

OPERATING POLICY AND PROCEDURE

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BUSINESS OWNER	Director Enterprise & Finance	ISSUE DATE:	September 2018	REVIEW DATE	September 2021

1. Purpose

The purpose of the policy is to protect Auckland Museum its operations, its assets, Trustees, employees, Directors, volunteers, contractors and suppliers, from the consequences of fraudulent or corrupt activity.

2. Scope

This policy applies to all Trustees, employees (including any fixed term and permanent staff, contractors, volunteers and suppliers,) of the Auckland Museum ('Auckland Museum Worker').

This Policy is monitored and reviewed regularly by the Governance and Compliance Advisor.

3. Policy Statement

All Auckland Museum Workers must maintain the highest ethical standards in their own activities and operations and must not participate in fraud or corruption or any related misconduct.

All managers at Auckland Museum must promote and implement measures to prevent and detect fraud and corruption amongst their staff members and colleagues, and support robust fraud protection and risk management practices and programmes across the Museum.

All Auckland Museum Workers must co-operate fully with any investigations of alleged wrongdoing undertaken by external parties, such as an 'Appropriate Authority' as defined under the Protected Disclosures Act 2000, a Minister of the Crown or an Ombudsman.

4. Responsibilities

4.1. All Auckland Museum Workers must take all practical steps to:

- maintain the highest ethical standards in their activities and operations
- report suspected fraud, corruption or related misconduct, and assist with the prevention and detection of such activities
- support and protect any individual who seeks, in good faith, to report suspected fraud, corruption or related misconduct
- ensure they gain an adequate understanding of how to detect and prevent fraud and corruption.

4.2. Within their area of responsibility, all managers must take all practical steps to:

- assess and minimise the risk of fraud
- support the Museum's internal control system and monitor the output of the detection (e.g. unusual transaction analysis or similar analytics) and other fraud risk management programmes
- promote awareness of ethics and fraud prevention amongst staff members, and
- ensure any reports received of fraud, corruption or related misconduct are dealt with in accordance with this policy, or otherwise as directed by the Governance and Compliance Advisor.

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4.3. The Director of Enterprise and Finance must:

- ensure adequate and effective internal controls are in place for relevant business processes, particularly those that are assessed as having a higher risk of fraud and corruption
- ensure an annual review of museum activities, that are identified the Director of Enterprise and Finance as having a high risk of fraud, by a competent party not directly involved in the high risk area
- report all financial losses occurring as a result of fraud to the Chief Executive, Governance and Compliance Advisor, Chair of the Audit and Risk Committee and to others as appropriate in the circumstances.

4.4. The Chief Executive (or when concerns relate to the Chief Executive, the Chair of the Board) must:

- decide on the level of seriousness of the potential fraud
- decide what action is appropriate
- where considered appropriate, appoint an investigator to investigate any allegation of fraud, corruption or related misconduct
- determine whether the matter is to be reported to the Police or any other external authorities.

4.5. The Chief Executive will communicate all allegations to the Audit & Risk Committee and Trust Board.

5. Detection and reporting

5.1. An individual who is aware or who suspects fraud, corruption or related misconduct must promptly report such activity to any of the following:

- their line manager or another manager
- Director People and Organisation
- Director Enterprise and Finance
- Chief Executive (or when concerns relate to the Chief Executive, the Chair of the Board)
- Governance and Compliance Advisor.

5.2. In the event that fraud is suspected, every effort must be made to preserve and protect all relevant evidence that may be required to support internal disciplinary action as per Auckland Museum's Disciplinary Policy, or where appropriate, criminal prosecution.

5.3. All information collected or received during an investigation into fraud must be treated in confidence, except as necessary for the thorough investigation and resolution of the complaint, to meet the requirements of natural justice or otherwise required by law.

5.4. The Chief Executive (or when concerns relate to the Chief Executive, the Chair of the Board), in conjunction with the Trust Board, is to determine whether to appoint an investigator.

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5.5. The Audit & Risk Committee will be responsible for all allegations brought to their attention. The Committee will notify the Trust Board who may as warranted and / or appropriate notify the New Zealand Police and / or advise the external auditor to commence an investigation.

6. Investigation

6.1. Where appointed by the Chief Executive (or Chair of the Board, as above), in conjunction with the Audit and Risk Committee and Trust Board, the investigator is to:

- develop an investigation plan
- investigate the allegation(s) of fraud, corruption or related misconduct
- after reviewing the information available, determine whether relevant records should be secured with limited access (evidence protection strategy)
- identify expertise and resources required for the investigation
- manage all privacy and protected disclosure issues
- gather information, including interviews
- prepare a final report.

6.2. The investigator is to report to the Chief Executive throughout the investigation as directed. The Chief Executive will keep the Chair of the Board informed as considered appropriate.

