



Commercial Insurance Profile

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Creating an Effective Business Continuity Plan

Over the past few years, “uncertainty” has become a buzzword, with individuals and businesses facing significant disruptions. Indeed, the COVID-19 pandemic demonstrated that disasters can occur when least expected. Infectious diseases, severe weather and cyber-attacks are just a few events that can knock businesses off course.

As such, businesses must have a tried-and-tested plan ready to go should things go wrong—otherwise, they might not recover. In fact, more than 10% of UK businesses fail each year, according to Office for National Statistics data. While the reason for these failures isn’t documented, it’s likely that many of these businesses could not recover following a catastrophe. Fortunately, a robust business continuity plan (BCP) can help organisations be prepared for all eventualities. Consider the following tips to increase your business’ resilience to disaster:

- **Conduct a risk assessment.** To identify areas of vulnerability, carry out a comprehensive risk assessment. This should scrutinise all business aspects, including staff, premises, customers, suppliers, equipment and logistics. Consider including employees in this process; they might identify hazards you weren’t aware of.
- **Develop your BCP.** Next, use the risk assessment findings to develop your BCP. Specifically, determine who will be responsible and what action they will take for each vulnerability found. Consider enlisting the help of professional bodies such as the [Business Continuity Institute](#). Better still, engage with other organisations that have previously navigated disaster to glean valuable insight.
- **Communicate and test your plan.** Once complete, disseminate your BCP to everyone associated with the business. Frequently test your BCP’s effectiveness through tabletop exercises, structured walkthroughs and simulations. Furthermore, conduct a full emergency evacuation drill at least once a year. Always correct and update any weaknesses identified in testing.
- **Gather contact details.** Ensure you keep an accurate record of everyone you may need to contact in an emergency, including employees, key customers, suppliers and insurance providers.

Because business risks are constantly evolving, bring key personnel together at least annually to review the BCP and discuss any areas of improvement.

Contact us today for further risk mitigation strategies.

How to Prevent Employee Fraud

Employee fraud—when an employee knowingly lies to, steals from or deceives their employer to make personal gains—is a pressing concern for businesses across multiple sectors. Almost 6,000 workers were caught stealing from their employer in 2022, according to database company Statista, and this statistic could rise further amid the cost-of-living crisis. Specifically, financial pressures may motivate otherwise loyal employees to commit fraud. Thus, it may be prudent for employers like you to seek ways to lessen this risk. Consider the following strategies to prevent employee fraud:

- **Create a tip hotline.** Whistleblower tips are the most common way employee fraud is discovered. As such, your organisation could set up a hotline to catch fraud earlier and minimise losses. To boost the tips received, educate employees on the warning signs of fraud and how to report it.
- **Conduct internal audits.** Regular audits can help businesses identify discrepancies. They also show employees that fraud prevention is a priority, which may act as a deterrent. Alongside scheduled audits, consider unannounced assessments to catch fraudsters off guard.
- **Perform background checks.** Employers should contact references, perform background checks and conduct online research to vet candidates before hiring. To weed out dishonest candidates, it's especially important to check that the qualifications stated on curricula vitae are accurate.
- **Implement internal controls.** While employees need a certain level of trust and authority to do their jobs, internal controls can help detect and deter fraudulent activities. Such controls include controlling access to systems, limiting access to petty cash and performing monthly bank reconciliations.
- **Create a culture of integrity.** Employers should implement consistent controls and policies to create a culture that empowers staff to be accountable for their actions and minimise risk while driving compliance.
- **Purchase insurance.** Insurance, particularly commercial crime insurance, can help protect your organisation from business-related financial losses.

Contact us today for further business insights and risk management guidance.



Amid the cost-of-living crisis, financial pressures may motivate otherwise loyal employees to commit fraud, making **fraud prevention** strategies a top priority for employers.