

## Fraud, Corruption and Dishonesty Policy

### 1.0 Purpose

Why we have this policy

The purpose of this policy is to prescribe policy regarding the prevention, detection, investigation and resolution of fraud, corruption and dishonest behaviour.

### 2.0 Scope and coverage

When to apply it

The Fraud, Corruption and Dishonesty Policy applies to the prevention, detection, investigation and resolution of fraud, corruption and dishonest behaviour. For ease of use, the terms fraud, corruption and dishonesty refer to and are included under the single term 'misconduct' or 'dishonest(y)' in this policy.

This policy applies to all New Zealand Red Cross Employees, Members and Volunteers and those who are contractually bound to abide by NZRC policies.

### 3.0 Policy statements

How to apply it

- New Zealand Red Cross people should always act with honesty and integrity.
- Dishonesty is not tolerated.
- All cases of suspected fraud, corrupt and dishonest conduct are to be reported.
- When dishonesty is discovered, New Zealand Red Cross will ensure that the discovery is formally assessed and investigated.
- Action will be taken against perpetrators of fraud.

#### 3.1 Reporting suspected dishonesty

- Suspected dishonesty should be reported in writing to the person's people manager, or in cases of serious wrongdoing, the Secretary General and National President, as set out in the Protected Disclosures Policy.
- If the person's manager is involved in the suspected dishonesty, their manager should be informed.
- If a member is suspected of dishonesty, then the matter will be reported in accordance with the Members Handbook.
- If an employee is suspected of dishonesty, then the Secretary-General will be informed.

#### 3.2 Assessing suspected dishonesty

- Suspected dishonesty will be assessed and resolved at the lowest appropriate level of the organisation. It is important that each case has the appropriate technical advice specific to the nature of the incident. Responsibility for the assessment will be assigned by the GM of the Group impacted, this may be the manager, a technical expert or an independent person. They will:
  - Direct the conduct of the investigation, monitor progress, and provide a quality assurance and supervisory role for the investigation until it is completed.
  - Report to the General Manager Organisational Services on the progress of the investigation and its final recommendations. This is to ensure consistent organisational practise and policy compliance.
- The General Manager Organisational Services or other managers authorised to investigate and assess

allegations will have access as necessary to all New Zealand Red Cross assets, information repositories and facilities, and may undertake surveillance (in accordance with all legal requirements) to establish the truth or otherwise of allegations made.

- All investigations, communications and disciplinary decisions will adhere to all applicable law including, but not limited, to natural justice, the Employment Relations Act, Crimes Act 1961, Protected Disclosures Act, New Zealand Red Cross Code of Conduct, Employment Agreements, Contract for Services, and the Privacy Act.

### 3.3 Managing outcomes of investigations

- New Zealand Red Cross will communicate the outcome of investigations and reasons for decisions taken, wherever possible, openly and honestly and within an appropriate timeframe.
- New Zealand Red Cross will seek to recover lost money or other assets wherever possible and practicable.
- Where sufficient evidence of dishonesty exists, these allegations will be pursued to their conclusion, including appropriate disciplinary procedures, referral to the police, prosecution and the recovery of assets and/or costs. Proven dishonesty is viewed as serious misconduct and the appropriate disciplinary action will be undertaken as outlined in Employment Agreements, and the Member’s Handbook.
- Legal action will be taken against perpetrators of fraud, including referral to external law enforcement agencies (such as NZ Police and/or the Serious Fraud Office (SFO)), where clear evidence has been established.

### 3.4 Media enquiries

- Any persons contacted by the media concerning any fraud investigation shall refer the media to the Communications Team.

### 3.5 Lessons learned

- Lessons learned will be built into ongoing training, and improvements made to internal assurance controls, processes and systems should an investigation confirm any gaps or weaknesses.

