



SOUTH WAIRARAPA
DISTRICT COUNCIL

Kia Reretahi Tātau

Fraud and Corruption Policy and Procedures

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Next Review	31 March 2026 Minor procedural amendments may be made to the procedures that sit within this policy outside of scheduled reviews on the approval of the Chief Executive Officer. Amendments will be reported in the governance report to the appropriate committee.

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Fraud and Corruption Policy

1. Relevant Legislation

- 1.1 [Crimes Act 1961](#) (sections 99, 105 and 105A)
- 1.2 [Employment Relations Act 2000](#)
- 1.3 [Human Rights Act 1993](#)
- 1.4 [Local Authorities \(Members' Interests\) Act 1968](#)
- 1.5 [Local Government Act 2002](#) (sections 100 and 101)
- 1.6 [Protected Disclosures Act 2000](#)
- 1.7 [Secret Commissions Act 1910](#)

2. Purpose

The purpose of this policy is to clearly state the South Wairarapa District Council (SWDC) approach to fraud and corruption and to provide guidelines for the prevention, detection and response. It also intends to raise awareness throughout SWDC about how to recognise fraud and corruption.

This policy is supported by the Fraud and Corruption Procedures which provide guidance to staff and elected and appointed members who encounter or suspect fraud and corruption.

3. Scope

Fraud and corruption can occur due to the actions of SWDC employees, elected or appointed members, suppliers or others SWDC has dealings with. This could be an individual, group of individuals, companies, partnerships, trusts or other entities.

This policy applies to all suspected, alleged or proven instances of fraud and corruption that are committed:

- 3.1 against SWDC
- 3.2 against any third party by a SWDC employee (including a former employee), contractor, secondee, volunteer, or elected or appointed member.

4. Our objectives and approach

SWDC has a zero tolerance approach to fraud and corruption and is committed to developing and maintaining best practice processes and procedures to preventing, detecting and responding to fraud and corruption threats.

- 4.1 Our key objectives are:
 - 4.1.1 **Prevention:** Reducing the risk of fraud and corruption from occurring
 - 4.1.2 **Detection:** Uncovering fraud and corruption at the earliest opportunity and providing effective options to report, manage and respond
 - 4.1.3 **Response:** Taking immediate corrective action and remedying the harm caused, including the preservation of crucial evidence to achieve a successful outcome.

- 4.2 A **zero-tolerance approach** to fraud and corruption means:
- 4.2.1 all suspected acts are to be reported immediately
 - 4.4.1 all reported acts will be investigated thoroughly with appropriate action taken
 - 4.4.2 every effort will be made to gather sufficient reliable evidence to support disciplinary action or prosecution
 - 4.4.3 all confirmed acts will be treated as serious misconduct and will be referred to NZ Police or another appropriate enforcement agency for prosecution consideration
 - 4.4.4 appropriate measures will be pursued to actively recover any loss or expenditure incurred wherever possible and practicable. This includes, but is not limited to recovery of, intellectual property, physical assets, money, third party expenses incurred and investigation costs.

SWDC staff are guided by the SWDC adopted values and behaviours in the application of this policy and procedures.

5. Defining and recognising fraud and corruption

5.1. Fraud

Fraud is a deliberate act of deception to obtain an unfair, unjust or unlawful advantage. For the purposes of this policy, it includes all form of dishonesty. Examples include:

- 5.1.1 knowingly providing false, incomplete or misleading information to SWDC for unfair, unjustified or unlawful gain
- 5.1.2 unauthorised possession, use or misappropriation of SWDC funds or assets
- 5.1.3 deliberate mishandling or misreporting of financial transactions
- 5.1.4 unauthorised access and misuse of SWDC systems and information for unfair, unjustified or unlawful gain
- 5.1.5 destruction, removal or inappropriate use of records, furniture, fixtures or equipment for unfair, unjustified or unlawful gain
- 5.1.6 deliberate misuse of SWDC resources (e.g. vehicles, computers) for unfair, unjustified or unlawful gain
- 5.1.7 forgery through inappropriate alteration of a document or file.