6.3. The investigator is authorised to examine, copy, and/or secure the contents of files, desks, cabinets, and other storage facilities, including digital storage facilities, unhindered, on Museum property without the consent of any individual.

7. Consequences

7.1. When the investigation is complete, the investigator is to submit a final report to the Chief Executive (or Chair of the Board)

7.2. Where the investigator's report supports the allegation of fraud or corruption or related misconduct against a staff member, the matter is to be referred the matter to the Director People & Organisation to determine whether it is appropriate to be dealt with as a staff disciplinary matter.

7.3. The recovery of any lost money or other property is to be pursued wherever practicable and appropriate.

7.4. In cases where the investigation indicates that criminal charges may be warranted, the Chief Executive (or Chair of the Board) will communicate this to the Audit & Risk Committee and Trust Board. The Trust Board will, as warranted and / or appropriate, notify the New Zealand Police.

7.5. The Trust Board will seek prosecution of individuals conducting fraud.

8. Determine internal control improvements

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8.1. The Governance and Compliance Advisor, in conjunction with the Director of Enterprise and Finance, is to prepare a report recommending what, if any, improvements to internal controls are to be undertaken.

8.2. The Governance and Compliance Advisor is to provide the Audit and Risk Committee with a summary of the findings and any actions taken.

9. Dealing with the Media

Advise the Director of Marketing, Communications and External Affairs. Any person contacted by the media with respect to any fraud investigation shall refer the media to the Chief Executive.

10. Legislative Compliance

The Museum is required to manage its policy documentation within a legislative framework. The legislation directing this policy is the:

Crimes Act 1961

Protected Disclosures Act 2000

Employment Relations Act

Definitions

Corruption refers to the abuse of entrusted power for private gain (e.g. soliciting or receiving gifts or other gratuities to perform part of an official function, or omit to perform an official duty).

It includes dishonest activity in which an employee, trustee, , volunteer, supplier, or contractor of the Museum acts contrary to the interests of the Museum and abuses their position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

Fraud is an intentional and dishonest act involving deception or misrepresentation, to obtain or potentially obtain an advantage for themselves or any other person.

It includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose of the Museum or the improper use of information or position whether or not for personal benefit.

Where the context permits, the term 'fraud' will include corruption and other related misconduct.

Museum means the Auckland War Memorial Museum | Tāmaki Paenga Hira and includes all subsidiaries.

Auckland Museum Worker: All Trustees, employees (including any fixed term and permanent staff), contractors, volunteers and suppliers,) of the Auckland Museum ('Auckland Museum Worker').

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Staff/employee: includes people who work for the museum directly in a paid employment relationship covered by an Individual or Collective Employment Agreement (Permanent, Part Time, Fixed Term, and Casual)

Volunteers: Includes all people who voluntarily offer themselves for a service or undertaking at the museum, willingly and without pay.

Contractors: includes people who are self-employed or employed by other organisations which whom the museum engages to perform services under a contract for services (commonly called an independent contractor agreement).

Protected disclosure / Whistle blowing: when an employee reports any serious wrongdoing in the workplace that they reasonably believe is true or likely to be true. If an employee makes a protected disclosure under the [Protected Disclosures Act 2000](#) their employer can't take disciplinary (or other action) against them.

Suppliers: A party that supplies goods or services, distinguished from a contractor or subcontractor.

Responsibilities

Trust Board

The Trust Board is responsible for approving this Policy.

Executive Team

All Executive Team members are responsible for:

- a) ensuring their managers follow this Policy and its associated processes; and
- b) championing an inclusive and transparent work environment;

Governance and Compliance Advisor

The Governance and Compliance Advisor is responsible for:

- a) establishing a Fraud Policy and associated systems to monitor progress;
- b) reporting to the Board annually on any examples of Fraud occurring within the organisation;
- c) reviewing this Policy.

Managers

Each manager is responsible for:

- a) ensuring that this Policy is followed by their team(s).

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All Staff

- a) being aware of the Museum's commitment to ensuring Auckland Museum Workers feel confidence about raising concerns regarding actual, suspected or anticipated wrongdoings within Auckland Museum
- b) adhering to this Fraud Policy

Approved by the Trust Board October 2018.

Policy Owner: Governance and Compliance Advisor

Associated Documents

- Auckland War Memorial Museum Act 1996
- Relevant Collective or Individual Employment Agreement
- Employment Relations Act 2000
- Human Rights Act 1993
- Protected Disclosures Act.
- Auckland Museum Operating Policies
- Museums Aotearoa- Code of Ethics
- Protected Disclosures Act 2000
- Protected Disclosure / Whistleblowing Policy
- Procurement Policy
- Discipline Policy
- Employee Responsibilities Policy