

Kaupapa-here | National Fraud and Corruption Policy

Mō wai me te whānuitanga | Audience and scope

This Policy applies to:

- a) all employees of Te Pūkenga, including contracted staff and secondees providing services for Te Pūkenga, and those on fixed-term contracts (collectively referred to as Kaimahi in this Policy); and
- b) where appropriate, Ohu Kaitiaki, which extends to all those operating at a governance level, including Council members and members of Council's advisory committees.

This policy applies to all fraud and corruption cases - whether suspected, alleged or proven - that are either:

- a) committed against Te Pūkenga by a person (legal or natural); or
- b) committed by Te Pūkenga Council, kaimahi (permanent, fixed term, temporary, former kaimahi and/or volunteers who work without reward), secondees, consultants, and/or contractors against any third party.

As a publicly funded entity, Te Pūkenga expects its Ohu Kaitiaki, kaimahi, secondees, consultants and contractors to maintain the highest standards of integrity and honesty, and to act, always in an ethical and honest manner to maintain and enhance the reputation of Te Pūkenga.

Fraud and corruption are examples of serious wrongdoing and reporting this type of conduct may be a protected disclosure under the Protected Disclosures (Protection of Whistleblowers) Act 2022. For more information on this, refer to Te Pūkenga National Protected Disclosure Policy.

This policy is a national policy adopted by Te Pūkenga during its transition phase. This policy is intended to be an overarching policy that applies to Te Pūkenga head office but also sits across the policies and procedures of each business division of Te Pūkenga. In accordance with the Transitioning (Grandparenting) Former Subsidiaries Policies, the policies and procedures of a business division will continue to apply to the operations of the business division to the extent they are consistent with this policy. This policy will be reviewed, monitored and amended as the Finance function in each business division (and at Te Pūkenga head office) transition into the organisational design for the national Finance function.

Mokamoka whakaaetanga | Approval details

Version number	3	Issue date	1 December 2022
Approval authority	Te Pūkenga Council	Date of approval	29 November 2022
Policy sponsor (has authority to make minor amendments)	Chief Financial Officer	Policy owner	Chief Executive
Contact person	Michelle Teirney	Date of next review	Date determined by the Policy Sponsor in light of organisational change.

Ngā whakatikatika | Amendment history

Version	Effective date	Created/reviewed by	Reason for review/comment
1	1 April 2020		Initial version.
2	1 April 2022	Sinead Hart	Feedback from Audit NZ. Apply revised policy template.
3	1 December 2022	Phill O'Callaghan and Kristine Brothers	Amended to provide for national application during transition.

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Kaupapa-here | Fraud and Corruption Policy

1. Pūtake | Purpose

- 1.1. Te Pūkenga has a zero tolerance to fraud and corruption and is committed to minimising its incidence through the development, implementation, and review of its processes for fraud prevention, detection, and responses.
- 1.2. The purpose of this policy is to provide high-level guidance:
 - a) to prevent fraudulent, dishonest, corrupt, and inappropriate behaviour within the terms of this document
 - b) to instil responsibility and awareness amongst all Te Pūkenga Council and Kaimahi
 - c) to establish an environment where fraud, dishonesty and corruption concerns can be identified and readily addressed
 - d) to protect Te Pūkenga operations, assets and people from the consequences of fraudulent or corrupt activities
 - e) to ensure that Kaimahi always act honestly and with integrity and safeguard the resources for which they are responsible.
- 1.3. This policy also outlines the procedures to deal with allegations of fraud and provides guidance for the reporting of fraud and the process of fraud investigation.

2. Ngā Mātāpono | Principles

Commitment

- 2.1. Te Pūkenga will ensure it has clearly identified responsibilities related to suspected fraud. The Chief Executive and tier two / three managers at Te Pūkenga central office will demonstrate a high level of commitment to controlling the risk of fraud and corruption within, and by, Te Pūkenga. The Business Division Leads (and management within each business division) will also demonstrate the same high level of commitment to controlling the risk of fraud and corruption within the context of their business division.

Internal Controls

- 2.2. To assist with the detection of potential fraud, Te Pūkenga will:
 - a) conduct periodic internal audits in areas of fraud “risk” (such review should include business divisions)
 - b) provide training for Kaimahi on ethics and fraud prevention
 - c) Be alert to “early warning signs” and red flags
 - d) incorporate fraud risk assessment into its overall risk management systems and procedures
 - e) ensure that the nature of potential fraud and the reporting processes for suspected fraud are communicated to Te Pūkenga Kaimahi
 - f) operate robust internal controls

- g) ensure that appropriate information technology systems and controls are in place
- h) require reporting by Te Pūkenga to relevant authorities including Serious Fraud Office and/or Police etc as well as the external auditor
- i) report to the Risk and Audit Committee on any incident involving alleged fraud or other breakdown of Te Pūkenga internal controls.

