

FRAUD AND CORRUPTION CONTROL PLAN

Statement of Massey University's approach to Fraud & Corruption Risk Management

The operational, financial, social and reputational impact of fraud and corruption on our organisation, and the people it supports, can be significant. For these reasons, Massey University takes a no tolerance approach to fraud and corruption. To demonstrate this commitment, the University has developed:

- **A Fraud & Corruption Policy** to support an effective control environment which will discourage fraud, facilitate its detection and ensure the timely reporting and investigation of potential fraud and corruption.
- **A Fraud Response Procedure** that details the investigation procedure that the University will initiate and follow to respond to any fraud or corruption related notification or allegation.
- **A Fraud & Corruption Control Plan (FCCP)** that supports the principles outlined in the Fraud and Corruption Policy by establishing key activities to mitigate fraud and corruption risk.

Objectives

The objectives of this plan are to promote a culture that supports prevention of fraud and corruption and to minimise the risk of fraud and corruption within and against Massey University.

Definitions (according to Massey's Fraud Control Policy definition)

Fraud: means an intentional and dishonest act that involves deception or misrepresentation where the perpetrator obtains (or potentially obtains/seeks to obtain) an advantage for themselves, another person or the University. This includes, but is not limited to:

- Forgery of any type-Unauthorized possession or misappropriation of University funds or assets-Deliberate mishandling or misreporting in recording and reporting financial transactions
- Deliberate misuse or unauthorised use, destruction or removal of University resources for unfair, unjustified or unlawful gain-Unauthorized disclosure of confidential information (may also be considered corruption)-Dishonest claims for reimbursement.
- Fabrication or falsification of data or personal information.

Corruption: is the lack of integrity or honesty (especially susceptibility to bribery) or the use of a position of trust for dishonest gain. It includes bribery, coercion, destruction, removal or inappropriate use or disclosure of records, data, materials, intellectual property or assets, or any similar or related inappropriate conduct.

Roles and Responsibilities

Effective fraud control requires active participation and input from all University staff. All members of the University as defined in the University's Fraud and Corruption Policy play an important role in identifying and reporting suspicious actions or wrongdoing. This plan details specific responsibilities allocated within Massey University, for fraud & corruption related matters which are summarised in the following table:

ROLE	RESPONSIBILITY
Finance and Assurance Committee (FAC)	<ul style="list-style-type: none"> • Supports Council in discharging its responsibilities for ensuring quality and integrity of the financial management and assurance requirements of the University. This includes the governance responsibility to review any assurance provider’s review of the adequacy and effectiveness of the University’s control environment and management responses to the internal control and fraud risks as found appropriate. • Approves the Fraud and Corruption Policy and Response Procedure.
Vice-Chancellor	<ul style="list-style-type: none"> • Approves the Fraud & Corruption Control Plan. • Report any material matter that relates to the assurance requirements of the University to the Finance and Assurance COmmittee following any investigation into fraudulent and corrupt behaviour.
Governance & Assurance / Internal Audit	<ul style="list-style-type: none"> • Acting as a central contact 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 Finance and Assurance COmmittee (as required) and satisfactorily resolved. • Develop an overall Fraud and Corruption Control Plan for Massey University. • This function provides ongoing assessment and evaluation of the effectiveness and efficiency of financial and operational controls and reporting mechanisms. • Identification of fraud risk and recommendations for improvement. • Where appropriate, staff may be involved in undertaking investigations of alleged fraud. • Establish and maintain a register of fraud breaches. Ensure all updates and changes to fraud-related policies, procedures, codes of conduct, and guidelines on behaviour are published to all staff. • Overseeing fraud awareness and control training and ensuring that all fraud related policies and procedures are communicated and available to staff via the internet and intranet. • Coordinate follow-up of the fraud risk assessment by ensuring that all timetabled mitigation strategies are implemented in accordance with the Fraud Control Plan. • Designing and implementing a fraud detection program. • Prepare risk based internal audit plans with explicit consideration of fraud where applicable. • Conduct internal audit reviews. • Report any suspected incidents of fraud or corruption.
Managers	<ul style="list-style-type: none"> • Implementing fraud control strategies as appropriate for their areas. • Ensure staff clearly understand their role and obligations as a first line of defence in the prevention and detection of fraud. • Ensure that their staff are aware of the mechanisms for reporting incidents of suspected fraud and encourage staff to report any suspected incidents of fraud to an appropriate contact officer in accordance with this Plan. • If an incident of fraud or corruption is reported they should notify the Director, Governance and Assurance or Employment Relationship Manager of the same.
All staff	<ul style="list-style-type: none"> • Behave diligently and act in good faith , in accordance with applicable laws, University policy, procedures and Policy on staff conduct. • Assist in the implementation of fraud risk management strategies and participate fully in activities relating to fraud control. • Remain vigilant and report all instances of suspected or actual fraud to an appropriate contact officer in accordance with the Policy. • Not knowingly make a false or misleading report. • Deal with all reports of fraud in a professional and prompt manner. • Undertake training in fraud awareness, ethics and privacy as required.

