

# NMIT FRAUD POLICY

## MOKAMOKA WHAKAAETANGA | APPROVAL DETAILS

<b>Section</b>	Executive		
<b>Approval Date</b>	18.02.2026	<b>Sponsor</b>	Director Digital, Finance and Risk
<b>Next Review</b>	01.01.2029	<b>Endorsed by</b>	Audit and Risk Committee
		<b>Approved by</b>	NMIT Council

## NGĀ WHAKATIKATIKA | AMENDMENT HISTORY

Version	Effective Date	Created/ Reviewed by	Reason for review / comment
1	01.01.2026	Transition Lead	New

## Mō wai me te whānuitanga | Audience and scope

This policy applies to:

- a) All employees of NMIT, including contracted staff, consultants and secondees providing services for NMIT; and those on fixed term contracts (may be collectively referred to as kaimahi in this policy); and
- b) All governors of NMIT including members and advisors of NMIT Council and governance committees or boards (collectively referred to as governors in this policy).

This policy applies to all fraud and corruption cases - whether suspected, alleged or proven - that are either:

- a) committed against NMIT by a person (legal or natural); or
- b) committed by NMIT governors or kaimahi against any third party.

As a publicly funded entity, NMIT expects its governors and kaimahi to maintain the highest standards of integrity and honesty, and to act, always in an ethical and honest manner to maintain and enhance the reputation of NMIT.

Fraud and corruption are examples of serious wrongdoing and reporting this type of conduct may be a protected disclosure under the Protected Disclosures (Protection of Whistleblowers) Act 2022. For more information on this, refer to the [NMIT Protected Disclosure Policy](#).

## Te Pūtaki | Purpose

NMIT has a zero-tolerance approach to fraud and corruption and is committed to minimising the incidence of fraud through the development, implementation, and review of its processes for fraud prevention, detection, and responses.

The purpose of this policy is to provide high-level direction:

- a) to prevent fraudulent, dishonest, corrupt, and inappropriate behaviour
- b) to instil responsibility and awareness amongst all NMIT governors and kaimahi
- c) to establish an environment where fraud, dishonesty and corruption concerns can be identified and readily addressed
- d) to protect NMIT operations, assets and people from the consequences of fraudulent or corrupt activities
- e) to ensure that kaimahi and governors always act honestly and with integrity and safeguard the resources for which they are responsible

This policy provides guidance for the prevention, detection, reporting, and investigation of suspected fraud. It should be read in conjunction with [NMIT Fraud Investigation Procedure](#).

## Ngā Mātāpono | Principles

### Ethical and Accountable Conduct

NMIT commits to high standards of ethical and accountable conduct across all of its operations. We support and encourage robust practice around preventing, detecting and responding to fraud, corruption and bribery.

### Natural Justice

The principles of natural justice apply in all circumstances where fraud is suspected or alleged, ensuring that kaimahi are treated fairly without bias, and that allegations are investigated impartially following fair processes.

### Compliance

Decision-making and practice relating to protected disclosures will comply with the [Protected Disclosures \(Protection of Whistleblowers\) Act 2022](#) and all other relevant legislation, standards, policies and procedures.

## Kaupapa Here | Policy Statements

NMIT will ensure it has clearly identified responsibilities related to suspected fraud. The Chief Executive Officer and Senior Leadership Team (SLT) will demonstrate a high level of commitment to controlling the risk of fraud and corruption within, and by, NMIT.

NMIT will conduct periodic reviews to ensure the relevance and robustness of internal procedures and practices that enable us to:

- a) **prevent** fraud, corruption and bribery occurring
- b) **detect** fraud, corruption, or bribery when it has occurred
- c) **respond** to suspected fraud, corruption, or bribery

NMIT will respond to any reports of suspected fraud or corruption by:

- a) instigating robust investigation procedures
- b) reviewing the appropriateness of the internal control environment in which the fraud occurred
- c) putting into place any required changes and improvements to mitigate further fraud
- d) reporting the incident, if required, to relevant authorities including Serious Fraud Office and/or New Zealand Police, insurers, external auditors, and solicitors

## PREVENTION

To assist with the prevention of potential fraud, NMIT will maintain robust internal controls by:

- assigning the role of Fraud Control Officer to a member of the Senior Leadership Team
- conducting periodic internal audits in areas of fraud “risk”
- providing training for kaimahi on ethics and fraud prevention, the nature of potential fraud and the reporting processes for suspected fraud
- being alert to “early warning signs” and red flags
- incorporating fraud risk assessment into its overall risk management systems and procedures
- operating robust internal controls to prevent and detect potential fraud
- ensuring that appropriate information technology systems and controls are in place

## DETECTION

NMIT will implement processes aimed at detecting fraud as soon as possible after it has occurred. These will include:

