

# Our ethical framework

*Public Trust is committed to the highest standards of ethical behaviour and conduct at all times.*

*Our business success depends on our customers and stakeholders trusting us.*

**Our values...**

- Understanding
- Dependable
- Proactive
- United
- Commercial.

## Legislation, policies and codes

- Relevant legislation
- Doing the right thing – our statement of ethics
- Business and HR policies
- Code of conduct
- Disclosure requirements and statements, securities and financial regulation
- Professional standards and ethics e.g. Solicitors and Accountants.

## Public Trust leadership

- Purpose and vision
- Strategic direction
- Leadership behaviour
- Brand and reputation
- Organisation design
- Reporting
- Risk Identification
- Compliance
- Resolution of complaints and issues.

## Commitment and engagement

- Performance management
- Leadership and core competencies
- Reward and recognition programmes
- Capability, training and understanding
- Communication and motivation
- Leaders and employee commitment and engagement.

*Success is demonstrated by strong leadership, satisfied customers, ethical decision making, committed and engaged people.*

Growing the trust – *doing the right thing*

with you for  
generations  
to come



Public Trust offers independent, professional advice and a wide range of services to New Zealanders at different stages of their lives, as well as helping carry out their wishes after they have died. In meeting our customers' expectations, and to deliver on the customer experience, Public Trust is committed to the highest standards of ethical behaviour at all times.

### What is ethics?

Ethics are principles that guide our actions in the many different situations we find ourselves in. It's about always doing the right thing. Ethics isn't how we feel. Some people can behave unethically and still feel good.

### Why is it important?

Our business success depends on our customers trusting us. It's important we all act, and are seen to act honestly and with professional integrity. Being ethical supports the delivery of our customer experience and ensures we maintain our promise to our customers, our shareholders, other businesses and each other. It's how we "Grow the trust".

### What is the Public Trust ethics framework?

Public Trust's ethics framework outlines our leadership, direction, behaviours, legislation, policies and employee commitments to maintaining an ethical workplace. The ethics framework comprises a series of policy and principle based documents that apply to all Public Trust employees in carrying out their business, transactions and day to day decision making. It needs to be read in conjunction with other related information either contained in your offer pack and/or on our Intranet.

### How does it apply?

Doing the right thing applies to all permanent and temporary employees of Public Trust and forms part of your employment agreement with us. You must sign a declaration agreeing to behave ethically at all times. Agreement means you have read and understood this statement and its related policies prior to signing the declaration.

### Our values

Our values are the cornerstone of the way we work and they guide us in thinking about how we should behave ethically.

### Key principles

Based on these values, behaving ethically also means always...

- Considering the safety and security of our customers' assets
- Seeking to understand our customers and only selling them what they need.

- Accepting responsibility to help protect and improve the asset or personal wealth of the individuals, businesses or communities we care for and serve
- Adhering to the law and regulations that govern our work at all times
- Accepting responsibility for maintaining the standards of our respective professions and giving accurate and professional advice
- Adhering to our code of conduct principles of fairness, impartiality, responsibility and trustworthiness in everything we do
- Always doing the right thing.

### Leadership – role modelling, supporting, encouraging and delivering

All Public Trust leaders are expected to role model, encourage and support the highest standards of ethical behaviour for themselves and among their teams.

### Compliance with laws and regulations

Everyone is expected to carry out their duties in good faith and in compliance with the law.

### Conflicts of interest

No one is to engage in any employment or business activity that would conflict or be seen to conflict with their ability to perform their duties or the business of Public Trust.

### Provision of professional and ethical advice

Our customers trust us with their assets and they rely on our advice to be honest, accurate, timely, lawful and meet professional standards of fidelity, confidentiality, secrecy and care. To achieve this we must ensure we comply with our disclosure obligations and other fiduciary responsibilities at all time.

## Privacy and customer information

We are routinely in possession of information provided by our customers that is confidential and/or business information that is commercially sensitive. All information must be kept confidential except as required by the law where disclosure is for an authorised purpose.

## Working relationships/personal relationships

No working or personal relationship must adversely affect our work performance.

## Gifts

No one may accept any inducement, gift, gratuity or benefit where it is offered in order to gain an advantage.

## Public Trust property

All employees must use Public Trust property or funds only for lawful business purposes.

## Compliance with other ethical codes

Some employees may already be subject to professional codes of ethics e.g. solicitors and accountants. Those who hold practising certificates are bound to also observe their applicable professional ethics at all times.

