



Te Kaporeihana Āwhina Hunga Whara

Decision Document

National Investigations Unit Structure

Claims Management Group

30 May 2014

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1. Introduction

Current context

On 10 April 2014, we issued a consultation document proposing a new structure for the National Investigations Unit (NIU) including a change in unit name, business group reporting line, and operating model.

As outlined in the Proposal for Consultation, the current NIU model has an almost exclusive focus on client (external) fraud, which has been to the detriment of achieving prevention, deterrence, and detection outcomes with providers and levy payers. The current model is also not linked to ACC's newly established Counter-Fraud Outcomes Model which sets out the framework for ACC to have a more robust approach to the wide range of potential third party and employee-focused threats it faces.

Consultation and submissions

The consultation document was provided to staff within the NIU, with submissions due by 5pm on Wednesday, 7 May 2014. The wider organisation was also given the opportunity to comment on the proposal.

A total of 36 submissions were received covering a wide range of views concerning both the content of the proposals and matters of process. Submissions were of a high quality reflecting that considerable thought and analysis had gone into reviewing the proposal and developing alternative options for consideration.

In summary staff were generally supportive of the new direction proposed. This document sets out the decisions for the new Integrity Services (formerly National Investigations Unit) structure at ACC. There are two main parts to the document. Section 2 deals with the key themes that emerged from the submissions which have been summarised, while section 3 sets out more specific issues and decisions.

The five key themes to emerge from submissions are in relation to:

- New fraud model proposed;
- Intelligence model;
- Impact on roles;
- Additional (fourth) area; and
- General

Thank you for those of you who took the time to make submissions on the consultation document.

Yours sincerely



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2. Key themes from submissions

There were five key themes that emerged from 36 submissions provided. These are covered in this section.

Theme One: New Fraud Model Proposed

Feedback	Response
Feedback was supportive of the alignment to the enterprise wide 'three lines of defence', with staff confirming their familiarity with this model.	ACC are committed to ensuring that the shift leads the team in the right direction and provide ACC a counter-fraud model, which better suits its risk capability framework.
Staff highlighted potential workflow issues moving into the new structure and felt that it will not be sustainable given the increase in workload with the unit's current capacity.	<p>A focus on a change in the mix of investigations across Levy Payers, Clients and Providers that are 'high impact' investigations which have a high return on financial and reputational (deterrence) outputs for the organisation. An enhanced intelligence model (see proposed change in section 4) to determine appropriate areas for investigation that result in higher level outcomes will assist to achieve this.</p> <p>Once the new structure is implemented, the Head of Integrity Services will be responsible for determining appropriate resourcing to ensure the Counter-Fraud Outcomes Model can be delivered successfully across the team.</p>
Staff expressed the need for training in the new areas of; provider, levy and internal fraud investigation.	ACC is committed to providing development across the new fraud areas and ensuring that the Counter-Fraud Outcomes Model is successfully implemented. Once the new structure is embedded, the Head of Integrity Services will be responsible for delivery of the strategy.

Theme Two: Intelligence Model

Feedback	Response
A group submission was received from the Intelligence Team that made a number of recommendations. These recommendations are	The feedback provided was considered significant and prompted reconsideration for retaining a modified version of the centralised model. The rationale for a centralised versus decentralised model is also considered critical to the success of the proposed new structure and Counter-Fraud Outcomes