- Regular and frequent analysis of **management accounting reports** that enable a ‘compare and contrast’ approach, such as:
  - financial reports detailing monthly performance against prior periods and budget
  - key performance indicator reports
  - reports comparing expenditure against industry benchmarks
- **Data analysis** processes that can uncover patterns and relationships in datasets, such as:
  - searching accounts payable data for repeated invoice numbers to identify duplicate payments
  - analysing payroll data for duplicate bank account numbers to uncover a 'ghost employee' payroll fraud
- **Post transaction review** embedded into ‘business as usual’, including:
  - targeted sampling of transactions for review with a particular focus on authorisation, adherence to guidelines on expenditure, receipting, and documentation
- Identification and awareness of **early warning signs** to managers and kaimahi:
  - all staff should be aware of their responsibility to identify and report any suspected fraudulent activity
  - managers and other staff will receive training to support them to be alert to the common signs of fraud
- **Internal audit**

## REPORTING

All actual or suspected incidents of fraud and or corruption should be reported without delay and in the first instance by notifying the appropriate person, as per **Appendix 1**.

Kaimahi who become aware of suspected fraudulent conduct are required to report the matter in accordance with this procedure. This may be done confidentially if desired:

- In the first instance, report the matter to their relevant line manager.
- If, for any reason, the kaimahi feels that reporting the incident through this channel would be inappropriate, they may report the matter directly to the Fraud Control Officer.

Any relevant line manager receiving a report of alleged fraud must advise the Fraud Control Officer or other appropriate person immediately. **Appendix 1** details the appropriate reporting and escalation lines.

NMIT will ensure all kaimahi are aware of the fraud reporting procedures and actively encourage all kaimahi to report suspected cases of fraud through the appropriate channels.

Kaimahi are required to maintain strict confidentiality on any suspected fraud matter of which they have knowledge.

## Protected Disclosure

Under the Protected Disclosures (Protection of Whistleblowers) Act 2022, where the reporting individual requests their identity be kept confidential, NMIT will make best endeavours not to disclose any identifying information.

However, confidentiality may not be able to be maintained where disclosure of identifying information is in the public interest or is essential to having regard for the principles of natural justice, the effective investigation of an allegation, or legal proceedings. Should such a situation arise, NMIT will make every effort to forewarn the individual concerned that their identity may become known.

## INVESTIGATION

Responsibility for all aspects of an investigation is determined by who the allegation of fraud is laid against. **Appendix 1** specifies where that responsibility sits for any allegation.

That person will initiate the investigation, notify the appropriate person / people, and assign or appoint a skilled, qualified, independent investigator.

The investigator will be responsible for carrying out the investigation to gather all relevant facts, information, and documentary evidence about the allegation. Care should be taken to prepare and preserve evidence of the alleged fraud and/or corruption. All investigations will be conducted in a manner that is fair, objective and affords natural justice to all involved.

Any alleged fraudulent or corrupt activities undertaken by kaimahi will be considered acts of serious misconduct and will be managed and investigated in conjunction with the appropriate disciplinary policy and procedures.

The investigation findings will be reported to the person who holds responsibility (as per Appendix 1), together with recommendations that reflect the outcome of the investigation, including any proposed disciplinary proceedings.

The independent investigator may recommend, after consultation with the person responsible that it would be more suitable for the matter to be investigated by an external investigator, especially where there is a high probability that serious wrongdoing has taken place.

## PREVENTION OF FURTHER LOSS

Where initial investigation provides reasonable grounds for suspecting a NMIT kaimahi or governor of fraud and/or corruption, the investigator, in consultation with and on advice from the person responsible, will decide on further action.

If this requires the suspension, with or without pay, of the suspect(s), the appropriate HR procedures must be followed. It may be necessary to plan the timing of suspension to prevent the suspect(s) from destroying or removing evidence that may be needed to support disciplinary or criminal action.

Where suspension is being considered, the advice of the People and Culture Manager and/or an external HR advisor, should be sought before any decision is taken.

## NOTIFYING EXTERNAL PARTIES

Where initial investigation provides reasonable grounds for suspecting a NMIT kaimahi or governor of fraud and/or corruption, the investigator shall advise the person responsible, who shall ensure that the Chair of the Risk and Audit Committee, and relevant authorities such as the Serious Fraud Office and/or New Zealand Police, external auditors, solicitors, and insurers are notified.

Credible suspicions or allegations of fraudulent or corrupt activity will be referred to the New Zealand Police or other appropriate law enforcement authority. This may result in penalties, including substantial fines and/or imprisonment, if you are convicted of fraud or corruption offences under the Crimes Act 1961 or Secret Commissions Act 1910.

