



## Fraud and Theft Investigations Procedure.

Version Control:	Date:	By:
Original Doc.	January 2021	Mike Ryan General Manager Basketball Manawātū
Reviewed & approved	18 <sup>th</sup> March 2025	Board of Basketball Manawātū
Next Review Date	March 2027	

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**Procedure** – This document needs to be read in conjunction with the Basketball Manawātū Policy Document.

As an organisation, we are committed to handling all such allegations in a fair, just and transparent way and will ensure we follow clear processes and procedures at all times.

In particular, we are committed to adherence to the following principles and will:

- Treat allegations seriously
- Act promptly
- Treat people fairly and listen to both sides of the story
- Stay neutral
- Keep parties to the allegations regularly informed
- Try to maintain confidentiality if possible
- Protect against victimisation
- Keep accurate records
- Make decisions based only on information gathered not personal views

## **1. Background.**

The Basketball Manawātū fraud and theft policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against Basketball Manawātū. It is the intent of Basketball Manawātū to promote consistent organizational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

## **2. SCOPE OF POLICY**

The policy applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Basketball Manawātū. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the programme.

## **3. POLICY**

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. All staff members will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. Any irregularity that is detected or suspected must be reported immediately to the General Manager of Basketball Manawātū, who will coordinate all investigations with the Board Chairperson and other affected areas, both internal and external.

#### **4. ACTIONS CONSTITUTING FRAUD**

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of company activities • Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons securities activities engaged in or contemplated by Basketball Manawātū
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the programme. Exception: Gifts less than \$50 in value.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity

#### **5. OTHER IRREGULARITIES**

Irregularities concerning an employee's moral, ethical, or behavioural conduct should be resolved by the General Manager and the Board Chairperson. If there is any question as to whether an action constitutes fraud, the Board Chairperson will contact the Board Members of Basketball Manawātū and if appropriate Basketball New Zealand (as the National Governing Body) for guidance.

#### **6. INVESTIGATION RESPONSIBILITIES**

The General Manager will have the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the General Manager will provide a full report to appropriate designated Board personnel and, if appropriate, to the full Board of Directors through the Audit Committee. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior executive, as will final decisions on disposition of the case.

#### **7. CONFIDENTIALITY**

The General Manager will treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the General Manager (or in the case of the matter implicating the General Manager of fraud/theft, then it shall be notified to the Board Chairperson immediately, and the staff member should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see REPORTING PROCEDURE section below). Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect Basketball Manawātū from potential civil liability.

## **8. AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD**

Anyone conducting the investigation into the alleged fraud/theft will have:

- Free and unrestricted access to all Basketball Manawātū records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

## **9. REPORTING PROCEDURES**

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. An employee who discovers or suspects fraudulent activity will contact the General Manager immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Chairperson of the Board of Basketball Manawātū or the Legal counsel of our programme. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: “I am not at liberty to discuss this matter.” Under no circumstances should any reference be made to “the allegation,” “the crime,” “the fraud,” “the forgery,” “the misappropriation,” “the theft” or any other specific reference. The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Board Chairperson.

## **10. TERMINATION**

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from the programme legal counsel and, if necessary, by outside counsel, before any such action is taken. Only the General Manager and Board Chairperson have the authority to terminate an employee.