<p>addressed throughout this theme.</p> <p>The Intelligence team submission stated the new proposed decentralised model would provide specific challenges including:</p> <ul style="list-style-type: none"> • a lack of support and peer review; • no quality control risking privacy issues; • a reduction in the consistent detection and prevention methodologies; and • a lack of future professional development opportunities for staff. 	<p>Model. Further thought in this area was undertaken and we are seeking further feedback on the Intelligence structure within Integrity Services. More information can be seen in section 4.</p>
<p>Feedback was provided from the Intelligence group outlining the need to look at what the future intelligence model needs to target in the new structure. This has been a perceived gap by the investigators wanting a data analytics intelligence focus (30/70) and intelligence wanting to deliver their perceived best practice evidence based approach (70/30).</p>	<p>This feedback was considered important in looking at how the future structure could provide greater support to the investigation teams across the country. The decision to propose (see section 4) a portfolio model as opposed to decentralised model will result in improved data analytics.</p>
<p>Unanimous feedback from Intelligence staff (including the Manager, Intel and Support) outlined the need for a technical Intelligence Manager moving forward in the new structure.</p>	<p>The feedback provided was considered significant and prompted reconsideration for retaining a modified version of the centralised model. The rationale for a centralised versus decentralised model is also considered critical to the success of the proposed new structure and Counter-Fraud Outcomes Model. Further thought in this area was undertaken and we are seeking further feedback on the Intelligence structure within Integrity Services. More information can be seen in section 4.</p>
<p>Staff were divided with the proposal to decentralise the Intelligence team.</p>	<p>As previously mentioned the feedback provided was considered significant and prompted reconsideration for retaining the centralised model. After a great deal of deliberation it was decided to retain the centralised Intelligence function to ensure consistency of profiling and prioritisation of what should be investigated. A portfolio approach will also be implemented across the Intelligence Analysts that provides focused an aligned customer centric relationship to the Regional investigations teams. The introduction of a new management structure supporting an enterprise ACC approach to the risk of fraud which is focused on consistent profiling to support enterprise prioritisation and investigation decision making is key moving for forward with the new structure.</p>

	<p>It will be the responsibility of the new Head of Integrity Services and direct reports to build a culture of improved intelligence and investigations interrelationships, through better understanding of each function and how critical the relationship is for the success of the new Integrity function.</p> <p>It is confirmed the Intelligence Analyst roles will not be disestablished in the new structure.</p>
<p>Submissions from the investigators supported the decentralised intelligence model, highlighting how this would help improve data analytics which would help investigators with high value high risk cases and the ability to gain local knowledge and improve teamwork across the Unit.</p>	<p>This feedback was considered important in looking at how the future structure could provide greater support to the investigation teams across the country. The decision to propose (see section 4) a portfolio model as opposed to decentralised model will result in improved data analytics. Having dedicated Intelligence Analysts for each area will develop greater understanding and knowledge of the local issues and deliver greater customer centricity to the investigation team, creating a symbiotic relationship moving forward. This will be supported by four Intelligence Analysts having a dedicated regional portfolio and dotted reporting line to the respective Area Investigations Manager.</p>
<p>There was a strong view from the Intelligence collective that the Unit needed a high level of technical intelligence capability at a management level to support a modified centralised model.</p> <p>There was also feedback suggesting the Manager of Intelligence should be aligned to the same level as the Area Investigations Managers.</p>	<p>We agree there is a need in the new structure for a senior level of intelligence capability which was originally envisaged in the role of Manager, Intelligence & Support Services, reporting to the new Head of Integrity Services.</p> <p>Given the unanimous feedback that the role of Manager, Intelligence and Support Services does not provide the level of technical intelligence expertise vital in the new structure, we are proposing a new role of Counter Fraud Intelligence Manager, reporting directly to the Head of Integrity Services. It is now proposed to disestablish the role of Manager, Intelligence and Support Services.</p> <p>It is still proposed that the current role of Manager, Intelligence is disestablished and a senior leadership role is created reporting to the proposed new role of Counter Fraud Intelligence Manager.</p>

Theme Three: Impact on roles

Feedback	Response
<p>There was no feedback provided regarding the proposed disestablishment of any positions.</p>	<p>Given there was no feedback regarding the proposed disestablished positions and staff were generally supportive of the new operating model and structure, we can confirm the disestablishment of the following roles:</p>