## RECOVERY OF LOSSES

Recovering losses is a major objective of any fraud investigation, and the amount of any loss will be quantified insofar as this is possible. NMIT will actively pursue the recovery of any losses resulting from fraud or corruption directly from those who have gained, through the courts or via a range of civil remedies.

## REPORTING AND RECORD KEEPING

All documents relating to alleged fraudulent or corrupt activity reporting and investigation will be kept in a secure place with restricted access.

Depending on the outcome of the investigation, a decision will be made whether to place information on the kaimahi personal file.

Investigators should be aware of potential requests under the Official Information Act 1982.

NMIT will:

- maintain a documented record of all activity in relation to suspected fraud and fraud investigations
- report to relevant authorities including Serious Fraud Office, Police or other external body as appropriate
- report to the Risk and Audit Committee on any incident involving alleged fraud or other breakdown of NMIT internal controls.

## Ngā Haepapa | Responsibilities

Role	Responsibilities
Risk and Audit Committee (RAC)	<ul style="list-style-type: none"><li>• Oversee the process of developing and implementing the Fraud Control Plan</li><li>• Review the reporting of the progress of reviews to determine whether appropriate fraud prevention and monitoring measures are in place</li><li>• Assure itself, on behalf of the Council, that any action proposed appropriately addresses fraud risks identified during the fraud risk assessments. In doing so it will consider the nature and timing of a program of internal audits to monitor key controls.</li></ul>
Kaimahi and governors	<p>All NMIT kaimahi and governors must take all practical steps to:</p> <ul style="list-style-type: none"><li>• maintain the highest ethical standards in their activities and operations</li><li>• report suspected fraud, corruption, bribery, or related misconduct</li><li>• ensure they understand how to prevent fraud and corruption</li><li>• not condone, or fail to take appropriate action in relation to, suspected fraudulent or improper conduct within NMIT</li><li>• assist in the implementation of fraud risk management strategies and participate fully in activities relating to fraud control</li><li>• remain vigilant and report all instances where they hold any concern, suspicion, or information of any instance of fraudulent, corrupt or improper conduct and encourage others to do the same</li><li>• not knowingly make a false or misleading report</li><li>• not act in a retaliatory, discriminatory or otherwise adverse manner regarding a person, on account of that person making a genuine report or helping in a relevant inquiry</li><li>• not hinder or impede an investigation, and give every courtesy and assistance to any person authorised to investigate</li></ul>

Chief Executive Officer	Appoint an individual to hold the function of Fraud Control Officer
Fraud Control Officer	<p>The Fraud Control Officer has principal responsibility for fraud control within NMIT, and will:</p> <ul style="list-style-type: none"> <li>• lead development of an overall fraud control strategy for NMIT</li> <li>• build a programme of internal audit</li> <li>• oversee fraud awareness and control training</li> <li>• oversee the NMIT fraud risk assessment process every two years</li> <li>• oversee the follow-up of the fraud risk assessment and implement mitigation strategies</li> <li>• facilitate regular reviews of NMIT fraud prevention controls every two years, or following any significant structural change within NMIT</li> <li>• report to the Risk and Audit Committee on fraud control initiatives undertaken</li> <li>• ensure all fraud related policies and procedures are communicated and available to staff</li> <li>• develop systems to prevent, detect and respond to fraud</li> <li>• act as a central referral point for allegations of incidents of fraud to be reported, including ensuring that all instances of suspected fraud are appropriately recorded, investigated, and reported to the RAC, and satisfactorily resolved</li> <li>• investigate minor instances of fraud against NMIT in consultation with the appropriate senior staff</li> </ul>
Senior Leadership Team	<ul style="list-style-type: none"> <li>• promote a corruption-free culture through regular communications, training and awareness building</li> <li>• ensure fraud awareness training is incorporated in NMIT induction and staff development programmes.</li> <li>• support the Fraud Control Officer to implement prevention and detection measures</li> </ul>
Managers	<p>All NMIT managers, within their areas of responsibility, must take all practical steps to:</p> <ul style="list-style-type: none"> <li>• assess and minimise the risk of fraudulent or corrupt activity</li> <li>• support NMIT internal control systems</li> <li>• promote training and awareness of NMIT Staff Code of Conduct and fraud and corruption prevention amongst kaimahi</li> <li>• ensure any reports of fraud, corruption, bribery, or related misconduct are escalated</li> </ul>

