

# Preventing fraud in the work place

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**T**he most common fraudsters in the work place are long-term trusted employees.

They have often done it before and for a long time, but they are the last people you would suspect.

Preventing fraud in the work place starts with your hiring decisions and policies. When hiring you should:

- Get a written CV.
- Seek additional information before the interview.
- Do background checks on the information provided.
- Interview in person (use at least two people so one can watch for body language and reactions while the other makes notes).
- Have a list of questions (so you cover all the topics).
- Drill down on answers (don't just accept what they say is correct).
- Talk to all referees (ask if they would re-employ).
- Seek other referees. Be cautious if their current employer is not a referee.
- Ask about any convictions or pending issues.
- Do a police check and get the response before you make an offer.

■ Have a written employment agreement and keep a copy of the signed agreement (and all drafts) on file.

To prevent fraud after hiring, have clear policies and make sure the policies are followed.

Fraudsters often exploit their position as a trusted employee to get around policies. Enforcing the policies for all employees takes away the "don't you trust me excuse".

Have policies for cash handling, creditor payments etc of at least two signatories or authorisations. Have a second person check all payments and look at the source material.

Are payments going to the correct bank account on the invoice? Is the bank account on the invoice the actual account of the creditor? Check other invoices from that creditor - are the bank details the same?

Fraudsters can easily manipulate emailed invoices to change the bank details or details of goods/services supplied to create a fictitious invoice, which they pay to themselves. They can also pay a genuine invoice twice, once to themselves and again to the creditor (so they don't complain).

Internet banking gives even more opportunities for fraud and hides their actions in a mass of computer files that no-one sees.

Watch out for people who don't



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take annual leave. Fraudsters often don't go on leave (other than at an annual closedown) so that a person covering their absence does not locate irregularities.

Also watch out for being asked to authorise payments right at the end of the day or before they know you have to rush out. This reduces your ability to make checks and is often exploited by fraudsters.

Don't make it easy for fraudsters by putting in place checking policies but not enforcing them.

Treat breaches of policies seriously - don't let them slide. Policies are there for a reason - do

not ignore them in practice.

Next week I will deal with what to do if you suspect fraud in your work place.



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