	<ul style="list-style-type: none"> • National Manager, Investigations; and • Investigations Manager (x2).
Staff were positive about the proposed new positions.	<p>The following proposed roles will be established:</p> <ul style="list-style-type: none"> • Head of Integrity Services; • Area Investigation Manager (Waikato / BOP / Northland); • Team Administrator (Waikato / BOP / Northland); and • Integrity Investigation Manager.
No contrary feedback received regarding roles with proposed minor changes.	The proposed Operations Support and Risk Assessment Manager role title and new position description is confirmed in the new structure. The proposed changes to Investigator and Area Manager position descriptions are also confirmed.
There was feedback stating that the new role of Integrity Investigations Manager should sit with the People Team.	The intelligence and investigation functions need to be consistent across all fraud areas and aligned to the fraud model. The Integrity Investigation Manager's focus will be the deterrence, prevention and detection of employee fraud, which could also be linked to an external party. Any HR implications from a Code of Conduct breach perspective would continue to be investigated and managed by the People Team, supported by the Integrity Investigations Manager.
Feedback presented the need for a consistent investigator and senior investigator mix across the structure.	Once the new structure is implemented, the Head of Integrity Services will be responsible for determining appropriate resourcing requirements to ensure the Counter-Fraud Outcomes Model can be delivered successfully across the team.

Theme Four: Additional (fourth) area

Feedback	Response
There was positive support for the establishment of an additional area aligned to the Claims Network model. Staff identified the need to make necessary adjustments to suit obvious geographical constraints like Whangarei being added in this coverage as it is	While we agree that the newly established area is large geographically, it is important that this role align with the Claims Management Network model to ensure consistency and customer centricity. This geographical split will continue to be reviewed consistent with the regional breakdown of the Branch Network.

better suited in the Northern Area portfolio.	
Feedback referred to an error in the structure where Tauranga appeared to have one investigator as there are two currently. The question was asked if this was going to be decreased in the new structure.	It was an error in the proposed and this has been corrected in Figure 1.

Theme Five: General

Feedback	Response
Generally staff were supportive of the new direction proposed, the business unit name change and business group reporting line.	We can confirm that the unit will now be named Integrity Services and will report through to the Chief Risk and Actuarial Officer.
Staff identified the need for a case management system and workflow tools. Also the need for objectives which are quality not only compliance in focus.	<p>Once the new structure is implemented, the Head of Integrity Services will be responsible for determining appropriate resources, systems and tools required to ensure the Counter-Fraud Outcomes Model can be delivered successfully across the team.</p> <p>The objectives will be aligned to ACC Performance Development Cycle policies and framework that incorporates objectives with line of sight to ACC statement of intent and competencies which are aligned to ACC organisational values.</p>
Some staff commented on the length of time between the Deloitte report being finalised and the consultation proposal being presented.	We appreciate this feedback and acknowledge that the time between the Deloitte report and proposal for change may have been unsettling for staff. Following the Deloitte report being finalised on 28 November 2013, senior management wanted to consider the information and structure recommended. However given the importance of this team to ACC's integrity, a lot of thought and changes went into the proposed structure that was presented to staff in April 2014.
Some staff raised concerns in respect to the impact of the Deloitte report on the decisions to modify the structure as proposed.	The Deloitte report was only one aspect of the process to decide how the operating model and structure will look moving forward. The Deloitte review looked at best practice information, interviews across the team and business with the findings considered by the ACC Executive. Views

	<p>of the ACC Executive team, key stakeholders and customers were also sought in the development of the proposal provided to staff for consideration.</p> <p>The consultation process allowed staff to provide their feedback on the proposed options, much of which has been taken into account in the final decision document. This is also evident in the additional feedback sought on the Intelligence model to ensure an effective fraud structure is implemented for ACC.</p> <p>We are satisfied that a robust process has taken place in determining the final operating model and structure and key stakeholders have been part of reaching this final decision.</p>
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3. Detailed decisions

