

# STAFF REPORT

**TO:** Mayor and Councillors  
**FROM:** Corporate Services Manager  
**DATE:** 27 July 2007  
**SUBJECT:** Fraud Policy

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## BACKGROUND

Council management has the responsibility to ensure that ratepayer funds are protected as far as possible. This is done through maintaining strong systems of internal control. Even with these internal controls, fraud could still occur. It is important to demonstrate that fraud is unacceptable and any allegations of fraud will be taken seriously and formal investigation procedures will be followed to deal with such allegations.

Tasman District Council currently has a policy (Protected Disclosures Policy) in place that deals with serious wrongdoing, but the focus of that policy is to provide protection to those who make allegations of wrongdoing.

The Controller and Auditor General's publication 'Central Government: Results of the 2003-04 Audits' states:

*"We expect every public entity to have a policy on how to minimise fraud and how it will be dealt with if it occurs."*

The management report for the year ended 30 June 2006 from Audit New Zealand reinforced the expectation that Tasman District Council would have such a policy in place.

The Fraud Policy gives clear guidelines on how Council will respond to allegations or discovery of fraud and the process that will be followed.

## STATUTORY IMPLICATIONS

Local Government Act 2002 s14 (g) requires local authorities to ensure prudent stewardship and efficient use of its resources. This policy demonstrates Council's resolve to safeguard its assets.

## **SUMMARY**

Council has a responsibility to provide confidence to the community that ratepayer funds are safeguarded as far as possible. One area where these funds can be put at risk is when fraud occurs. Council currently does not have an explicit Fraud Policy. Such a policy is required to clearly set out Council's view that fraud is unacceptable and how fraud will be dealt with, should it occur.

## **RECOMMENDATION**

That the fraud policy be adopted

Murray Staite  
Corporate Services Manager