



FINANCE –

THEFT AND FRAUD PREVENTION AND INVESTIGATION

Rationale:

The Board has a responsibility to protect the physical and financial resources of the school including preventing theft and fraud and investigating allegations of theft and fraud.

Purpose:

This purpose of this policy is to outline the requirements for theft and fraud prevention and provide guidelines so allegations of theft and fraud can be investigated in a procedurally fair and just manner.

Scope:

This policy applies to all staff, contractors, volunteers and any other person with access to or responsibility for school resources.

Guidelines:

Introduction

1. The Principal is responsible for establishing systems and procedures to prevent and detect theft and fraudulent actions by persons who are employed or contracted by the school or who are service recipients of the school.
2. Investigation into theft or fraudulent actions will be conducted in a manner that conforms to the principles of natural justice and is procedurally just and fair.

General

1. As preventative measures against theft and fraud the Principal will ensure that:
 - a. The School's physical resources are kept secure and accounted for.
 - b. The School's financial systems are designed to prevent and detect the occurrence of fraud. All such systems must meet the requirements and standards as set out in the Crown Entities Act 2004 and of generally accepted accounting practice promulgated and supported by the Institute of Chartered Accountants of New Zealand.
 - c. Staff who are formally delegated responsibility for the custody of physical and financial resources by the Principal are proven competent to carry out such responsibilities and are held accountable for the proper execution of their responsibilities.
 - d. All staff are aware of their responsibility to immediately inform the Principal should they suspect or become aware of any improper or fraudulent actions by staff, suppliers, contractors, students or other persons associated with the school.
2. In the event of an allegation of theft or fraud the Principal shall act in accordance with the following procedures:



FINANCE –

THEFT AND FRAUD PREVENTION AND INVESTIGATION

- a. Decide to either immediately report the matter to the New Zealand Police or proceed as outlined in this paragraph.
- b. So far as it is possible and within 24 hours:
 - i Record the details of the allegation, the person or persons allegedly involved, and the quantity and/or value of the theft or fraud.
 - ii Request a *written statement* from the person who has informed the Principal, with details as to the nature of the theft or fraud, the time and circumstances in which this occurred, and the quantity and/or value of the theft.
 - iii Decide on the initial actions to be taken including consulting with the person who provided the information and, if appropriate, confidentially consulting with other senior members of staff about the person who is the subject of the allegation.
 - iv Inform the Presiding Member of the information received and consult with them as appropriate.
- c. On the basis of advice received and after consultation with the Presiding Member, the Principal shall decide whether or not a prima facie case of theft or fraud exists, and if not, to document this decision and record that no further action is to be taken.
- d. The Principal shall then carry out the following procedures:
 - i Investigate the matter further;
 - ii If a prima facie case is thought to exist to continue with their investigation;
 - iii Invoke any disciplinary procedures contained in the contract of employment should the person be a staff member;
 - iv Lay a complaint with the New Zealand Police;
 - v If necessary, commission an independent expert investigation;
 - vi In the case of fraud, require a search for written evidence of the possible fraudulent action to determine the likelihood or not of such evidence;
 - vii Seek legal advice; or
 - viii Inform the Manager, National Operations, Ministry of Education local office and/or the school's auditors.
- e. Once all available evidence is obtained the Principal shall consult the Presiding Member. The Presiding Member may, if they consider it necessary, seek legal or other advice as to what further action should be taken.
- f. If a case is considered to exist the Principal or a person designated by them shall, unless another course of action is more appropriate:
 - i Inform the person in writing of the allegation that has been received and request a meeting with them at which their representative or representatives are invited to be present.
 - ii Meet with the person who is the subject of the allegation of theft or fraud and their representatives to explain the complaint against them.
 - iii Obtain a verbal or preferably a written response (all verbal responses must be recorded as minutes of that meeting, and the accuracy of those minutes should be attested by all persons present).



FINANCE –

THEFT AND FRAUD PREVENTION AND INVESTIGATION

- iv Advise the person in writing of the processes to be involved from this point on.
3. The Board recognises that supposed or actual instances of theft or fraud can affect the rights and reputation of the person or persons implicated. All matters related to the case shall remain strictly confidential with all written information kept secure. Should any delegated staff member or any other staff member improperly disclose information the Principal shall consider if that person or persons are in breach of confidence and if further action is required. Any action the Principal considers must be in terms of the applicable conditions contained in their contract of employment and any code of ethics or code of responsibility by which the staff member is bound.
 4. The Board affirms that any allegation of theft or fraud must be subject to due process, equity and fairness. Should a case be deemed to be answerable then the due process of the law shall apply to the person or persons implicated.
 5. Any intimation or written statement made on behalf of the School and related to any instance of supposed or actual theft or fraud shall be made by the Presiding Member who shall do so after consultation with the Principal and if considered appropriate after taking expert advice.

Allegations Concerning the Principal or a Trustee

6. Any allegation concerning the Principal should be made to the Presiding Member. The Chairperson will then investigate in accordance with the requirements of paragraph 2 of this Policy.
7. Any allegation concerning a member of the Board of Trustees should be made to the Principal. The Principal will then advise the manager of the local office of the Ministry of Education and commence an investigation in accordance with the requirements of paragraph 4 of this Policy.

Reference:

<http://www.minedu.govt.nz/NZEducation/EducationPolicies/Schools/SchoolOperations/SchoolFinances/ModelSchoolFinancialPolicies.aspx>

Related Policies:

1. Finance – Delegations
2. Finance – Internal Controls

References or Sources:

1. National Administration Guideline 4



FINANCE –

THEFT AND FRAUD PREVENTION AND INVESTIGATION

Review Details:

Review Date	Reviewed by
FEB 2023	SMK/NEE
Review cycle: 2 years	Due date for Review: FEB 2025

Management Contact:

- Principal
- Business & Financial Manager