This section sets out the detailed decisions for Integrity Services (formerly National Investigations Unit). The key changes between this finalised structure and the former structure are:

- **Implementation of the new Counter-Fraud Outcomes Model** as the strategic foundation of Integrity Services with a broader focus across all fraud risks both internal and external;
- **Change of business unit name to Integrity Services**, to reflect the new holistic focus of the Counter-Fraud Outcomes Model which includes planning, prevention, detection and response;
- **Change of business group reporting line to Risk and Actuarial**, to sit alongside the other risk management functions within ACC, and improve its enterprise framework as part of the three lines of defence model;
- **Improved focus on internal fraud**, with specific capability based within Integrity Services;
- **Establish four new positions**, and disestablish three positions; and
- **Retain the centralised Intelligence model** and begin further consultation on a proposed new structure for this team.

In addition to the key detailed decisions outlined above, to ensure the new structure is successful development on the Counter-Fraud Outcomes Model will be provided to the wider team.

Whilst these decisions are confirmed, we have decided to seek further feedback on the Intelligence model and structure that supports Integrity Services. More information about this is outlined in section 4.

Figure 1: New Integrity Services Structure

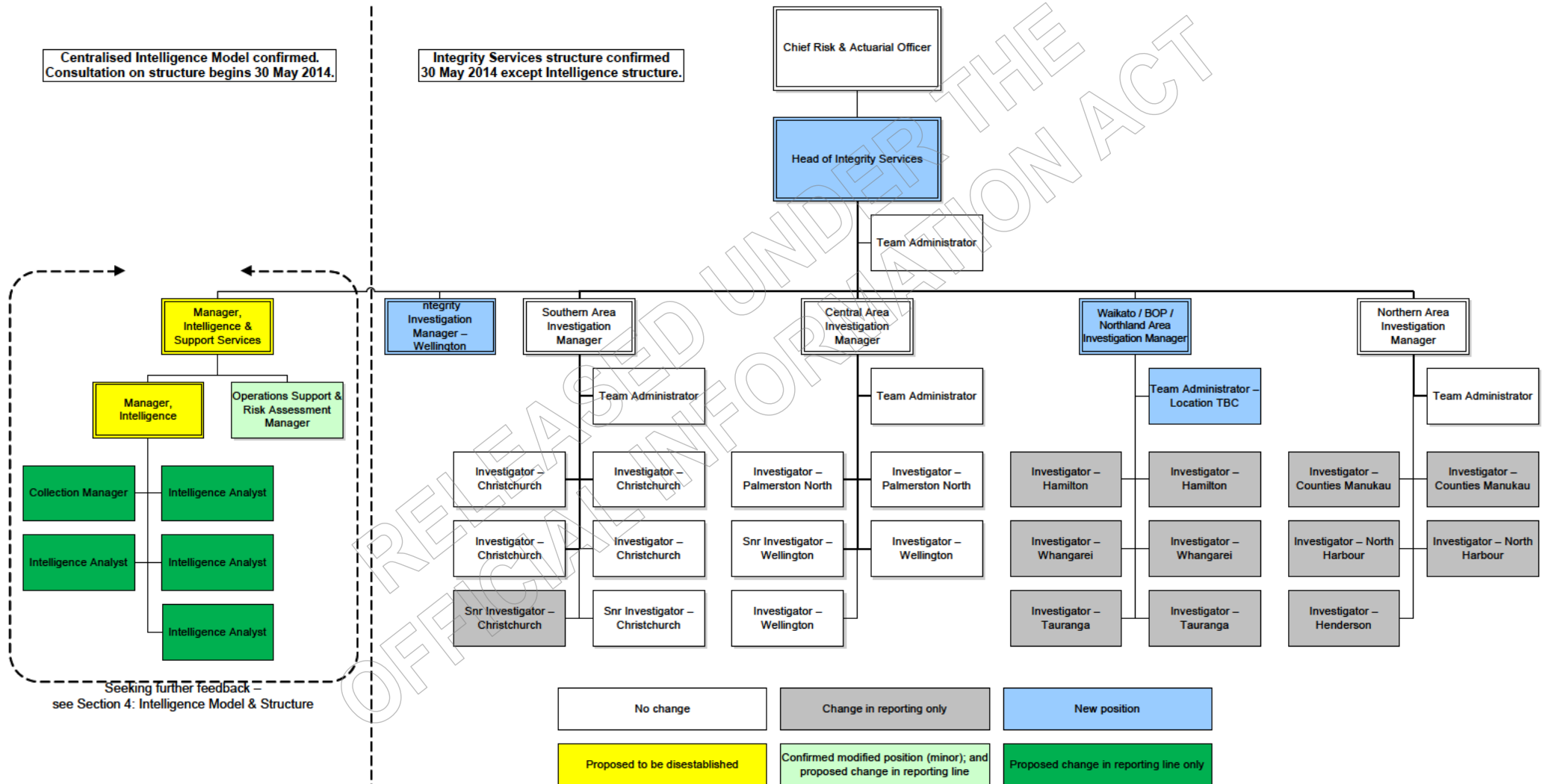


Table 1: Impact on current positions – Integrity Services

Current position(s)	FTE	Impact	Rationale
National Manager, Investigations	1.0	Disestablished	The scope and accountabilities for this position are not sufficiently aligned to the new Counter-Fraud Outcomes Model, which takes a holistic approach to the management of fraud and corruption risk. A greater focus is required at a strategic level to provide direction across the organisation regarding; prevention and detection, employee fraud, risk management and be customer facing to ACC Executive team and staff. This significantly increases the breadth of responsibility of this role as it is not only responsible for the delivery of the fraud function, but accountable to develop and implement strategy which aligns the unit's strategies to ACC's strategic direction and enterprise Risk Management. These amendments constitute a significant change to the current position description.