## Ngā Tikanga | Definitions

Term	Definition
Corruption	<p>Corruption is the abuse of entrusted power for private gain (such as soliciting or receiving gifts or other gratuities to perform an official duty or omit to perform an official duty). Corruption is a type of fraud and could include:</p> <ul style="list-style-type: none"> <li>• bribery (both domestic and foreign)</li> <li>• coercion</li> <li>• destruction, removal or inappropriate use or disclosure of records, data, materials, intellectual property, or assets</li> <li>• manipulation of a tendering or procurement process</li> <li>• secret commissions, or kickbacks</li> <li>• undisclosed conflicts of interest</li> <li>• undisclosed giving or receiving of gifts, except in accordance with our Koha and Expenditure policies</li> <li>• similar forms of inappropriate conduct</li> </ul>

Collusion	Where more than one person is involved in any theft or fraudulent, dishonest, or inappropriate behaviour or activity.
Fraud	An intentional act by one or more individuals involving the use of deception to obtain an unfair, unjustified, or unlawful gain. It includes all forms of dishonesty. Examples of fraud could include: <ul style="list-style-type: none"> <li>• forgery or alteration of documents</li> <li>• misappropriation of property</li> <li>• deliberately altering or reporting incorrect information</li> <li>• seeking or accepting gifts from parties doing business with NMIT except in accordance with the NMIT Conflict of Interest Policy and NMIT Koha Policy</li> <li>• authorising or receiving payment for goods or services not received or performed</li> <li>• authorising or receiving payment for time not worked</li> <li>• any claim for reimbursement of expenses that are not incurred for NMIT business</li> <li>• falsification of data or other dishonest practices.</li> </ul>
Serious misconduct	Serious misconduct is conduct which compromises NMIT’s trust and confidence in a kaimahi and/or creates serious risk or harm to NMIT.

## Ngā Hononga ki Tuhinga kē | Links to other documents

### NGĀ KAUPAPA-HERE E HANGAI ANA | RELATED POLICIES

NMIT Kaimahi Code of Conduct  
NMIT Kaimahi and HR Policy  
Council Code of Conduct  
NMIT Sensitive Expenditure Policy  
NMIT Delegations Policy  
NMIT Procurement Policy  
NMIT Protected Disclosures Policy

### NGĀ TUKANGA ME NGĀ HĀTEPE | RELATED PROCESSES, PROCEDURES

NMIT Protected Disclosures Procedure  
NMIT Fraud Investigation Procedure

### TURE WHAI TAKE | RELEVANT LEGISLATION

[Crimes Act 1961](#) [Protected Disclosures \(Protection of Whistleblowers\) Act 2022](#) [Privacy Act 2020](#)  
[Official Information Act 2020](#)  
[Secret Commissions Act 1910](#)  
[Education and Training Act 2020](#)  
[Public Service Act 2020](#)  
[Human Rights Act 1993](#)

### NGĀ TAPIRITANGA | APPENDICES

Appendix 1. Fraud Reporting and Investigation Channels

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If a kaimahi suspects fraud by:	They should report it to:	The responsibility for investigation is held by:
Another kaimahi	Their <b>line manager</b> , who must inform the Fraud Control Officer; <b>OR</b> Directly to the <b>Fraud Control Officer</b>	Fraud Control Officer
Chief Executive Officer	The <b>Fraud Control Officer</b> , who must then notify the <b>Chair of the Risk and Audit Committee</b>	Chair of the Risk and Audit Committee
Fraud Control Officer (FCO)	The <b>Chief Executive Officer</b> , who must then notify the <b>Chair of the Risk and Audit Committee</b>	Chief Executive Officer
A member of the SLT (who is not the FCO)	The <b>Fraud Control Officer</b> , who must then notify the <b>Chair of the Risk and Audit Committee</b>	Chief Executive Officer
A contractor	The <b>Fraud Control Officer</b>	The Fraud Control Officer
Governors	The <b>Chief Executive Officer</b> , who must then notify the <b>Chair of the Risk and Audit Committee</b>	Chief Executive Officer, in conjunction with the NMIT Council Chair / Deputy Chair and external parties, as required

If a governor suspects fraud by:	They should report it to:	The responsibility for investigation is held by:
Another governor	The <b>NMIT Council Chair</b> , who must then notify the Chief Executive Officer	The Chief Executive Officer, in conjunction with the NMIT Council Chair and external parties, as required
NMIT Council Chair	The <b>NMIT Council Deputy Chair</b> , who must then notify the Chief Executive Officer	The Chief Executive Officer, in conjunction with the NMIT Council Deputy Chair and external parties, as required
Any other party	The <b>NMIT Council Chair</b> , who must then notify the Chief Executive Officer	As specified in the above table, for the relevant suspected party

If a Contractor suspects fraud by:	They should report it to:	The responsibility for investigation is held by:
Kaimahi, governor, or other NMIT representative	The <b>Fraud Control Officer OR Chief Executive Officer OR NMIT Council Chair</b>	As specified in the tables, for the relevant suspected party