

Approved Power Services Ltd (APS) maintains a system of internal controls to support achievement of business objectives. This system of controls also aims to prevent fraud. All employees of APS have an obligation to adhere to internal control procedures and to observe this Policy.

APS acknowledges that while an adequate system of internal controls will act as a strong deterrent to fraud, there is no guarantee that fraud can always be prevented. Fraud is often found out by accident, for example on investigation of what would otherwise appear to be an insignificant discrepancy. It is APS policy, therefore, that the procedure on discovery of fraud should always be followed where fraud is suspected, even if the incident seems relatively insignificant.

This procedure applies and is applicable to all employees and directors of APS.

1. Definition of fraud

In law, fraud is committed when a person dishonestly makes a false representation, fails to disclose information or abuses a position of trust with intent to gain or cause loss. For practical purposes, fraud may be defined as deliberate misinterpretation which causes loss or damage to APS.

2. Roles and responsibilities for detection of fraud

Every member of staff is responsible for the security of APS assets, and all staff should be alert to the possibility that unusual transactions could be symptoms of fraud or attempted fraud. Fraud may also be highlighted as a result of specific management checks or be brought to management's attention by a third party. Additionally, irregularities occasionally come to light in the course of internal or external audit reviews.

3. Procedure on discovery of a fraud

Any employee who believes that they have discovered a fraud must report it immediately. This would normally involve raising the issue with the employee's line manager. However, in circumstances where this is not appropriate, then they should report to the Managing Director directly. The employee and manager should not discuss the alleged fraud with any other member of staff until the allegation has been investigated. The need for confidentiality is important to:

- avoid alerting the individual(s) involved and providing the opportunity for destruction of evidence.
- ensure that APS does not falsely accuse a person or employee of misconduct.
- manage publicity and protect the APS reputation.

The line manager will report the facts of the allegation to the managing director, who will determine whether the available information warrants further action. If it does, they will be responsible for:

- agreeing with the Office Manager how to investigate the allegation further. It may be appropriate for the investigation to be undertaken within the local business stream, or with the involvement of external auditors.
- taking appropriate steps to freeze relevant transferable assets and prevent destruction of evidence while the allegations are investigated, e.g. by stopping access to bank accounts or suspending members of staff. Suspension at this stage does not imply guilt; it is a safeguard to prevent the removal or destruction of evidence.

The allegation will be investigated promptly, and the investigation fully documented to ensure evidence is available in the event of a subsequent court case or disciplinary procedure.

A handwritten signature in black ink, appearing to read 'Gerry Donnelly'.

Gerry Donnelly (Managing Director)
01/06/2024