Investigation Manager	2.0	Disestablished	It is important in the new structure to have consistency across the management team and currently there is fifth tier level of management only in the Auckland region. There is a need for additional head count at the Area Management level to provide greater strategic support across the Branch Network. Investigators in the northern region will now report directly to the two Area Investigation Managers. This will enable improved speed, accuracy and communication of decision making. The change in reporting line for all Investigators in the northern region to Area Investigation Manager constitutes significant change to the current position description.
Senior Investigator, Christchurch	1.0	Change in reporting line	This role will now report to the Southern Area Investigations Manager
Investigators (Northern and Waikato/BOP/ Northland areas)	n/a	Change in reporting line	With both Investigation Manager roles disestablished, the Investigators in the current Northern Area will now report to their respective Area Investigation Manager directly.
Operations Support Manager	1.0	Minor change	The position description will include accountabilities for risk assessment. The position is re-titled Operations Support and Risk Assessment Manager.
Area Investigation Managers	4.0	Updated position descriptions	Updated position descriptions will reference elements of the new strategic direction relevant to investigators e.g. holistic approach and four fraud focus areas. This will ensure the new strategic direction is implemented consistently across Integrity Services, and integrated across ACC.
All Investigators and Senior Investigators	n/a	Updated position descriptions	Updated position descriptions will reference elements of the new strategic direction relevant to investigators e.g. holistic approach and four fraud focus areas. This will ensure the new strategic direction is implemented consistently across Integrity Services, and integrated across ACC.

