

Key Steps to Preventing Internal Fraud

Recent changes to the law on data protection and disclosure of personal information has made it easier for criminals to avoid their criminal past. Furthermore it's not always possible for employers to provide character references on former employees. Therefore any information about prospective employees must be obtained with their permission.

Following these four key fact checks can increase protection of your assets and prevent an internal fraud happening in your business.

Remember:

The first line of defence is to prevent the fraudster getting through the door in the first place.



1. Employment History

- Obtain references from previous employers for a 3-5 year period
- Request contact details of a current manager within the company who can verify their employment
- Check for gaps in employment on a prospective employee's CV
- Check frequency of changing employers - a higher frequency may suggest poor character or repeated offences



2. Screening and Due Diligence For Senior Hires with Treasury Access

- Carry out more in-depth screening and verification processes, such as; credit checks for current financial difficulties



3. Criminal Records

- Request copies of previous convictions or previous fraud incidences



4. Education & Qualifications

- Verify attendance and qualification obtained by a prospective employee by contacting the College, University or Governing Body who issued the certificate on completion
- Ask for an original copy of any qualification, accreditation, or certificate stated on their CV



5. Treasury Duties

- Establish a segregation of treasury duties by applying dual controls to processing of payments and setting up new vendors

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