



1. PURPOSE:

The purpose of this policy is to promote an organizational culture of honesty and integrity and to protect the company's assets, reputation, and employees from fraudulent or dishonest behaviour.

This policy provides guidance on preventing, identifying, and reporting fraud within ACME Electric Switchgear L.L.C, which specializes in the assembly of LV switchgear panels.

2. SCOPE:

This policy applies to all employees, including management, supervisors, contractors, temporary staff, and any third parties acting on behalf of the company. It covers all company operations, including procurement, sales, production, accounts, inventory management, delivery section and project execution.

3. DEFINITION OF FRAUD:

Fraud is defined as any intentional act or omission designed to deceive others, resulting in the victim suffering a loss or the perpetrator achieving a gain. Examples include (but are not limited to):

- a. Misappropriation or theft of cash, materials, or company assets.
- b. Manipulation of financial/accounting records or falsification of documents.
- c. Unauthorized release of confidential information.
- d. Supplier or contractor collusion, including inflated pricing or fake invoices.
- e. Payroll fraud, including falsified attendance or ghost employees.
- f. Bribery, impersonation, corruption, or accepting kickbacks.

4. RESPONSIBILITIES:

4.1	Management	▪ Promote a culture of ethical behaviour and transparency. ▪ Implement internal controls to prevent and detect fraudulent activities. ▪ Ensure employees are aware of this policy and trained on ethical practices. ▪ Act promptly and decisively in response to any reported fraud.
4.2	Employees	▪ Perform their duties honestly and in good faith. ▪ Safeguard company property and information. ▪ Report any suspected fraud or unethical behaviour immediately. ▪ Cooperate fully in any investigations.
4.3	HR, Accounts, Audit Team	▪ Conduct periodic reviews and reconciliations to identify irregularities. ▪ Maintain confidentiality during investigations. ▪ Ensure all financial transactions are properly authorized and documented. ▪ Schedule regular awareness and training programs in ethical behaviours, fraud reporting.

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5. PREVENTION MEASURES:

The company will maintain strong internal controls to minimize opportunities for fraud, including:

- Segregation of duties in financial and operational processes.
- Mandatory approvals from management for procurement, payments, and material issuance.
- Periodic internal audits and spot checks.
- Secure access controls for sensitive financial systems and documents.
- Reconciliation of bank accounts every month
- Educate employees on the types of fraud and on fraud prevention measures
- Vendor verification and background checks before onboarding.

6. REPORTING OF FRAUD:

Any employee who notices or suspects fraudulent activity must report to:

- Immediate supervisor
- Operations manager or General manager
- Designated support channels such as anonymous email or a drop in the suggestion box

Note: All reports made will be thoroughly reviewed and investigated immediately. Reports can be made confidentially and without fear of retaliation.

7. INVESTIGATION PROCESS:

- The management team will assign an internal review committee or an external auditor to investigate the reported case.
- The investigation will be conducted fairly, confidentially, and without bias.
- If fraud is confirmed, appropriate disciplinary action including termination, legal proceedings, and recovery of losses will be taken.
- The findings of the investigation will be documented and maintained securely.

8. CONFIDENTIALITY:

All reports of suspected fraud will be treated with strict confidentiality. No employee who reports in good faith will face retaliation or adverse consequences. False or malicious allegations, however, will be treated as a disciplinary offense.

9. DISCIPLINARY ACTIONS:

Employees found guilty of committing, participating in, or concealing fraudulent activity will face disciplinary measures, which may include:

- Termination of employment.
- Legal action and restitution of losses.

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- Reporting to relevant authorities or regulatory bodies.

10.REVIEW & AWARENESS:

This policy will be reviewed annually by management to ensure its effectiveness. All employees will be made aware of the policy through TBTs, orientation sessions, periodic briefings, and internal communications.

Prepared By:




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