Table 2: New positions established – Integrity Services

Current position(s)	FTE	Impact	Rationale
Head of Integrity Services	1.0	Established	This role is responsible for leading the development and implementation of a new Counter-Fraud Outcomes Model for ACC, with significant focus on managing an integrated approach to the prevention and deterrence as well as detection and response across all types of fraud. This role requires significant engagement with the Executive, management teams, HR and Risk, aligning ACC strategic direction to the counter-fraud strategy for ACC.
Waikato / BOP/ Northland Area Investigation Manager	1.0	Established	A new Area Investigation Manager position will be established in the Waikato / BOP / Northland region. The establishment of a fourth Area Investigation Manager will provide greater strategic focus to the new region and provide greater leadership coverage across the team. The region that this role leads is aligned with the Claims Management Network regional areas.
Team Administrator	1.0	Established	This role is responsible for supporting the Waikato / BOP / Northland Area Investigations Team.
Integrity Investigation Manager	1.0	Established	This role is responsible for managing an integrated approach to deterrence, prevention and detection of and response to employee-related fraud, with a greater focus on communication with its customer stakeholder groups.

4. Feedback required: Intelligence model and structure

There was a variety of feedback received regarding the intelligence model and structure as part of the original consultation process as outlined in section 2 of this document. In summary, while there was support for improved customer service and dedicated focus to the regions, there was also concern that distributing the Intelligence Analyst roles into the regions would reduce the Centre of Excellence approach required to support a holistic fraud model at ACC.

Based on this feedback **we have decided not to disestablish any of the existing Intelligence Analyst positions**, by reason of location change, and instead to retain a centralised Intelligence function. Further, two additional Intelligence Analyst positions will be established (in addition to the four existing) to increase the capacity of this unit and the support it provides to the regional hubs. The Intelligence Analysts will continue to be based in Wellington; however four will be allocated a work portfolio aligned to each of the four regions. The two additional Intelligence Analyst positions will provide wider strategic support to the Counter Fraud Intelligence Manager and take on any overflow of work from the other analysts. Portfolios will not be static, and may change depending on capacity and capability available. It is important that a stronger sense of customer service and support to the regional areas is developed, and we believe a portfolio approach can achieve this.

We are seeking further feedback on the **proposal to establish a new role of Counter Fraud Intelligence Manager**, which will replace the existing positions of Manager – Intelligence & Support Services, and the Manager – Intelligence that would be disestablished under this proposal. An illustration of the proposed new intelligence model and structure is summarised in Figure 2.

It is proposed the Intelligence Analysts will report to the Counter Fraud Intelligence Manager. Through dotted line responsibility to the Area Investigation Managers, four Intelligence Analysts will be accountable for the intelligence support to their allocated area. This will include the need to regularly visit and attend meetings within the relevant region to ensure regional requirements are both understood and are being met. The Collection Manager, and Operations Support & Risk Assessment Manager will also report to the proposed new Counter Fraud Intelligence Manager.

The **timeline for feedback** on the proposal to establish the Counter Fraud Intelligence Manager position; and disestablish the Manager – Intelligence & Support Services, and the Manager – Intelligence will close at 12pm on 9 June 2014

Further rationale for this proposed change is outlined in Table 3 below.