5.2. Corruption

Corruption is the abuse of position or trust for dishonest gain. It includes include bribery, coercion, destruction, or similar forms of inappropriate conduct. Examples include:

- 5.2.1 knowingly providing, assisting or validating in providing false, misleading information to circumvent procurement processes and procedures to avoid further scrutiny or reporting
- 5.2.2 disclosing private, confidential or proprietary information to outside parties without implied or expressed consent

- 5.2.3 accepting or seeking anything of material value from contractors, vendors or persons providing services or materials to SWDC
- 5.2.4 a member of the public influencing or attempting to influence, a SWDC employee, elected or appointed member to use his or her position in a way that is dishonest, biased or breaches public trust. Refer to the Code of Conduct for expected standards of behaviour.

Fraud and corruption are distinguished from unintentional errors and other breaches of SWDC policies which may invoke disciplinary processes (e.g. code of conduct breaches). The key difference is the element of dishonesty for an unfair, unjustified or unlawful gain.

5.3. Recognising Fraud and Corruption

There are generally three pre-conditions associated with fraud and corruption occurring in the workplace:

- 5.3.1 **Incentives/pressures:** employees, members or other external parties have an incentive or are under pressure, which motivates them to commit fraud or wrongdoing (e.g. personal financial trouble).
- 5.3.2 **Opportunities:** circumstances exist that allow employees or members to commit fraud or corruption, such as not having the appropriate fraud and corruption controls in place, or employees or members able to get around or override ineffective controls.
- 5.3.3 **Attitudes:** employees or members are able to rationalise committing fraud (for example, holding attitudes or beliefs such as “everybody else is doing it nowadays,” “they made it so easy for me” or “I’ve been treated unfairly”).

Fraud and Corruption Procedures

The Fraud and Corruption Procedures provide guidance to staff and elected and appointed members who encounter or suspect fraud and corruption. They outline how to report, manage, and investigate instances of fraud and corruption and set out roles and responsibilities.

6. Reporting suspected fraud or corruption

Suspected fraudulent or corrupt activity must be reported immediately. All information reported is to be treated confidentially.

Suspected incidents by staff are to be reported to their Manager, General Manager Human Resources and Corporate Services, General Manager Finance or the Chief Executive. Suspected incidents by elected or appointed members are to be reported to the Chief Executive.

If it is suspected the Chief Executive is involved, the information is to be reported simultaneously to the Mayor and Chair of the Finance, Audit and Risk Committee.

Reports should include the following information to support investigation:

- 6.1 Details of the nature of the event or acts
- 6.2 dates and times
- 6.3 person(s) allegedly involved
- 6.4 any documented evidence or verifiable facts.

Anyone who suspects fraud or corruption must not attempt to personally undertake investigations unless they are assigned to do so.

7. Protected and anonymous disclosure

Disclosures are made under the Protected Disclosures Act 2000 and will be treated confidentially and anonymously. The identity of staff and elected or appointed members will only be disclosed if they expressly give their consent.

Anonymous disclosure can be made and will be referred to the General Manager Human Resources and Corporate Services.

7.1. How you are protected

SWDC is committed to protecting individuals who report suspected serious incidents (often called whistle-blowers). The Protected Disclosures Act 2000 provides the following protections:

- 7.1.1 Confidentiality
- 7.1.2 No civil, criminal or disciplinary proceedings can be taken against whistle-blowers for making a protected disclosure, or for referring one to an appropriate authority

- 7.1.3 Whistle-blowers can take personal grievance proceedings under the Employment Relations Act 2000 if their employer retaliates against them for making a protected disclosure
- 7.1.4 Under the Human Rights Act, whistle-blowers cannot be treated less favourably than others in the same or similar circumstances.