## 4.0 Roles and responsibilities

| ROLE   | RESPONSIBILITY   |
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| <b>New Zealand Red Cross Employees, Members and Volunteers</b> | <p>New Zealand Red Cross employees and members will:</p> <ul style="list-style-type: none"> <li>• Make themselves aware of and comply with this policy</li> <li>• Report allegations or suspected incidents of dishonesty immediately</li> <li>• Alert their manager where they believe the opportunity for dishonest behaviour exists because of poor procedures or lack of effective controls</li> <li>• Provide full assistance in any investigation by providing all relevant information and cooperating in interviews</li> </ul> |
| <b>People Managers</b>   | <p>Managers/Area Council Chairs will:</p> <ul style="list-style-type: none"> <li>• Ensure all employees and members understand expected and unacceptable behaviour</li> <li>• Deal with any dishonesty allegations in accordance with our policies and procedures</li> <li>• Reinforce integrity behaviour within their team and branch</li> <li>• Ensure people are aware of the policies, controls and assurance systems and their particular role and responsibilities.</li> </ul>  |

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- Be accountable for the investigation and implementing the approved outcome(s) of any dishonesty investigation; and
  - Undertake improvements to remedy weaknesses in internal controls and processes or otherwise mitigate unacceptable risks exposed in the course of an investigation.
  - Notify the relevant General Manager or the Secretary General of any suspected or dishonest behaviour identified on a 'no surprises' basis.
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### General Managers

General Managers will:

- Ensure that appropriate policies and guidelines are communicated;
  - Support the processes outlined in this policy;
  - Ensure investigations into dishonesty are robust, credible and comply with this policy; and
  - Notify the Secretary General of any suspected or dishonest behaviour identified on a 'no surprises' basis.
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## 5.0 Definitions key technical terms in this document

For the purposes of this policy and related policy documents, the following definitions apply:

**Fraud** is considered as deliberate or reckless action(s) intended to gain improper advantage or cause harm for the employee/member. Examples of fraud include:

- Falsely altering any application or document or systems;
- Forging a document; and/or
- Knowingly or intentionally issuing a genuine document improperly

**Corruption** consists of dishonest activity in which a person abuses or misuses their position of power, authority or trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

Examples of corruption include:

- Asking for or accepting or offering a gift, bribe or benefit or payment or other favours in return for the provision of New Zealand Red Cross's services or personal benefit;
- Accepting a secret commission;
- Selling customer or other New Zealand Red Cross information;
- Improper accessing, processing or action of any document, application or systems with the desire or intent to deceive or gain personally, or on someone else's behalf for someone else's gain; and/or
- Deciding not to take some action, such as to investigate or highlight some corrupt activity by a customer or employee, when that inaction improperly benefits them, you, or some other person (e.g. wilfully ignoring an unlawful act because the customer promises you a discount on purchases).

**Dishonesty** is considered to be dishonest behaviour, deceit, or acting without authority, including fraud and corruption.

Examples of dishonesty include:

- Theft (including taking cash donations or donated goods);
- Use or misappropriation of New Zealand Red Cross assets (property, systems, equipment, funds, information) for personal gain, or for another person's gain, where you or that person are not entitled

to expect such use.

- Any claim for reimbursement of expenses or payment for time that are not incurred for the benefit for the New Zealand Red Cross (this includes taking leave without recording leave taken).

**Member** refers to a person who has joined the New Zealand Red Cross.

**Volunteer** refers to a person who donates their time to New Zealand Red Cross.

## 6.0 Related Policy and Supporting Documents

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| Policy | Code of Conduct<br>Protected Disclosures (Whistle Blower's) Policy<br>Privacy Policy<br>Performance and Disciplinary Policy<br>Procurement Policy<br>Relevant employment agreements<br>Purchase Card Policy (P Card) |
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## 7.0 Information about this policy

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| Audience            | All Red Cross people                        |
| Effective date      | June 2024                                   |
| Review date         | May 2027                                    |
| Policy questions?   | Contact the Director Finance and Commercial |
| Approving authority | National Board                              |

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