Application of Fraud & Corruption Plan

The key activities for each fraud control objective within the University are shown in the below sections. These activities will be monitored by the Internal Auditor on an annual basis, to ensure their continued operation and reported to the Senior Leadership Team and Finance and Assurance Committee:

Preventing Fraud and Corruption: This stage outlines the frameworks, systems and processes in place across Massey University to promote and support the prevention of fraud and corruption.			
Objective	Mechanisms / Key activities	Oversight	Timeline
Endorsement and promotion of Fraud and Corruption policy and plan	1. Senior Leadership team to endorse and promote the Fraud policy and FCCP ensuring staff awareness on an ongoing basis.	Senior Leadership Team	Every two years
Development and maintenance of sound ethical culture	1. Ensure the University's expectations around ethical conduct are clearly outlined in the Policy on Staff conduct.	People & Culture	Ongoing
Staff education and awareness	1. Ensure online formal fraud and corruption awareness sessions are provided as part of the staff induction programme to all new starters and then on an ongoing basis as a refresher course which should include, but not limited to: <ul style="list-style-type: none"> a. General awareness of the significance of fraud and corruption and their potential impacts on the organisation. b. Awareness of the University Fraud and Corruption Control Policy and Fraud and Corruption Control Plan c. An understanding of what might constitute fraud or corruption d. Awareness of the ways in which they can report allegations or concerns regarding alleged fraud or corruption or alleged unethical conduct 	Internal Audit	Ongoing (starting Q4, 2020)
	2. Ensure staff attendance records are maintained, and feedback surveys are used to establish the effectiveness of training sessions.	Internal Audit	Ongoing
	3. Include Fraud Control Policy, Fraud and Corruption response procedure and Fraud and Corruption Control Plan on Massey University's intranet along with the online notification form.	Internal Audit	Ongoing
	4. Updates and changes to fraud related policies and procedures and other ethical pronouncements are effectively communicated to all staff.	Governance and Assurance	As required
Implement a fraud & Corruption risk assessment program	1. Assess and register fraud risks in a Fraud Risk register on a regular basis in accordance with the University's Risk Management framework, with input from managers and Internal Audit.	Governance and Assurance	Two Yearly
	2. Review the FCCP to include any mitigations arising from the fraud risk assessment program.	Internal Audit	Annually
Conduct Employment screening	1. As part of the recruitment process, pre-employment screenings are conducted in accordance to the University's policy on pre-employment checks for prospective appointees which includes employment, qualifications, credit, criminal history and reference checks which can help identify potential issues and factors that may be indicative of fraud risk, such as prior criminal convictions for dishonesty.	Recruiting Managers and People and Culture Team	Ongoing
Prevention of Third-party fraud & corruption	1. Contractors and suppliers are subjected to a due diligence process through which the credentials of the new suppliers are checked during the initial negotiation stages and which are confirmed periodically during thereafter	Procurement and Contract Managers and Finance Team.	Ongoing
Declaration of conflicts of interest	1. Ensure that through online induction programmes, staff are made aware of the need to declare any conflicts of interest in accordance to the Conflict of Interest policy requirements.	Respective Managers	Ongoing
	2. Maintain, review and update the Conflict of Interest register as required	Governance and Assurance	Annually