2.3. Te Pūkenga will also respond to any reports of suspected fraud or corruption by:

- a) reviewing the appropriateness of the internal control environment in which the fraud occurred
- b) putting into place any required changes and improvements to mitigate further fraud
- c) reporting the incident, if required, to relevant authorities including Serious Fraud Office and/or New Zealand Police, insurers, external auditors, and solicitors.

2.4. All suspected fraud shall be notified to the relevant Business Division Lead, the Chief Executive, the Chair of the Risk and Audit Committee and Chair of the Council.

Regular reviews

2.5. Te Pūkenga (including each business division) will periodically review its internal procedures and practices that enable it to:

- a) prevent fraud, corruption and bribery occurring
- b) detect fraud, corruption, or bribery when it has occurred
- c) respond to suspected fraud, corruption, or bribery.

3. Te tiroiro i te hara tāware me te whakakonuka | Dealing with suspected fraud and corruption

Reporting

3.1. All actual or suspected incidents of fraud and or corruption should be reported without delay and in the first instance by notifying any of the following people at Te Pūkenga:

- a) Your manager
- b) Your Business Division Lead / Business Division Finance Executive
- c) Chief Financial Officer
- d) A member of the human resources team
- e) Chief Executive Officer
- f) Chair of the Risk and Audit Committee.

Protected Disclosure

3.2. Under the Protected Disclosures (Protection of Whistleblowers) Act 2022, where the reporting individual requests that their identity be kept confidential, Te Pūkenga will make best endeavours not to disclose any identifying information. However, confidentiality may not be able to be maintained where disclosure of identifying information is in the public interest or is essential to having regard for the principles of natural justice, the effective investigation of an allegation, or legal proceedings. Should such a situation arise, Te Pūkenga will make every effort to forewarn the individual concerned that their identity may become known.

Investigation

- 3.3. An assigned, independent investigator will be responsible for carrying out the investigation to gather all relevant facts, information, and documentary evidence about the allegation. Care should be taken to prepare and preserve evidence of the alleged fraud and/or corruption. All investigations will be conducted in a manner that is fair, objective and affords natural justice to all involved.
- 3.4. Any alleged fraudulent or corrupt activities undertaken by Kaimahi will be considered acts of serious misconduct and will be managed and investigated in conjunction with the policy and procedures outlined in the organisation's Disciplinary Policy¹.
- 3.5. The investigation findings will be reported to the Business Division Lead, Chief Executive, Chair of the Risk and Audit Committee, or Council Chair, together with recommendations that reflect the outcome of the investigation, including any proposed disciplinary proceedings.
- 3.6. The independent investigator may recommend, after consultation with the Chief Executive Office, that it would be more suitable and convenient for the matter to be investigated by an external investigator, especially where there is a high probability that serious wrongdoing has taken place.

Prevention of Further Loss

- 3.7. Where initial investigation provides reasonable grounds for suspecting a Te Pūkenga Kaimahi of fraud and/or corruption, the investigator, in consultation with and on advice from the Chief People Officer, will decide on further action. If this requires the suspension, with or without pay, of the suspect(s), the procedures outlined in Te Pūkenga Disciplinary Policy must be followed². It may be necessary to plan the timing of suspension to prevent the suspect(s) from destroying or removing evidence that may be needed to support disciplinary or criminal action. Where suspension is being considered, the advice of the Chief People Officer should be sought before any decision is taken.

Advisory to External parties

- 3.8. Where initial investigation provides reasonable grounds for suspecting a Te Pūkenga Kaimahi of fraud and/or corruption, the investigator shall advise the Chief Financial Officer who shall ensure that the Chair of the Risk and Audit Committee, and relevant authorities such as the Serious Fraud Office and/or New Zealand Police, external auditors, solicitors, and insurers will be notified.

Recovery of Losses

- 3.9. Recovering losses is a major objective of any fraud investigation, and the amount of any loss will be quantified insofar as this is possible. Te Pūkenga may seek to recover losses resulting from fraud or corruption directly from those who have gained, through the courts or via a range of civil remedies.

Referral

- 3.10. Credible suspicions or allegations of fraudulent or corrupt activity will be referred to the New Zealand Police or other appropriate law enforcement authority. This may result in penalties,

¹ Where a National Disciplinary Policy has not been adopted, the relevant policy within the business division will apply.

² As above.

including substantial fines and/or imprisonment, if you are convicted of fraud or corruption offences under the Crimes Act 1961 or Secret Commissions Act 1910.

Recording

- 3.11. All documents relating to alleged fraudulent or corrupt activity reporting and investigation must be kept in a secure place. Depending on the outcome of the investigation a decision should be made whether to place information on the kaimahi personal file in a secured envelope. Investigators should be aware of potential requests under the Official Information Act 1982.

