

## FRAUD AND CORRUPTION POLICY

<b>Section</b>	Risk Management
<b>Contact</b>	Director Risk and Assurance
<b>Last Review</b>	December 2018
<b>Next Review</b>	May 2020
<b>Approval</b>	C19/43
<b>Effective Date</b>	2 May 2019

### Purpose:

Massey University is committed to ensuring the highest standards of ethical conduct in its activities and operations. The purpose of this policy is to confirm as part of that commitment that the University will not tolerate fraud and corruption. This policy also provides guidance for staff on how to notify suspected instances of fraud and corruption.

### Policy:

Massey University is committed to preventing, detecting and responding to fraud and corruption threats, and will not tolerate incidents of fraudulent or corrupt behaviour. To give effect to this commitment, the University will:

- Investigate all instances of suspected fraud or corruption;
- Where an allegation is substantiated, determine whether to invoke formal disciplinary procedures in accordance with the University's policies and the relevant employment agreement, and/or refer the matter to the NZ Police, the Serious Fraud Office or other external agency as may be appropriate;
- Take all appropriate measures to recover any loss or expenditure attributable to proven fraudulent or corrupt behaviour. This includes, but is not limited to recovery of: intellectual property, physical assets, money, third party expenses incurred and/or investigation costs.

In addition, the University as part of ongoing prevention, detection and response activities will:

- Require all suspected or detected instances of fraudulent or corrupt behaviour to be notified internally;
- Undertake to reduce the risk of fraud and corruption through prevention activities, such as fraud awareness training;
- Implement detective controls and monitoring processes to uncover fraud and corruption at the earliest opportunity;
- Provide effective options to support staff to report suspected cases of fraud and corruption;
- Establish a robust response plan to achieve successful outcomes where fraud or corruption is identified or suspected.

**Duty to report suspected fraud or corruption:**

The University relies on its staff and students to maintain the highest ethical standards in their activities and operations, and staff should expect other members of the University community to adhere and be held to those same high standards.

Any person who suspects that a fraudulent or corrupt act is occurring or has occurred, must report this immediately. All information about suspected fraud or corruption is to be treated confidentially to the extent possible, and where made by a staff member, may be made as a protected disclosure in accordance with the University's Protected Disclosures Policy.

Suspected incidents of fraud or corruption are to be notified in one of the following ways:

- Staff members notifying their manager
- Completing and submitting the 'Suspected or Detected Fraud and Corruption Notification Form'
- Emailing or telephoning the Director Risk and Assurance
- Emailing or telephoning the Employment Relations Manager

Failure to notify suspected or detected instances of fraud or corruption may be considered as serious misconduct and invoke formal disciplinary procedures in accordance with the University's policies and the relevant employment agreement.

Any investigation of fraud or corruption initiated will follow the process as set out in the University's Fraud and Corruption Response Procedures. The investigation process adopted includes a provision for a preliminary investigation, the purpose of which shall be to determine whether a more comprehensive investigative process should be followed.

**Association to other University Policies:**

The key underlying element in fraud and corruption is dishonesty for an unfair, unjustified or unlawful gain.

Where fraud or corrupt behaviour is substantiated, the University will determine whether to initiate disciplinary proceedings in accordance with the Policy on Staff Conduct as permitted in the relevant employment agreement, and/or refer the matter to the NZ Police, the Serious Fraud Office or other external agency as may be appropriate.

If the conduct is in breach of any other policy and is of a lesser standard, it will be dealt with under the Policy on Staff Conduct, or as that policy may otherwise require.

**Audience:**

This Policy applies to all employees, contractors, sub-contractors, consultants, adjunct and visiting academic staff, members of the Massey University Council, University committees, Boards and Trust Boards, and any other persons or entities carrying out work for or on behalf of the University,

This policy also applies to controlled entities of the University, where those entities do not have their own separate Fraud and Corruption Policy.

Employees for the purposes of this policy include:

- Current employees;
- Former employees;
- People seconded or contracted to the University; and
- Volunteers who work without rewards.

### **Definitions:**

**'Fraud'** means an intentional and dishonest act that involves deception or misrepresentation where the perpetrator obtains (or potentially obtains/seeks to obtain) an advantage for themselves, another person or the University.

This includes, but is not limited to:

- Forgery of any type
- Unauthorised possession or misappropriation of University funds or assets
- Deliberate mishandling or misreporting in recording and reporting financial transactions
- Deliberate misuse or unauthorised use, destruction or removal of University resources for unfair, unjustified or unlawful gain
- Unauthorised disclosure of confidential information (may also be considered corruption)
- Dishonest claims for reimbursement
- Fabrication or falsification of data or personal information

**'Corruption'** is the lack of integrity or honesty (especially susceptibility to bribery) or the use of a position of trust for dishonest gain. It includes 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 the University, improperly using, or trying to improperly use, the knowledge, power or resources of their position for personal gain or the advantage of others. (For example, fabrication of business travel requirement to satisfy personal situations; bypassing recruitment processes to appoint associates/friends or family);
- Knowingly providing, validating, or assisting in providing false, misleading, incomplete or fictitious; information to circumvent University 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 the University, except as provided for in the Sensitive Expenditure and Gifts Policy; failing to disclose a conflict of interest.

**Relevant legislation:**

Protected Disclosures Act 2000  
Crimes Act 1961

**Legal compliance:**

Fraud is a crime against rights of property as defined in Part 10 of the Crimes Act 1961, and amendments. The Act specifies (does not limited to) the following acts as being liable for punishment as an offence: obtaining by deception or causing loss by deception; Altering, concealing, destroying, or reproducing documents with intent to deceive; False accounting; Theft or stealing (dishonestly taking property).

Protected Disclosures Act 2000 provides for the facilitation of disclosure and investigation of serious wrongdoing in or by the organisation, and protects the individual who reports allegations of serious wrongdoing. Persons who make a disclosure under the Act are protected for dismissal or punishment, legal action, or disclosure of their own private information, unless one of the exceptions in the Act applies.

**Related procedures / documents:**

[Policy on Staff Conduct](#)  
[Code of Student Conduct](#)  
[Credit Card Policy](#)  
[Code of Ethical Research Conduct](#)  
[Code of Responsible Research Conduct](#)  
[Discretionary Expenditure and Gifts Policy](#)  
[Conflict of Commitment and Interest Policy](#)  
[Fraud and Corruption Response Procedures](#)  
[Procedure for the Disclosure of Serious Wrongdoing \(Whistleblower Procedure\)](#)  
[Protected Disclosures Policy \(Whistleblower\)](#)  
Procurement Policy

**Document Management Control:**

Prepared by: Director Risk and Assurance  
Owned by: DVC Operations  
Authorised by: Council C19/43  
Date Issued: 12 September 2003  
Last Reviewed: May 2020