

Fraud and Corruption

Waitaki Power Trust

Name of Policy	Fraud and Corruption
Effective Date	13 July 2022

	Designation	Signature
Written By:	Doreen Cleave	(Maleave
Approved By: Trustees		
Resolution:	WPT12/300	

Approval Date:	
Revision Authority:	All amendments must be approved by Trustees
Revision Frequency:	Three years
Review Date:	May 2028

Document Revision:	Description of Change:	Prepared by:	Date:	Resolution
Version 1	Internal Policy			
Version 2	Revision		July 2022	
Version 3	Revision Add Related policies and procedures	Lichelle Guyan	June 2025	WPT13/347
Version 4				

1. Purpose

To ensure that Waitaki Power Trust operates internal procedures to prevent and detect theft and fraudulent actions. Trustees have zero tolerance for fraud and corruption and it is the intent of the organisation to promote this through consistent organisational behaviour in policies and procedures.

2. Scope

This document applies to all staff, former staff, contractors, volunteers, governing bodies, trustees and service users of Waitaki Power Trust. Fraud and corruption are ever present threats and all stakeholders should be mindful of this.

Fraud and corruption may occur due to the actions of trustees, employees, contractors or another person that Waitaki Power Trust has dealings with. This could be an individual or a group of individuals or entities acting in collusion.

3. Objectives

The objectives of this policy are to:

- Define fraud and corruption for the purposes of this policy and for Waitaki Power Trust
- Provide guidance regarding investigation and reporting of suspected fraud and corruption
- Provide guidelines as to Waitaki Power Trust's response to fraud and corruption.

4. Definitions

What is fraud and corruption?

Fraud

The term 'Fraud' refers to the deliberate practice of deception to receive unfair, unjustified or unlawful gain or advantage. For the purposes of the policy this includes all forms of dishonesty. Within this definition, examples of fraud and dishonesty may include, but are not limited to:

- Knowingly providing false, incomplete, or misleading information to Waitaki Power Trust for unfair, unjustified, or unlawful gain or advantage
- Unauthorised possession use or misappropriation of funds or assets, whether Waitaki Power Trust's or a third party's
- Deliberate mishandling of or misreporting of money or financial transactions
- Unauthorised access and misuse of Waitaki Power Trust's systems and information for unfair, unjustified, or unlawful gain or advantage
- Misuse of or obtaining insider knowledge of organisational or judicial activities without implied or expressed consent (this may also be considered corruption)

- Destruction, removal, or inappropriate use of records, furniture, fixtures, or equipment for unfair, unjustified, or unlawful gain or advantage
- Deliberate misuse of Waitaki Power Trust's resources (including work time, computers, Waitaki Power Trust's addresses and phone numbers) for unfair, unjustified, or unlawful gain or advantage
- Forgery or alteration of any financial instrument, document, or computer file
- Forgery or alteration of any document or computer file or record belonging to Waitaki Power Trust; where any person who has a business involvement with Waitaki Power Trust acts dishonestly, unfairly, or breaches public trust.

Corruption

'Corruption' is the lack of integrity or honesty (especially susceptibility to bribery) or the use of a position of trust for dishonest gain or advantage. It includes foreign and domestic bribery, coercion, destruction, removal or inappropriate use or disclosure of records, data, materials, intellectual property, or assets, or any similar or related inappropriate conduct. Examples of corrupt conduct include, but are not limited to:

- Any person who has a business involvement with Waitaki Power Trust, improperly using, or trying to improperly use, the knowledge, power or resources of their position for personal gain or to the advantage of others, for example, fabrication of business travel requirements to satisfy personal situations
- Knowingly providing, assisting, or validating in providing false, misleading, incomplete or fictitious information to circumvent Waitaki Power Trust procurement processes and procedures to avoid further scrutiny or reporting
- Disclosing private, confidential, or proprietary information to outside parties without implied or expressed consent
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services or materials to Waitaki Power Trust
- A member of the public influencing or trying to influence, a public official, employee, contractor, person seconded to, or any other party that has a business involvement with Waitaki Power Trust to use his or her position in a way that is dishonest, biased or breaches public trust.

5. Errors

This policy distinguishes between fraud and error. Within this definition, 'error' refers to an unintentional misstatement of information (e.g. financial information), including the unintentional omission of an amount or a disclosure.

6. Governance/Management

- Physical and financial resources are kept secure and accounted for.
- Financial systems are designed to prevent and detect the occurrence of corruption.
- The requirements and standards of generally accepted accounting practices are met.
- Staff with delegated responsibility for ensuring the safety of physical and financial resources are competent to carry out and are held accountable for the proper execution of these responsibilities.
- All staff members are aware of their responsibility to immediately inform the Chairperson should they suspect or become aware of any improper or fraudulent actions by staff, suppliers, contractors, Board members/directors or other persons associated with Waitaki Power Trust.
- Any allegations concerning the Chairperson should be made to the Board.
- Any statement made on behalf of Waitaki Power Trust and related to any instance of supposed or actual theft shall be made **exclusively** by the Chairperson
- All matters related to the case shall remain strictly confidential and breaches will be dealt with through disciplinary processes.
- Any investigation into fraud or corruption allegations will be conducted in a manner that conforms to the principles of natural justice and follows fair and just processes.

7. Related policies and procedures

- Board Code of Conduct
- Conflict of Interest
- Payments Policy
- Reimbursement of Out of Pocket Expenses on Trust Business
- Trustee Code of Ethics

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		Allegation of fraud or corruption			
	Chair of the Trust				
Step 1:	Anyone	If the allegation is of a serious matter, immediately report the matter to the New Zealand Police.			
	Reporting	Any other allegations are reported to the Chair of the Trust →			
Step 2:	Within 24 hrs Person the fraud or theft is reported to	 Record the details of the allegation - the person(s) allegedly involved; the nature, time and circumstances and the quantity and/ or value of the theft or fraud. Request a written statement from the person who has informed the Chair of the Trust of the alleged fraud/ theft. 			
Step 3:	Within 5 days Nominated investigator	 Consultation with the person that reported the allegation Confidential consultation with Trustees about the allegation and how to manage it. If the allegation is about the Chair seek legal advice on how to manage Decision on the investigation processes. 			
Step 4:	If a case is considered to exist Within 7 days Chair of the Trust or nominated investigator	 Inform the alleged person in writing of the allegation that has been received and request a meeting with them and their representative(s). Meet with the person (and representatives) to explain the allegation against them. Obtain a written response. Any verbal response must be recorded as minutes of that meeting and the accuracy attested by all persons present. Advise the alleged person in writing of the processes to be involved from this point on. 			
Step 5:	Investigate and respond Within 15 days Nominated investigator/ Chair of Board/manager	 Dependent on the situation: Invoke any disciplinary processes according to the employment contract. Lay a complaint with the New Zealand Police. Commission an independent expert investigation in case of fraud. Search for written evidence of the possible fraudulent action. Seek legal advice. Advise your funders of the situation. 			

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If no prima facie case exists, document this decision and record that no further action is to be taken.