

# Fraud Prevention - Can you afford not to be prepared?

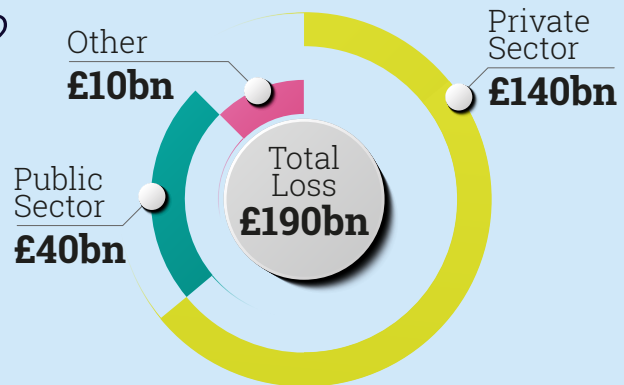
## Financial Crime

Fraud and financial crime is on the increase and is one of the most prolific offences committed in the UK.

### How is Fraud Measured?

The Annual Fraud Indicator identifies the cost of fraud to the UK Economy and was created as a benchmark for year on year specific sector fraud analysis by the UK Fraud Costs Measurement Committee (UKFCMC).

The results for 2017 (right) show a staggering amount of money that is lost by businesses throughout the UK.



## Examples of Financial Crime

Financial crime may occur within any organisation, carried out by someone involved in, or connected to it, or committed externally by individuals or criminal networks. These criminals, whether internal or external, will target your vulnerabilities. Examples of financial crime include:



**Fraud** - When deceit is used to gain a dishonest advantage, which is often financial, over another person.

**Cyber Crime** - Cyber Crime is any criminal act with computers and networks and traditional crimes conducted using the Internet.

**Theft** - Dishonestly appropriates property belonging to another with the intention to permanently deprive the other of it.

**Bribery** - Giving or receiving a financial or other advantage in connection with the improper performance of a position of trust, or a function that is expected to be performed impartially or in good faith.

**Tax Evasion** - Illegally hiding activities from HMRC to avoid the payment of tax.

**Money Laundering** - The process of making illegally-gained proceeds appear legal.

**Terrorist Financing** - All dealings with funds or property which are likely to be used for the purposes of terrorism, even if the funds are 'clean' in origin, is a terrorist financing offence.

## What Legislation is Relevant to Financial Crime?

A range of legislation has been introduced to provide a modern legal platform to address financial crime. Due to the evolving risk of financial crime threats, we have seen revision to the Money Laundering regulations and terrorist financing, the inception of the Bribery Act, with a recent update highlighting a concentration on Deferred Prosecution Agreements and in September 2017 the Criminal Finances Act was introduced in relation to tax evasion.

## Evidencing Adequate Procedures

The Bribery Act and Criminal Finances Act requires that demonstrable activities are undertaken by the organisation to prevent breaches of the legislation and reduce the facilitation of criminal offences. With regards to the Bribery Act the Ministry of Justice, and for the Criminal Finances Act, HMRC, has provided six adequate procedures which must be demonstrable to provide a statutory defence to corporate offences under either legislation. It is no co-incidence the six adequate procedures under either legislation is identical, other than nuances to reflect the corresponding legislation.

## How to Prepare?

We recognise organisations approach to financial crime must be proportionate to the size and nature of an organisation. Whilst there is no 'one-size fits all', or blanket approach to understanding an organisations financial crime risks, what you can expect is that we will spend time understanding your operating environment and work with you to produce an effective and preventative financial crime risk management programme.

Our financial crime service offerings include:



**Compliance & Risk Assessment** - A systematic process of evaluating the potential risks that may be involved in a projected activity or undertaking relating to financial crime.

**Resilience Review** – An examination of operational resilience should a financial crime incident occur.

**Compliance & Risk Workshops** – The facilitation of workshop to identify risks and formulate an action plan to address the risks identified.

**Financial Crime Awareness Training** – Raising knowledge and awareness throughout an organisation of various financial crimes.

**Policy and Procedural Reviews** – A review of your policies and procedures to make sure they are proportionate, relevant, give clear guidance and contain best practice.

**Whistleblowing Assessments** – A review of the effectiveness of your whistleblowing policies and procedures to ensure they are effective and promote best practice.

**Criminal and Civil Investigations** – Full, partial or advisory assistance in collating evidence, reviewing documentation, interviewing suspects/witnesses, provision of report, file preparation and/or referral to law enforcement, file preparation for civil/HR proceedings, giving evidence as required.

### Further details

Please contact Emma Wallace for more details. Telephone: **0121 200 7924**  
or **07971 109598** Email: [ewallace@dains.com](mailto:ewallace@dains.com)