

# Fraud Policy



Fraud Policy			
<b>Category</b>	Council	<b>Business Unit</b>	People & Capability
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## Contents

1.	Purpose and Scope .....	1
2.	Responsibilities .....	1
3.	Reporting of Fraud.....	1
4.	Investigations.....	2
5.	Procedures, Processes, Standards & Guidelines .....	2
6.	Definition of Fraud .....	2
7.	Related Policies and Documents.....	2

## 1. Purpose and Scope

- 1.1 The purpose of this policy is to provide guidance for the prevention, detection and response to fraud within or involving Kaipara District Council (Council). It clarifies what fraud is and how any alleged fraud and fraud will be dealt with when found.
- 1.2 This Policy applies to any fraud, or suspected fraud, involving employees and any consultants, vendors, contractors, and/or any other parties that have a relationship with Council.
- 1.3 This policy does not apply to:
  - a. Minor fraud perpetrated by the public against Council. For example, providing wrong information on a license application.
  - b. Routine performance management issues that should be resolved by the staff member's Manager with the support of General Manager and People and Capability team.
  - c. Conflict of Interest matters involving Councillors who are subject to provisions within the Local Authorities (Members' Interests) Act 1968, the Local Government Act 2002, and Kaipara District Council's Code of Conduct for Elected Representatives.
  - d. Theft of money or goods by any person not employed by Council.

## 2. Responsibilities

- 2.1 The responsibility for the detection and prevention of fraud rests with Council. This includes ensuring that there are systems and procedures in place to prevent and detect fraud and provide for the investigation and management of fraudulent behaviour.
- 2.2 Managers and General Managers must ensure that employees are aware of this Policy and take appropriate action when breaches of this Policy occur.
- 2.3 Each Manager has the responsibility for ensuring that appropriate controls are in place at all levels to ensure safeguards against fraudulent activity and must take action to implement and maintain these controls. Managers are also responsible to ensure there are systems in place to regularly review transactions and activities that may be susceptible to fraud.
- 2.4 The General Manager and People & Capability will coordinate and undertake investigations into allegations of fraud in accordance with this Policy.
- 2.5 People & Capability Business Partners will be involved in any investigation of alleged fraud concerning an employee by providing advice and guidance. They will administer, interpret and apply this Policy. They will also advise on appropriate action when breaches of this Policy occur.
- 2.6 All employees must comply with internal controls, systems and relevant policies as apply to them in the carrying out of their duties or functions and know and adhere to the conditions of this Policy.

## 3. Reporting of Fraud

- 3.1 All employees must report any incident they become aware of involving (or which they reasonably believe involves) fraud.
- 3.2 Employees who become aware of or suspect fraudulent behaviour must notify one of the following:
  - a. their manager and/or General Manager
  - b. the General Manager People and Capability
  - c. the Whistleblower Line:

*Price Waterhouse Cooper (PwC) Disclosure Service: Kaipara District Council  
Confidential free phone line 0800 177 PWC or 0800 177 792  
Confidential email address pwcdisclose@pwc.com*

- 3.3 In making a complaint of fraud the employee or other complainant:
- a. may remain anonymous.
  - b. may follow the Whistleblowing Policy process
  - c. must not contact the suspected individual in an effort to determine facts or demand restitution.
  - d. must not discuss the case, facts, suspicions or allegations with anyone unless specifically asked to do so by the General Manager People and Capability, the Chief Executive or Council's solicitors.
- 3.4 Council is required to report all confirmed fraudulent activities to New Zealand Police, Serious Fraud Office, and to the Office of the Auditor General via our auditor.

#### 4. Investigations

- 4.1 Investigations are to be conducted in line with the Fraud Investigations Procedure.
- 4.2 Appropriate regard will be given to all relevant employment law principles, including the concepts of natural justice, the right of reply and collection of adequate evidence.

#### 5. Procedures, Processes, Standards & Guidelines

- 5.1 Fraud Investigations Procedure (links to Procedure)

#### 6. Definition of Fraud

- 6.1 Fraud covers unauthorised possession, unauthorised use, misappropriation, deliberate misrepresentation, corruption and impropriety in relation to Council's assets and activities and includes forms of dishonesty. Examples of fraud include, but are not limited to:
- a. violation of council's policies relating to employment, finance, equipment and other assets
  - b. forgery or alteration of any document belonging to Council
  - c. forgery or alteration of a cheque, bank draft or any other financial document
  - d. theft of funds or other assets
  - e. impropriety in the handling or reporting of money
  - f. profiteering as a result of insider knowledge
  - g. disclosing confidential information to outside parties
  - h. accepting anything of material value from contractors, vendors or persons providing services/materials to Council, except for gifts of minor value, in keeping with Council's Staff Gift Policy.
  - i. bribery and corruption
  - j. misrepresentation or failure to provide comprehensive information to decision-makers
  - k. destruction, removal or inappropriate use of records and assets (furniture, fixtures and equipment)
  - l. any similar or related inappropriate conduct.

#### 7. Related Policies and Documents

- Staff Code of Conduct
- Code of Conduct for Elected Members
- Staff Conflict of Interest Policy
- Staff Gift Policy
- Procurement Policy and Strategy
- Whistleblowing Policy