by, or of, persons associated with the company. For further information refer to the Group Anti-Bribery Policy (doc ref 1124).

How will these risks be addressed?

McLaughlin and Harvey recognises the risks of fraud, bribery and corruption it faces and will address these risks through the following measures:

1. Implementation of measures to minimise fraud.

It is the responsibility of the company's directors and management to put in place, and maintain, appropriate internal systems and controls in order to provide an environment which will minimise the opportunity for fraud, and to ensure that the required procedures are communicated to, and followed by their staff.

These systems should ensure:

- Adequate segregation of duties (more than one employee is involved in key tasks)
- Appropriate authorisation procedures (transactions must be approved in line with established company requirements).
- Independent monitoring and checking of data and documentation

The company will periodically review systems and controls to ensure ongoing effectiveness and will amend where necessary to reflect recent developments and current best practice. Any changes made will be communicated to the relevant personnel.

2. Adoption of formal procedures to investigate suspected fraud

Employees are vital to the successful implementation of measures against fraud. The company therefore encourages employees to report any concerns they may have without fear of being penalised.

The procedures for raising and dealing with concerns is explained more fully in the Group Whistleblowing Policy (doc ref 1132).



Normally employees should raise such concerns with their line managers, who have a responsibility to investigate and keep their directors fully informed. However, other routes are available and employees are free to discuss the matter with any of the following:

- their director
- any other director
- the Human Resources Director

Where further investigations indicate an offence has occurred this will result in a decision to handle the matter in line with the company's disciplinary procedures (doc ref 1146).

3. Regular communication and updating of relevant staff.

Any incidences of attempted fraud or scams from outside the company will be communicated to the relevant personnel to ensure there is an awareness of the areas where particular vigilance is required.

The company will provide relevant staff with the opportunity to attend fraud update seminars and any other training that will assist the individual, and the company, in spotting and dealing with incidences of fraud.

4. Staff responsibilities

Employees are expected to behave in a fair and honest way in any dealings with the company and whilst representing the company in dealings with third parties. They should have due regard to the company's systems and controls.

Employees should report any suspected incidences of fraud or email scams by fellow employees or by third parties. Failure to report such activity may result in disciplinary action.

5. Register of gifts/hospitality given or received

Where employees receive any gifts from, or provide any gifts to, third parties and these gifts are in excess of £50 in value, the employee should complete either a Register of Gifts/Hospitality Received form (doc ref 2528) or a Register of Gifts/Hospitality Given form (doc ref 2529). These forms should be submitted to the Finance Director at the end of each financial year (year ending 30 June).



Philip Cheevers

McLaughlin & Harvey