



OIA20-0175

4 May 2020

Grace Haden  
fyi-request-12228-89cad142@requests.fyi.org.nz

Dear Grace Haden

### OFFICIAL INFORMATION ACT REQUEST

Thank you for your email of 2 April 2020, requesting a copy of the Ministry for Primary Industries (MPI) current corruption and fraud policy.

A copy of the '*MPI Organisational Fraud, Theft and Corruption Policy, April 2018*' is released to you under the Official Information Act 1982 (OIA).

The policy sets out the key principles and responsibilities that MPI employees need to be aware of with regard to the prevention, detection and investigation of fraud, theft and corruption within the organisation.

This policy was developed to ensure that employees are aware of:

- their responsibilities for helping prevent and detect fraud, theft and corruption
- who to contact to report allegations and concerns of fraud, theft and corruption
- the organisation's policy on dealing with proven allegations of fraud, theft and corruption

You have the right under section 28(3) of the OIA to seek an investigation and review by the Ombudsman of this decision.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Christine Young'.

Christine Young  
**Director Audit, Risk & Evaluation**

**MPI Organisational Policy**  
*Fraud, Theft and Corruption*  
*Policy*

**Ministry for Primary Industries**  
Manatū Ahu Matua



Owner: Director, Assurance and Evaluation  
Published: April 18

Fraud, Theft and Corruption Policy

Released under the Official Information Act 1982



**MPI Organisational Policy**  
***Fraud, Theft and Corruption***  
**Policy**

Owner: Director, Assurance and Evaluation  
Published: April 18

## OVERVIEW

### Purpose

The purpose of this policy is to set out the key requirements and accountabilities for the prevention, reporting and investigation of fraud, theft and corruption within MPI.

### Background

MPI takes any concerns related to fraud, theft or corruption seriously. MPI is committed to:

- preventing fraud, theft and corruption through the exercising of strong controls that stop it occurring in the first place;
- providing an environment where employees feel empowered and able to report any concerns of fraud, theft and corruption;
- the effective investigation and response to any allegations of fraud, theft and corruption, keeping those who provide reports safe from fears of punishment or reprisal;
- treating any deliberate confirmed fraud, theft or corruption as prima facie serious misconduct;
- referring cases to appropriate enforcement agencies where the law has been broken; and
- taking appropriate measures to recover any loss or expenditure caused by fraud, theft and corruption.

## SCOPE

### What this policy covers

This policy applies to all MPI staff.

Fraud, theft and corruption may be committed against MPI (or its staff) by MPI staff, suppliers, other persons that MPI has dealings with, or by other parties that may have no direct relationship with MPI. This policy covers the prevention, reporting and investigation of all these instances.

This policy should be read in conjunction with other MPI guidance on reporting and addressing matters of integrity and conduct, including Organisational Procedures: Protected Disclosures, and Organisational Guidelines: Discipline - Dealing with Misconduct.

### What this policy does not cover

This policy does not cover dealing with any fraud, theft or corruption committed by external parties that is related to legislation administered by MPI on behalf of the Crown, such as the Fisheries Act, Biosecurity Act and Food Act.

## REQUIREMENTS

### Preventing fraud, theft and corruption

#### Staff

- must alert their line manager or the Director Assurance and Evaluation when they believe they have identified a weakness that would allow fraud, theft or corruption to be perpetrated against MPI.

#### Line managers

- should help promote a culture where staff feel able to raise concerns about any wrongdoing.



**MPI Organisational Policy**  
**Fraud, Theft and Corruption**  
**Policy**

Owner: Director, Assurance and Evaluation  
Published: April 18

- must review any identified or reported fraud, theft and corruption risks, putting in place appropriate controls to mitigate any such risks, if possible, within their area of responsibility.
- must escalate through the appropriate line management, any concerns about potential weaknesses posing fraud, theft or corruption risks that are beyond their span of control.