8. Management action and investigation

Unless there is reason not to do so, anyone who receives a fraud report must immediately send a copy to the Chief Executive.

The Chief Executive (or Mayor/Chair of Finance, Audit and Risk Committee in the case of suspected Chief Executive involvement) will ensure staff (e.g. impacted business unit Manager) and/or elected members (e.g. Chair of Finance, Audit and Risk Committee) with a legitimate need to know are informed. They will also determine whether to investigate further and, if necessary, assign a suitable lead investigator who has appropriate levels of independence, objectivity and investigate skills. Independent expert investigation or legal advice may also be sought.

8.1. Investigation process

- 8.1.1 The lead investigator will make initial discrete enquiries to ascertain the substance of the allegation or suspicion. The lead investigator will have free and unrestricted access to SWDC records and premises.
- 8.1.2 If the discrete enquiries reveal that fraud or corruption is suspected, the lead investigator will inform the Chief Executive (or Mayor/Chair of Finance, Audit and Risk Committee).
- 8.1.3 The Chief Executive (or Mayor/Chair of Finance, Audit and Risk Committee) will advise the person(s) against whom the allegations have been made about the complaint and its particulars and determine the course of any further action.
- 8.1.4 The person(s) will be invited to respond orally or in writing within 48 hours and has the right to a support person and/or legal representation.
- 8.1.5 Where an allegation involves an employee subject to the SWDC disciplinary process, the General Manager Human Resources and Corporate Support will be provided with the opportunity to participate in the investigation.
- 8.1.6 If during or upon completion of the investigation it is confirmed an act has been committed, or, in the absence of information, when there is reasonable belief an incident has occurred, it may be referred by the Chief Executive (or Mayor/Chair of Finance, Audit and Risk Committee) to the NZ Police, Serious Fraud Office or other enforcement agency.

9. Roles and responsibilities

9.1. Chief Executive Officer

The Chief Executive has overall responsibility and accountability for preventing fraud and corruption within SWDC.

In addition, the Chief Executive has the following responsibilities:

- 9.1.1 ensuring all reported allegations are investigated appropriately in a timely manner
- 9.1.2 authorising any lead investigator
- 9.1.3 providing an opportunity for the General Manager Human Resources and Corporate Services to participate in the investigation where an allegation involves an employee subject to the SWDC disciplinary process
- 9.1.4 referring instances of fraud and corruption to the NZ Police, Serious Fraud Office or other enforcement agency where appropriate.

The Mayor and Chair of the Finance, Audit and Risk Committee will take over the above responsibilities if the Chief Executive is believed to be involved.

9.2. Managers

All managers have the following responsibilities:

- 9.2.1 enhancing awareness of fraud and corruption
- 9.2.2 identifying risks to which SWDC systems, operations and procedures are exposed
- 9.2.3 fostering effective management controls and processes within their areas of responsibility
- 9.2.4 ensuring that controls and processes are in place and actively complied with
- 9.2.5 facilitating an effective detection culture
- 9.2.6 ensuring employees are supported when making allegations.

9.3. General Manager Human Resources and Corporate Services

- 9.3.1 providing appropriate input and guidance into suspected fraud and corruption investigations to help ensure that employees are fairly treated
- 9.3.2 receiving and reporting anonymous disclosure reports received in a timely manner.

9.4. Policy and Governance Advisor

- 9.4.1 ensuring the fraud and corruption procedures are reviewed, updated and communicated
- 9.4.2 promoting the fraud and corruption framework (Prevention, Detection, Response) within SWDC.

9.5. All employees (including managers)

- 9.5.1 being aware of, and complying with policies, procedures and internal controls
- 9.5.2 acting honestly, fairly and with integrity in undertaking SWDC tasks and activities
- 9.5.3 reporting any suspected fraud or corruption immediately
- 9.5.4 reporting fraud and corruption control failures as soon as they become aware of them
- 9.5.5 cooperating with suspected fraud or corruption investigations.