Figure 2: Proposed New Intelligence Structure

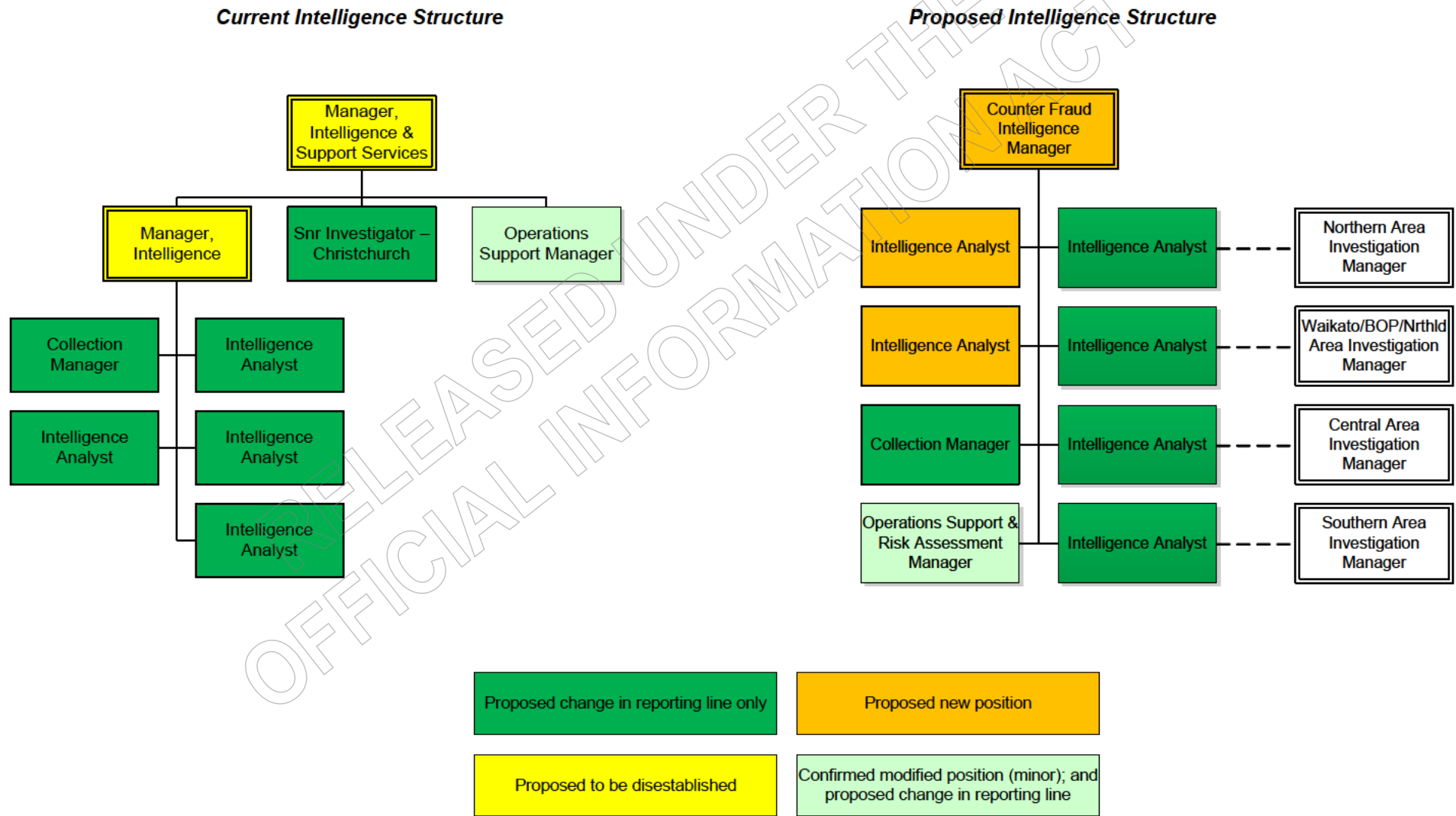


Table 3: Proposed impact on positions – Intelligence Model

Current position(s)	FTE	Impact	Rationale
Manager, Intelligence and Support Services	1.0	Proposed to be disestablished	<p>Following feedback received as part of the original National Investigations Unit change proposal, it is proposed that this role is disestablished. The Manager, Intelligence & Support Services role and the Manager, Intelligence role will be combined into one position being Counter Fraud Intelligence Manager.</p> <p>The new role will be expected to develop a high level of technical intelligence capability within the team.</p> <p>This will assist the role to focus on providing strategic intelligence support to the wider Integrity Services group.</p> <p>The role will ensure the new Counter-Fraud Outcomes Model and new areas of fraud are a key focus for the Intelligence Team. As the head of this Centre of Excellence, the new role will be responsible for leading a customer services model to the regions and working with Area Leaders to implement a one team approach.</p>
Manager, Intelligence	1.0	Proposed to be disestablished	Same rationale as directly above. This is one of two roles proposed to be disestablished to create one new proposed position – Counter Fraud Intelligence Manager.
Intelligence Analysts	4.0	Proposed change in reporting line	As it is proposed that the Manager, Intelligence role is disestablished; the Intelligence Analyst positions would report to the newly proposed role of Counter Fraud Intelligence Manager.