**Reporting fraud, theft and corruption**

**Staff**

- must report any suspicions of fraud, theft and corruption as soon as they become aware of them either to the:
  - Line Manager; or
  - Director Assurance and Evaluation, mailbox **Not Relevant to Request** or
  - Director Security and Privacy (where the incident may relate to misuse of IT systems, potential IT security breaches, privacy, physical or personal security issues), mailboxes **Not Relevant to Request**; or
  - Director-General.
- may report their suspicions to these people either face to face, in writing, by telephone, by email.
- may report their suspicions in confidence by making a protected disclosure under MPI's Protected Disclosures Act<sup>1</sup> procedures, either to those MPI nominated persons named in the Protected Disclosures procedures, directly to the Director-General, or an appropriate external authority<sup>2</sup> where it would not be appropriate to make a protected disclosure to any of the MPI nominated persons.
- may seek advice the Government Ombudsman, [info@ombudsman.govt.nz](mailto:info@ombudsman.govt.nz), who can provide advice on completing anonymous disclosures.

**Investigating suspicions of fraud, theft and corruption**

- All suspicions of fraud, theft and corruption must be considered for appropriate investigation.
- Line managers must advise the Director Assurance and Evaluation of any reports they receive of suspected fraud, theft or corruption.
- Any investigations will be conducted in a lawful, fair and objective manner. Any staff who are the subject of any investigation will be treated fairly, properly and in good faith.
- Other staff, who are not the subject of the investigation, must assist as far as practicable in any investigations by making available all relevant information and co-operating in any interviews. All information gathered will be maintained in strictest confidence and will only be released to other parties if absolutely necessary.

**Addressing proven allegations of fraud, theft and corruption**

- MPI will seek recovery of lost money, property and assets where practicable.
- MPI will pursue criminal charges where fraud, theft or corruption meets the basis for prosecution.
- MPI reserves the right to take other measures as deemed appropriate to mitigate any risks of similar offences happening again.

<sup>1</sup> The Director Assurance and Evaluation, Director HR, Chief Legal Adviser or Chief Financial Officer can currently receive these disclosures

<sup>2</sup> An appropriate authority might include the State Services Commissioner, Commissioner of Police or the Controller and Auditor General. Full details of appropriate authorities are set out in the Organisational Procedures Protected Disclosures Serious Wrongdoing



**MPI Organisational Policy**  
**Fraud, Theft and Corruption**  
**Policy**

Owner: Director, Assurance and Evaluation  
Published: April 18

## KEY ACCOUNTABILITIES

### Director-General

- Ensures MPI has a sound system of internal control to manage fraud, theft and corruption risks within the Ministry.
- Makes final decisions on courses of action related to any serious fraud, theft or corruption, including reporting to authorities.

### Line management<sup>3</sup>

- Set the tone for ethical and honest behaviour and MPI's standards of integrity.
- Establish and maintain effective internal controls to prevent and detect fraud, theft and corruption within their areas of responsibility.
- Regularly review the operation of these internal controls.
- Ensure that MPI staff and volunteers, under their control are aware of, and comply with, MPI's organisational policies and procedures, and internal controls.
- Receive reports of suspected case of fraud, theft and corruption and passes them on to Director Assurance and Evaluation.

### Director Security and Privacy

- May receive reports of security and incidents, theft of property and misuse of systems.
- Carries out investigations into security incidents and breaches which may identify instances of fraud and theft.
- Maintains records of any thefts of property and equipment reported.
- Advises the Director Assurance and Evaluation of any fraud and theft brought to their attention.
- Advises the New Zealand Police of cases of theft of property and equipment brought to their attention.

### Director Assurance and Evaluation

- Receives reports of suspected cases of fraud, theft and corruption from MPI employees and/or line management.
- Determines the need for any investigation to be carried out into fraud and corruption, authorises a lead investigator and secures any necessary internal and external resources needed to complete an investigation.
- Advises and recommends to the Director-General a course of action for dealing with any instance of suspected significant fraud, theft and corruption.
- Liaises with appropriate internal parties in responding to instances of suspected fraud, theft and corruption.
- Notifies the Office of the Auditor General/MPI External Auditors of any cases of fraud, theft and corruption.

<sup>3</sup> The Director Security and Privacy, Chief Financial Officer, Chief Information Officer and Director HR have particular responsibilities for establishing and maintaining the financial control, information communication technology control and people management control environments that help to mitigate fraud risk



**MPI Organisational Policy**  
***Fraud, Theft and Corruption***  
**Policy**

Owner: Director, Assurance and Evaluation  
Published: April 18

- Where appropriate, advises the New Zealand Police/Serious Fraud Office and other enforcement agencies of any cases of fraud, theft and corruption.
- Maintains records of recorded instances of fraud, non property and equipment related theft and corruption.
- Ensures that support is available to those who report wrong doing.
- Provides guidance and support, as required by Directors and Line Management, in the design, operation and monitoring of internal controls to mitigate fraud, theft and corruption risks.
- Carries out testing of controls susceptible to the risk of fraud as part of a programme of Internal Audit reviews.