4. Ngā Haepapa | Responsibilities

Role	Responsibilities
Kaimahi and Ohu Kaitiaki	All Te Pūkenga Council members, employees, secondees and contractors must take all practical steps to: <ol style="list-style-type: none"> maintain the highest ethical standards in their activities and operations report suspected fraud, corruption, bribery, or related misconduct ensure they understand how to prevent fraud and corruption.
Managers	All Te Pūkenga managers, within their areas of responsibility, must take all practical steps to: <ol style="list-style-type: none"> assess and minimise the risk of fraudulent or corrupt activity support Te Pūkenga internal control systems promote awareness of the organisations Code of Conduct and fraud and corruption prevention amongst kaimahi ensure any reports of fraud, corruption, bribery, or related misconduct are dealt with establish awareness raising measures that include training embed a corruption free culture through regular communications from managers at team meetings highlighting the importance of the policy.
Chief Financial Officer	Will ensure further awareness through regular articles in any Te Pūkenga newsletter, intranet publications and email alerts, where practicable.

5. Ngā Tikanga | Definitions

Term	Definition
Corruption	Corruption is the abuse of entrusted power for private gain (such as soliciting or receiving gifts or other gratuities to perform an official duty or omit to perform an official duty). Corruption is a type of fraud, and it includes bribery. Corruption could include: <ol style="list-style-type: none"> bribery (both domestic and foreign)

	<ul style="list-style-type: none"> b) coercion c) destruction, removal or inappropriate use or disclosure of records, data, materials, intellectual property, or assets d) manipulation of a tendering or procurement process e) secret commissions f) kickbacks g) undisclosed conflicts of interest h) undisclosed giving or receiving of gifts, except in accordance with our Koha and Expenditure policies i) similar forms of inappropriate conduct.
Collusion	Where more than one person, is involved in any theft or fraudulent, dishonest, or inappropriate behaviour or activity.
Fraud	<p>An intentional act by one or more individuals involving the use of deception to obtain an unfair, unjustified, or unlawful gain. It includes all forms of dishonesty.</p> <p>Examples of fraud could include:</p> <ul style="list-style-type: none"> a) forgery or alteration of documents b) misappropriation of property c) deliberately altering or reporting incorrect information d) seeking or accepting gifts from parties doing business with Te Pūkenga except in accordance with our gifts and gift voucher policy e) authorising or receiving payment for goods or services not received or performed f) authorising or receiving payment for time not worked g) any claim for reimbursement of expenses that are not incurred for Te Pūkenga business h) falsification of data or other dishonest practices.
Serious Misconduct	<p>Serious misconduct is conduct which compromises Te Pūkenga trust and confidence in you and/or create serious risk or harm to Te Pūkenga.</p> <p>Examples of serious misconduct include (but are not limited to):</p> <ul style="list-style-type: none"> a) threatening, abusive, insulting or violent behaviour b) serious breach of policies, delegations and/or procedures, or your employment agreement c) unauthorised absence from work d) dishonesty, including misrepresentation when applying for employment. e) failing to disclose any potential conflict of interest or to adhere to a conflict of interest management plan f) breach of implied duties such as confidentiality, loyalty and fidelity g) conduct inside or outside of work that brings (or has the potential to bring) Te Pūkenga into disrepute

	<ul style="list-style-type: none"> h) being impaired or under the influence of drugs (illegal prescription and/or non-prescription) or alcohol while carrying out the responsibilities of your role i) misuse of company property or funds j) consuming or possessing illegal drugs or unauthorised alcohol at your place of work k) sexual, racial or any other type of discrimination, harassment or bullying l) unauthorised statements to the media/public about work-related matters m) introducing unauthorised hardware or software to Te Pūkenga computer systems. n) intentionally downloading, holding, transmitting, viewing or presenting to any other person any sexual, pornographic, racist or other offensive material o) behaviours in serious contravention of Te Pūkenga Code of Conduct.
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6. Ngā Hononga ki Tuhinga kē | Links to Other Documents

<p>Ngā Kaupapa-Here e Hāngai ana Related policies³</p> <ul style="list-style-type: none"> Code of Conduct Council Code of Conduct Conflicts of Interest Policy Disciplinary Policy Engaging Independent Contractors and Consultants Policy Expenditure Policy Interim Delegations Policy Koha Policy Procurement Policy Protected Disclosures Policy
<p>Ngā Tukanga me ngā Hātepe Processes, procedures</p> <ul style="list-style-type: none"> Protected Disclosures Procedure

³ Where any of the related policies have not been adopted as National Policies, the policy applies only to Te Pūkenga central office and the Grandparenting Policy applies in the context of a business division.

Ture whai take | Relevant legislation

Crimes Act 1961

Official Information Act 1982

Protected Disclosures (Protection of Whistleblowers) Act 2022

Secret Commissions Act 1910

Education and Training Act 2020

Privacy Act 2020

Public Service Act 2020

Human Rights Act 1993