Table 4: Proposed new roles – Intelligence Model

Proposed new position(s)	FTE	Impact	Rationale
Counter Fraud Intelligence Manager	1.0	Proposed to be established	The focus of the proposed new Counter Fraud Intelligence Manager role will be to ensure strategic intelligence support to the wider Integrity Services team and ensure new areas of fraud are a key focus as part of the new Counter-Fraud Outcomes Model. This role will also be the lead strategic resource of Fraud Intelligence for ACC and have accountability of operational matters for Integrity Services.
Intelligence Analyst	2.0	Proposed to be established	It is proposed that two additional Intelligence Analyst positions are created to increase the capacity and capability of the Intelligence Model within Integrity Services. The two new roles will enable the team to provide support to the regions and also analyse other areas fraud (e.g. Provider, Levy Payer)

5. Implementation

This section sets out how the process to implement decisions will be managed and what you can expect. This process is consistent with the terms and conditions set out in your employment agreement and ACC's organisational change processes. Should you have any questions, please speak with myself or your manager in the first instance. Human Resources can also provide additional advice and direct you to the appropriate support.

Support

We are keen to ensure that staff continue to be fully supported through this process. If you would like support during this time please talk to your manager, 9(2)(a) – Senior People Consultant or 9(2)(a) – HR Business Partner.

You may also wish to access the Employee Assistance Programme, EAPworks by calling 0800 SELF HELP (0800 735 343).

Please also feel free to come and talk to me about any concerns or issues. We have support services available and we encourage you to use these if required.

Process

Individuals who were notified at the start of the consultation process that they might be directly affected by the implementation of the proposal will be advised in writing of the decision and its impact on their position (e.g. change in reporting line).

Expression of Interest

The expressions of interest (EOI) process will commence 12 or 13 June 2014. Those who have had their role disestablished will be able to express their interest in any of the newly created positions.

A separate document will be provided that sets out the process in detail, including the new roles available. Further information will be provided over the coming week in relation to this process those affected.

Redeployment

If at the end of the EOI process an individual is not appointed to a position, we are committed to working with them to look at the options available.

Implementation

While the business group reporting line changes to Chief Risk and Actuarial Officer will become effective on the same day as the new Executive structure, other changes in the new structure will not be implemented until a date yet to be confirmed in July 2014. We will communicate the final date as soon as possible.

Timeframe for implementation

The timeline for implementation will be as follows:

Date	Stage
Friday, 30 May 2014	<ul style="list-style-type: none"> New Integrity Services structure confirmed (excluding Intelligence Model)

	<ul style="list-style-type: none"> • Confirm decisions to affected staff • Advise all staff of decisions • Feedback on proposed new Intelligence Model opens
12pm Monday, 9 June 2014	<ul style="list-style-type: none"> • Consultation on Intelligence Model closes
Thursday, 12 June 2014 or Friday, 13 June 2014 (indicative)	<ul style="list-style-type: none"> • Final Intelligence structure confirmed • Expressions of interest opens
Friday, 20 June 2014 (indicative)	<ul style="list-style-type: none"> • Expressions of interest closes
Monday, 23 June 2014 until Friday, 27 June 2014	<ul style="list-style-type: none"> • Expression of Interest interviews
Week beginning Monday, 30 June 2014 (indicative)	<ul style="list-style-type: none"> • Expression of interest process completed • Appointment to new roles completed
Week beginning Monday, 7 July 2014	<ul style="list-style-type: none"> • Recruitment begins for any remaining vacancies
July 2014. Specific date to be confirmed.	<ul style="list-style-type: none"> • New Integrity Services structure effective

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