## **BREACHES OF POLICY**

Any investigations which prove fraud, theft or corruption may result in legal or disciplinary action in accordance with MPI disciplinary policies and potential termination of an individual's employment.

Cases of fraud, theft and corruption may be reported to the appropriate law enforcement authorities if deemed appropriate, and charges may be laid as a result.

## **OTHER REFERENCES**

MPI Code of Conduct

Organisational Guideline: Discipline Dealing with Misconduct guideline

Organisational Procedures Protected Disclosures Serious Wrongdoing

Conflict of Interest guidelines

MPI Organisational Policy: Security

Privacy Policy



**MPI Organisational Policy**  
*Fraud, Theft and Corruption*  
**Policy**

Owner: Director, Assurance and Evaluation  
Published: April 18

## DEFINITIONS

Term or acronym	Definition description
Staff	All employees of MPI including permanent, part time, casual and temporary employees, contractors and consultants employed on contracts for service and volunteers.
Line managers	All Tier 2 to 6 employees who have responsibility for managing others
Appropriate authority	Specific external parties to whom you may make a protected disclosure if the conditions deem it appropriate. This could include the Controller and Auditor General, Commissioner of Police and State Service Commissioner. Full details set out in Organisational Procedures: Protected Disclosures Serious Wrongdoing.
Fraud	Any act of deception carried out for the purpose of unfair, undeserved or unlawful gain which causes actual or potential loss to a person or an organisation or obtains an unjust or illegal advantage for someone. It involves an element of deliberate deception either immediately before or immediately after the activity. Examples of fraud include: <ul style="list-style-type: none"> <li>○ Deliberate mishandling or misreporting of money or other financial transactions</li> <li>○ Unauthorised access and misuse of MPI systems and information for gain</li> <li>○ Submission of fraudulent claims for goods and services,</li> <li>○ Unauthorised or illegal use/disclosure of confidential or proprietary information,</li> <li>○ Forging, falsifying or destroying documents, computer files or records belonging to MPI.</li> </ul>
Theft	Act of dishonestly and without claim of right, takes, uses or deals with any property with intent to deprive any owner permanently of that property or of any interest in that property. Examples of theft include: <ul style="list-style-type: none"> <li>○ Unauthorised possession, use or misappropriation of funds or property/assets belonging to MPI or its employees,</li> <li>○ Destruction, removal or inappropriate use of records, equipment, furniture for gain</li> <li>○ Deliberate misuse of MPI resources e.g. work time, vehicles, purchase cards, mobile phones, computers for gain</li> </ul>
Corruption	Form of dishonest or unethical conduct by someone in a position of power, often to acquire personal benefit. Common forms of corruption include bribery, coercion, blackmail, nepotism. Corruption can range from the petty to the more systemic. Examples of potentially corrupt practices include: <ul style="list-style-type: none"> <li>○ Using knowledge, power or resources of your position for personal gain or the advantage of others;</li> <li>○ Disclosing private, confidential or proprietary information to outside parties without consent</li> <li>○ Accepting or seeking anything of material value from suppliers or other persons providing goods or services in return for using them;</li> </ul>



**MPI Organisational Policy**  
*Fraud, Theft and Corruption*  
**Policy**

Owner: Director, Assurance and Evaluation  
Published: April 18

Term or acronym	Definition description
	<ul style="list-style-type: none"> <li>○ Members of the public trying to influence employees of MPI to use their position in a way that is dishonest, biased or breaches public trust.</li> </ul>
Information	Information or data generated during the course of Ministry business, this may be classified and non-classified.
Assets	Any tangible or intangible property that has a value. This may include but is not restricted to machinery, furniture, IT equipment, intellectual property, monies and investment.

**Document Information**

The published version number and date is required in the following table.

Date	Version	Author	Comments
06/04/2018	1	s 9(2)(a)	

Released under the Official Information Act 1982