Detecting Fraud and Corruption: The following mechanisms/ activities aim to detect fraud or corrupt practices where preventative mechanisms are unsuccessful			
Objective	Mechanisms / Key activities	Oversight	Timeline
To provide clear avenues for internal & external reporting of potential or actual fraud and /or corruption	1. Staff are made aware of the Massey University's <i>Fraud & Corruption Response procedure</i> which outlines the reporting / notification methods available to internal and external parties for any type of suspected fraudulent conduct or incident. University also accepts both anonymous reports of suspected fraud.	Internal Audit	Ongoing
To maintain a sound system of Internal Controls	1. Fraud controls are identified through the fraud risk register. Process to validate the operation of those critical fraud controls will be established.	Internal Audit	Periodic (2 yearly)
	2. The results of the fraud risk assessments are considered when developing the risk based annual internal audit plan.	Internal Audit	Ongoing
	3. An independent Internal Audit function that reports directly to the Finance and Assurance Committee has been setup that uses variety of methodologies to detect fraud and corrupt practices. This includes: <ul style="list-style-type: none"> a. Auditing University's management controls over fraud, including policies, procedures, training and awareness practices, culture and governance, risk management and assessment practices etc. b. Considering fraud as part of each internal audit engagement performed including known fraud risks but also brainstorming, researching and benchmarking to identify areas that may not have been otherwise identified. c. Post transaction reviews by using data analytic tools and program to detect any unusual transactional behaviour or pattern which might highlight fraudulent activity or non-compliance to Massey policies and procedures 	Internal Audit	Ongoing
To provide assurance that financial statements are free of fraudulent reporting	1. External audit is responsible for conducting the audit of the University's financial statements, obtaining reasonable assurance about whether the financial statements are free of material misstatement and whether the misstatements were caused by error or fraud.	Finance	Annually

Responding to Fraud and Corruption: This stage outlines the systems and processes in place across the local government to respond to fraud and corruption within local government and the various channels to ensure improvements or remedies for fraud and corruption.			
Objective	Mechanisms / Key activities	Oversight	Timeline
To ensure that appropriate investigations are performed.	1. Communicate the University's <i>Fraud & Corruption Response procedure</i> to staff at point of induction, which outlines the investigation procedure following the notification / reporting of fraud or corruption allegation and communication protocols if a fraud against Massey is detected.	Internal Audit	Ongoing
To ensure appropriate register and records are maintained	1. All reported allegations or incidents are to be recorded and documented in the <i>Fraud & Corruption register</i> . The Fraud & Corruption register will include details and dates of the suspected offence, details of any staff involved, value of the alleged fraudulent or improper conduct, details of the investigation	Internal Audit	As required

	undertaken, outcome of investigation and any policy or procedure amended as a result.		
To ensure that the processes and internal controls are reassessed post fraud investigation	1. Review internal controls, policies and procedures considering recent risk incidents and in response to recommendations made by investigators, internal or external audit.	Governance and Assurance	As fraud incidents occur
To ensure fraud and corruption related matters are reported to the Governance committee	1. Ensure that fraud prevention and control matters are reported in the annual Assurance report.	Internal Audit	Annually and as required
To ensure appropriate communication protocols are followed	2. Ensure that appropriate reporting channels and methods are applied in a fraud case against Massey University has been detected.	Governance and Assurance	As required

Review

This plan will be review at 2 yearly intervals to ensure it remains current and that the fraud and corruption control activities remain fit-for-purpose and effective..

Modification History

Date	Source	Details
September 2020	Senior Leadership Team	Plan approved