

# NORTHLAND SCHOOL



## Legislation and Requirements Procedures Theft and Fraud Prevention

### Background

- 1) To protect the physical and financial resources of the School, the Northland School Board of Trustees, through its chief executive the Principal, will take measures to prevent and detect theft and fraud involving school property or funds.
- 2) The Board accepts that any investigation into any theft or fraudulent actions must be conducted in a manner that conforms to the principles of natural justice and is procedurally just and fair.
- 3) Action on any allegations of theft or fraud will be the responsibility of a committee, consisting of the Principal and two members of the Board (“the Committee”)<sup>1</sup>, acting in accordance with this policy.

### II. Measures to prevent Theft and Fraud

As preventative measures against theft and fraud the Principal shall take reasonable and prudent measures to 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 fraud, including by meeting the requirements of the Public Finance Act 1989, the Crown Entities Act 2004, and standard accounting practice supported by the Institute of Chartered Accountants of New Zealand.
- c) The Principal has to be reasonably assured that staff members who are formally delegated responsibility for the custody of physical and financial resources are
  - (i) competent to carry out such responsibilities;
  - (ii) aware of the parameters of their responsibilities; and
  - (iii) held accountable for the proper execution of their responsibilities.
- d) The Principal is to ensure that all staff members are aware of their responsibility to immediately inform the Principal should they suspect or become aware of any theft or fraud involving school funds, assets or resources.
- e) If the circumstances are appropriate, the Protected Disclosure Procedure should guide action.

### III. Procedures in regard to an Investigation into (alleged) Theft and Fraud

In the event of an allegation of theft or fraud the Principal shall act in accordance with the procedures set out below. In exceptional circumstances, and providing that natural justice and procedural fairness are maintained, the Committee may deviate from the procedures.

- 1) Inform the Committee of the allegation(s) as soon as possible and convene a meeting of the Committee.

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<sup>1</sup> The choice of the two members is ad hoc and will depend on availability. However, it is expected that the Board member holding the finance portfolio will be a member of the Committee unless a) he/she is implicated in the allegation or b) unavailable. Should the Principal be implicated in theft or fraud his/her place in the Committee will be taken by the Deputy-Principal.

- 2) So far possible and within 24 hours:
  - a) Record the details of the allegation, the person or persons allegedly involved, and the quantity and/or value of the theft or fraud.
  - b) 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.
  - c) Contact the person(s) accused of theft or fraud as soon as reasonably possible after having received the written statement and
    - (i) make the allegations known to the person(s) accused
    - (ii) invite the person(s) accused to either make a written statement in return or to meet with the Committee in person (all verbal responses must be recorded as minutes of that meeting, and the accuracy of those minutes should be attested by all persons present)
    - (iii) advise the person(s) accused of their right to legal representation in any such meeting, and their right to bring a witness or support person
    - (iv) advise the person(s) accused of their right not to self-incriminate themselves
    - (v) advise the person(s) in writing of the processes to be involved from this point on.

The Committee may decide to seek advice from the Police in regard to whether the circumstances warrant referring the alleged offence to the Police, having heard the person(s) accused.
  - d) Carry out some further investigations as deemed necessary which can include seeking legal advice or advice from the Police, commissioning an independent expert investigation, or, in the case of fraud, requiring a search for written evidence of fraudulent action to determine the likelihood or not of such evidence.
  - e) Inform the Board of the information received and consult with them as appropriate.
- 3) On the basis of the written statement alleging theft or fraud, the defence or explanation provided by the accused person(s), and any other evidence obtained, the Committee shall decide whether or not a *prima facie*<sup>2</sup> case of theft or fraud exists. If not it shall document this decision and inform the Board that no further action is to be taken. If a *prima facie* case is found, the matter shall be reported to the New Zealand Police.
- 4) The person(s) accused must be informed of the decision taken by the Committee.
- 5) The Principal may, depending on the outcome under point 3,
  - a) Invoke any disciplinary procedures contained in the contract of employment should the person accused be a staff member;
  - b) Inform the Manager, National Operations, Ministry of Education local office and/or the school's auditors if the matter is referred to the Police.
- 6) The Board recognises that allegations of theft or fraud can affect the rights and reputation of the person or persons implicated. All information relating to unproven allegations of theft or fraud that would identify the person or people subject to the allegations will be kept confidential. If any school employee or board member breaches confidence with such information, the Principal and/or Board chair shall consider what action is required, having regard to the conditions of employment (for staff) and appointment (for board members).

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<sup>2</sup> Prima facie: the literally meaning is "at first sight". Here it should mean that from the evidence before the Committee the accused person(s) has more likely than not a case of theft and fraud to answer.

- 7) 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.
- 8) The Principal and Board chair may authorise a statement to inform the school community if a theft or fraud has occurred.

#### **IV. Allegations Concerning the Principal or a Trustee**

- 1) Any allegation concerning the Principal should be made to a member of the Board of Trustees. The Board will then investigate in accordance with the requirements of Part III of this Policy and may co-opt or contract such assistance as is necessary to do so. The Principal's place in the Committee will be taken by the Deputy-Principal.
- 2) Any allegation concerning a member of the Board of Trustees should be made to the Principal. The Principal will commence an investigation in accordance with the requirements of Part III of this Policy. Should the matter be referred to the Police the Principal will notify the manager of the local office of the Ministry of Education