

Case Study – The case of Poor Recruitment Due Diligence

A manufacturing client was victim to financial loss as a result of weak recruitment due diligence, the absence of a financial internal controls framework and lack of management oversight.

A forensic investigation identified the Finance Manager did not have the requisite qualifications and experience with further concerns relating to other authenticity of his stated qualifications. References from former employers was not obtained.

It was identified the Finance Manager abused the lack of internal controls in order to award himself an increase in pay on two occasions, an increase of his employer pension contributions from 4% to 20% and a review of his company credit card and fuel card included substantial personal expenditure.

The Finance Manager amended his sickness absence records in order to qualify for an increased payment from the company profit scheme and had appointed himself without Board approval as a company director for 12 companies within the group.