

## **Aratoi Regional Trust (ART)**

### **Fraud Prevention Policy**

Section: Finance and Operations

Approval Date: March 2023

Next Review Date: March 2025

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#### **Purpose**

To provide a clear statement with respect to ART's attitude to fraud and corruption, and to establish expectations of those to whom the policy applies.

#### **Introduction**

ART does not tolerate fraud or corruption and will investigate any suspected cases of fraud or corruption reported to it.

Any case of suspected fraud or corruption will be reported to the ARTs external auditors. If, as a result of an internal investigation, there is evidence that fraud or corruption has been committed, the case will be referred to the relevant law enforcement agencies.

All individuals to whom this policy applies must be scrupulously fair and honest in their dealings with, and for, ART. They must take reasonable steps to safeguard ART's funds and assets against fraud, theft, and unauthorised use and have a duty to report any suspicions that fraud or corruption may be taking, or may have taken place.

#### **Policy**

##### **1. General**

As preventative measures against fraud and corruption the Board requires the Director to ensure that:

- Aratoi Museum's physical resources are kept secure and accounted for.
- ART'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 by generally accepted accounting practice.
- Staff members who are formally delegated responsibility for the custody of physical and financial resources by the Director are proven competent to carry out such responsibilities and that such persons are held accountable for the proper execution of their responsibilities.

## **2. Investigation and Reporting**

Any individual who is aware of or suspects fraudulent activity must promptly report such activity to the Director or, if it involves the Director, to the Chair. Any individual who reports a suspicion of fraud regarding another individual in good faith will in no circumstances be threatened, intimidated, or dismissed because he or she acted in accordance with this policy. The Director shall immediately report any allegation of, or notification of, fraud to the Chair with details on actions being taken to investigate the matter.

An investigation team will be responsible for collecting all relevant information in respect of the fraud allegation. Depending on the nature and seriousness of the alleged fraud, the investigation Team may consult with, or engage the services of, other persons (such as technical experts with IT or forensic accounting skills) as well as external agencies e.g. the Police.

Where a suspected fraud is proved, ART will put controls into place to mitigate further losses and prevent reoccurrence of similar misconduct. ART will then review the reasons for the incident, the measures taken to prevent a recurrence, and any action needed to strengthen future responses to fraud. In addition ART will keep all other relevant personnel suitably informed about the incident and ART's response.

### **Definitions**

**"Fraud"** means an intentional and dishonest act that involves deception or misrepresentation where the perpetrator obtains, or potentially obtains, an advantage for themselves or another person; it includes theft.

**"Corruption"** means the abuse of entrusted power for private gain.

### **Audience**

All Aratoi Board, staff and volunteers

### **Related procedures and Documents**

Human Rights Act 1993

Privacy Act 1993

Museums Aotearoa Code of Ethics

Financial Delegations Authority

Protected Disclosures Act 2000