# FINANCIAL POLICIES AND PROCEDURES

## SECTION 2: RISK

## POLICY 2: FRAUD

### Policy Rationale

[organisation]’s Board, staff and members have a responsibility to protect the organisation’s reputation and resources from fraud, and the risk of fraud.

### Policy Statement(s)

The organisation’s Board accepts that it has a responsibility to protect the physical and financial resources of [organisation]. Through the organisation’s CEO the Board is responsible for:

1. Taking steps to deter and prevent fraud, theft and corruption by persons who are employed or contracted by the organisation or who are service recipients of the organisation
2. Ensuring all staff are aware of their responsibilities to report all suspected instances of fraud and the appropriate method for doing so
3. Respecting the rights of employees to report concerns confidentially and in good faith to make protected disclosures about any concerns without suffering detrimental action as a consequence thereof, so that disclosures of wrong doing are seen as a positive aspect of organisational culture
4. Treating seriously any allegation of suspected fraud, theft or corruption
5. Taking prompt action on all reported concerns, both to bring the activity to an end and to discourage others who may be inclined to similar conduct
6. Being satisfied as to the facts of the case before initiating any disciplinary or legal action. This will involve a preliminary assessment, and where appropriate, investigation of the allegation
7. Notifying the New Zealand Police as warranted and / or appropriate
8. Seeking legal or other advice on the matter where required
9. Acting impartially, fairly, and equitably when handling cases of suspected fraud, theft or corruption, which includes having proper regard for the principles of natural justice and the avoidance of entrapment, bias, and favouritism
10. Treating people consistently, regardless of their status, length of service, or position / title
11. Co-operating fully with any investigations of alleged wrongdoing undertaken by external parties, such as an ‘Appropriate Authority’ as defined under the Protected Disclosures (Protection of Whistleblowers) Act 2022, a Minister of the Crown or an Ombudsman
12. Exercising good judgement based on the evidence gathered and act on that judgement in the interest of members, shareholders and the public
13. Imposing and articulating strong deterrent penalties, including seeking prosecution and recovery of any losses, wherever possible and practicable
14. Making details of successful prosecutions public wherever possible

### Policy Implementation and Related Procedure Documents

The implementation and review of these Fraud policies are the responsibility of [organisation]’s Audit, Finance & Risk Committee.

Any allegations concerning [organisation]‘s staff or related parties are to be made to the CEO, who will communicate these to the Audit, Finance & Risk Committee.

Any allegations concerning [organisation]‘s CEO are to be made to the Board Chairman, who will communicate these to the Audit, Finance & Risk Committee.

Any allegations concerning a [organisation] Board member are to be made to the [organisation] CEO who will advise the external auditor to commence an investigation.

[organisation]’s Audit, Finance & Risk Committee will be responsible for all allegations brought to their attention, and the committee may as warranted and / or appropriate, notify the New Zealand Police and / or advise the external auditor to commence an investigation.

The following [organisation] policies and frameworks should be referred to in this regard:

* Finance Manual [if appropriate]
* CEO Financial Management Policy
* Delegated Authorities Policy
* Budgeting & Forecasting Policy
* Accountability, Internal Controls & Audit Policy
* Financial Systems & Procedures Policy
* Risk Policies
* Credit Card Policy

### Legislative Compliance Considerations

* Protected Disclosures (Protection of Whistleblowers) Act 2022
* Crimes Act 1961
* Summary Offences Act 1981
* Secret Commissions Act 1910

### Review Protocol

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| --- | --- |
| Policy Reviewed By: | Audit, Finance & Risk Committee |
| Date Reviewed: | [Date] |
| Next Review Date: | [Date] |
| Revokes Policy Reviewed: | [Date] |