



Introduction

1. The Middleton Grange School Board of Trustees recognises its responsibilities to protect the physical and financial resources of Middleton Grange School. This policy has been established to help in the detection and prevention of fraud and theft in the operation of Middleton Grange School.
2. As a State Integrated School, the Board of Trustees requires that all aspects of this policy be guided by the Special Character Policy.

Scope

3. This policy applies to any fraudulent or unethical practices, whether carried out by Middleton Grange School, its trustees, its employees, temporary staff, contractors or other third parties.

Purpose

4. The purpose of this policy is to define fraud, set out how trustees and employees should report any suspicions of fraudulent or unethical practices, and how management will respond.
5. Middleton Grange School Board of Trustees has a zero tolerance for fraud and dishonesty. All instances of suspected fraud will be investigated. Instances subsequently deemed to be fraud may be reported to the Police. Should it be shown that any trustee or employee has committed fraud or theft against Middleton Grange School, the Board will consider disciplinary action against the trustee or employee which may include termination of trusteeship or employment. Repayment of any losses incurred as a result of fraud or theft will be sought.

Definition

6. Fraud is committed when an individual deliberately and with malice makes a false representation, wrongfully fails to disclose information or abuses a position of trust with the intent to make a gain or avoid a loss for the benefit of themselves or others. The following actions constitute fraud:
 - Theft of cash
 - Diversion of payments
 - Submitting false invoices for payment
 - Accepting or seeking anything of material value from contractors, vendors or other suppliers providing services/materials
 - Personal use of Middleton Grange School assets without prior approval
 - Submitting false personal expense claims
 - Use of a Middleton Grange School credit card for personal expenses without immediate notification to the Principal or Business Manager
 - Falsification of time records
 - Provision of confidential information to a third party ie information that is not intended to be known publicly that has been learnt in the course of a relationship with Middleton Grange School
 - Forgery or alteration of any document or account belonging to Middleton Grange School
 - Failure to disclose conflicts of interest
 - Any other dishonest or fraudulent act
 - Any computer related activity involving the alteration, destruction, forgery or misrepresentation of data for fraudulent purposes, or the misappropriation of school owned software.

Guidelines

7. Middleton Grange School management will:
- ensure the financial systems of Middleton Grange School are designed to prevent and detect the occurrence of fraud. All such systems must meet the requirements and standards as set out in the Public Finance Act 1989 (Section 45c(b)) and of generally accepted accounting practices promulgated and supported by the Institute of Chartered Accountants of New Zealand.
 - where fraud or theft is suspected to have taken place, make every effort, subject to due process, equity and fairness, to gather evidence.
 - recognising that supposed or actual instances of theft or fraud can affect the rights and reputation of the person or persons implicated, ensure that all matters related to the case shall remain strictly confidential with all written information kept secure.
 - pursue the recovery of lost money or other property wherever possible and practicable.
 - account for the physical resources of Middleton Grange School in the asset management register and keep the resources secure.
 - delegate responsibility for the custody of physical and financial resources to staff members and hold such persons accountable for the proper execution of their responsibilities:

Reporting responsibilities

8. All reports of suspected fraud will be treated confidentially and seriously. All reports will be considered and investigated as appropriate, and in accordance with the Fraud Response Plan (see Appendix 1 (page 3)).

Allegations concerning those nominated to receive reports of and/or investigate suspected fraud, including the Principal, Middleton Grange School Board of Trustees Chair or the Business Manager

9. Any allegation concerning the Principal or Business Manager should be made to the Chair of the Middleton Grange School Board of Trustees who will then investigate in accordance with the procedures set out in Appendix 1 to this policy.
10. If the complaint is about the Middleton Grange School Board Chair, then the complainant is to be referred to the Principal. The Principal will consult with the Chair of the Christian Schools' Trust on an appropriate course of action.

Protected Disclosures Act 2000

11. The Middleton Grange School Board of Trustees is required to comply with the Protected Disclosures Act 2000 by facilitating the disclosure and investigation of matters of serious wrongdoing, including fraud and misconduct, in and by protecting trustees or employees who make disclosures in accordance with the Act.
12. The Act requires that the person disclosing must believe the allegations to be true or likely to be true and they must wish to disclose for the purposes of investigation.

BOARD OF TRUSTEES	
Board copy of the Policy to be signed by the Board Chairperson	
Name	
Position	
Signed on behalf and with the authority of the Board	
Date	December 2019
Next Review	August 2023

Appendix 1 - Fraud Response Plan

Any trustee or staff member who suspects fraud or theft should immediately report their suspicions to the Board Chair or Principal

Immediately, on receiving such a report the Board Chair or Principal should:

- Record the details of the allegation, the person or persons allegedly involved, and the quantity and/or value of the fraud or theft.
- Request a **written statement** from the informant with details as to the nature of the fraud or theft, the time and circumstances in which this occurred, and the quantity and/or value of the theft.

In the first 24 hours of an allegation of fraud or theft the following actions as appropriate shall be taken to:

- safeguard assets and evidence (IT assets, door security access, financial systems access, banking systems access, other remote computer system access)
- decide on the initial actions to be taken including consulting with the person who provided the information and, if appropriate, confidentially consulting with other independent senior members of staff about the person who is the subject of the allegation.
- coordinate any investigation, taking care to ensure that any appointed investigator is independent, and that the process is treated confidentially and seriously.

The investigation process

- Once all available evidence is obtained it shall be reported to the Principal who will call a meeting as soon as possible to consider the evidence
- Where a case is considered to exist the MGS Board Chair, or nominee, after seeking legal advice shall unless another course of action is decided to be 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 from the person who is the subject of the allegation (all verbal responses must be recorded as minutes of that meeting, and the accuracy of those minutes should be attested by all persons present).
 - iv) advise the person in writing of the processes to be involved from this point on.
 - v) decide whether or not to report the matter to the NZ Police.

The Middleton Grange School Board Chair or Principal appointed to investigate an allegation of fraud or theft should then:

- Seek legal advice.
- Invoke any disciplinary procedures contained in the contract of employment should the person who is the subject of the allegation be a staff member of the MGS Board.
- If necessary, commission an independent expert investigation.
- 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.
- Inform the Board's insurer

Following any investigation, the Chair or Principal is responsible for:

- understanding and addressing any control weaknesses
- considering disciplinary action
- debriefing the investigation.
- seeking repayment of any losses incurred as a result of the fraud or theft
- informing the school's auditor and/or the Manager, National Operations, MOE local office.