

PC043 - Fraud, Corruption and Whistleblowing Policy

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1. Background

This Policy is in place to meet FNDC's requirement under the [Protected Disclosures Act 2000](#) (the Act) as well as set out guidelines and procedures for the prevention, detection and investigation of suspected or attempted fraud.

The purpose of the [Protected Disclosures Act](#) is to encourage people to report serious wrongdoing in their workplace by providing protection for employees who want to 'blow the whistle'. This applies to both public and private sector workplaces.

2. Objectives

The purpose of this policy is to:

- set out the requirements of the Protected Disclosures Act 2000
- instil responsibility and awareness amongst FNDC staff of the correct fraud, corruption, and whistleblowing procedures, including names of persons internally to whom they can disclose a serious wrongdoing as well as details of FNDC's external whistleblowing service provider
- highlight how incidents of fraud and corruption will be treated at FNDC including the investigation process and referral to authorities
- describe how FNDC will provide protection for disclosures, in accordance with the provisions of the Act.

3. Scope

This Policy relates to '*serious wrongdoing*' [as defined in the Act](#) and applies to all people, property, funds and services provided by FNDC.

4. Relevant Legislation, Policies and Procedures

FNDC Policies and Procedures

[Code of Conduct – Elected Members](#)
[Code of Conduct – Employees](#)
[Internal Audit Charter](#)
[Gifts and Inducements Policy](#)
[Dealing with Complaints Policy](#)
[Disciplinary Matters Policy](#)
[Disciplinary and Dismissal Guidelines for Managers](#)
[Delegations Manual](#)
[Disclosing serious wrongdoing process](#)
[Whistleblowing process](#)

Legislation	Protected Disclosures Act 2000 Local Government Act 2002 Local Electoral Act 2001 Local Authorities (Members' Interests) Act 1968 Local Government Official Information and Meetings Act 1987 The Secret Commissions Act 1910 The Crimes Act 1961 Human Rights Act 1993 Public Records Act 2005
Other	Employment agreements
When is a disclosure protected?	<p>To make a protected disclosure, you must be an 'employee' of the organization you are making the disclosure about.</p> <p>Under the Act, 'employee' includes:</p> <ul style="list-style-type: none"> • former employees • homeworkers • contractors • people seconded to organizations • volunteers. <p>Your disclosure will be protected if:</p> <ul style="list-style-type: none"> • the information is about <u>serious wrongdoing</u> in or by FNDC; and • you reasonably believe the information is true or likely to be true; and • you want the serious wrongdoing to be investigated. <p>Your disclosure won't be protected if:</p> <ul style="list-style-type: none"> • you know the allegations are false • you act in bad faith <p>Also note, you are not allowed under the Act to disclose any information protected by legal professional privilege. This includes legal advice given to FNDC or reports commissioned by FNDC for the purpose of litigation.</p>
How will you be protected?	<p>If you make a protected disclosure, information which identifies you will be kept confidential, unless one of the exceptions in the Act applies.</p> <p>The exceptions are if you consent to the disclosure, or if disclosure is essential:</p> <ul style="list-style-type: none"> • to the effective investigation of the allegations • to prevent serious risk to public health or safety, or the environment • to comply with the principles of natural justice

5. Definitions

Term	Definition
Appropriate Authority	An employee may choose the authority or authorities most relevant to the nature of the serious wrongdoing he or she is disclosing. The Act says, 'appropriate authority', without limiting the meaning of that term. <u>The following provides Ombudsman guidance on Appropriate Authorities.</u>

Term	Definition
Corruption	Dishonest or fraudulent conduct by those in power, typically involving bribery.
Conflict of Interest	A <i>conflict of interest</i> is a situation in which a person or organization is involved in multiple interests, financial or otherwise, one of which could possibly corrupt the motivation or decision-making of that individual or organization.
Employee	For the purposes of this policy, 'employee' includes: <ul style="list-style-type: none"> • former employees • homeworkers • contractors • people seconded to organizations • volunteers
Fraud	Wrongful or criminal deception intended to result in financial or personal gain.
Immunity	The employee may not be immune from civil or criminal or disciplinary proceedings if they were personally involved in the serious wrongdoing they disclose. However, their cooperation in reporting the wrongdoing will be taken into account in decisions on any action that may be taken against them.
Internal Audit Review	Regular reviews of transactions, activities or locations that may be susceptible to fraud will be included as part of the internal audit programme.
Investigation	The action of investigating something or someone; formal or systematic examination or research.
Principles of Natural Justice	The rights of both parties to a formal complaint should be protected by the principles of natural justice. These are: <ul style="list-style-type: none"> • Freedom from bias on the part of the person making the decision/judgement; and • Transparency and fairness of the procedure.
Protected Disclosure	<i>A disclosure of alleged serious wrongdoing made by an employee whose identifying information is kept confidential as per the Protected Disclosures Act 2000.</i>
Whistle-blower	A person who exposes any kind of information or activity that is deemed illegal, unethical, or not correct within an organization.
Serious Wrongdoing	Serious wrongdoing includes: <ul style="list-style-type: none"> • unlawful, corrupt or irregular use of public money or resources • conduct that poses a serious risk to public health, safety, the environment or the maintenance of the law • any criminal offence <p>gross negligence or mismanagement by public officials.</p>