## Not turning a blind eye

If anyone becomes aware of anything that could in any way be construed as a fraudulent, illegal or unethical behaviour, they have a responsibility to report it at the earliest opportunity to the CE, General Counsel or Internal Audit Manager.

## Commitment and engagement

Through our HR systems and processes we will always provide support and guidance on behaving ethically.

# Code of Conduct – Growing the Trust

*Our Code of Conduct ensures all Public Trust employees know what it means to uphold professional standards of conduct and behaviour at all times.*

## Introduction

Whether it's our first day or you've been with us for a while, the Code of Conduct is an important document that applies to you.

### Why is it important?

It sets out the principles and rules of behaviour all Public Trust staff are expected to observe. It supports the relationship between our key stakeholders, Public Trust and you by outlining the expectations Public Trust has in relation to your behaviour and performance. It also requires you to carry out your duties competently and in good faith.

### What does it comprise?

Public Trust is a Crown Owned Entity which means you are subject to the same expectations and behaviours that apply to every government employee. Our Code also forms a key part of Public Trust's wider ethics framework. Its elements comprise...

1. The Code of Conduct and Explanatory Guide
2. Guidelines for Dealing with Breaches

### Where does it fit in?

This Code forms part of your employment agreement with us. You must sign and agree to abide by it at all times.

## Our values

Our values of Understanding, Dependable, Proactive, United and Commercial are an important reference point. They underpin the expected standards of behaviour in Public Trust.

## Principles

The Code defines the minimum standards of integrity and conduct and the standards of performance expected of you in your relationships with Government, Public Trust, colleagues and our customers. The principles include:

### Principle one: Being fair

- Treating everyone fairly and with respect
- Being professional and responsive
- Working to make our services accessible and effective for the Public Trust Striving to make a difference to the well being of New Zealand and all its people.

### Principle two: Acting impartially

- Maintaining the political neutrality related to your employment, required to enable you to work with current and future governments
- Carrying out the functions of Public Trust impartially irrespective of your personal beliefs
- Supporting Public Trust to provide robust and unbiased advice
- Respecting the authority of the government of the day.

### Principle three: Being responsible

- Acting lawfully and objectively
- Obeying lawful instructions
- Using Public Trust's resources carefully and only for proper purposes
- Treating information confidentially and with care, and using it only for proper purposes
- Working to improve the performance and efficiency of Public Trust
- Not bringing Public Trust into disrepute through conduct in your private activities.

### Principle four: Being trustworthy

- Fulfilling your obligations to customers with the highest standards of honesty and integrity.
- Ensuring your actions are not affected by your personal interests or relationships
- Never misusing your position for personal gain
- Declining gifts or benefits that place you under any obligation or perceived influence
- Avoiding any activities, work or non-work related that may harm the reputation of Public Trust or the safety of others.

For more detailed information on the principles see the Code of Conduct – explanatory guide.

## Misconduct and serious misconduct

The guidelines supporting this code identify what is and isn't acceptable behaviour. They also categorise behaviours and actions into those deemed more serious than others. These are defined as either behaviour that constitutes Misconduct or Serious Misconduct.

## Dealing with possible breaches

Any breach of the Code will be investigated and where misconduct or serious misconduct is proven, disciplinary action will be taken. Any action taken must be fair and reasonable in the circumstances. More details information on the process for dealing with breaches is located in the Guidelines for dealing with breaches.

## Introduction

Public Trust is a Crown Entity and is empowered to carry out the work of New Zealand's democratically elected government under the Public Trust Act.

As such, we must comply with the Standards of Integrity and conduct issued by the State Services commission. This means acting with a spirit of service to the community, meeting the same high standards of integrity and conduct in everything we do, and ensuring our policies and procedures are consistent with the code.

At its heart, this code sets out our obligations as Public Trust employees and employees of the wider state sector and how we must be fair, impartial, responsible and trustworthy.

## Content

This explanatory guide provides more detail that directly supports our Code of Conduct.

At the core of the Public Trust and Government's code are the following governing principles.

### 1. Fair

*We will...*

- Treat everyone fairly and with respect.
- Be professional and responsive.
- Work to make our services accessible and effective.
- Strive to make a difference to the well being of New Zealand and all its people.

### 2. Impartial

*We will...*

- Maintain the political neutrality related to your employment, required to enable us to work with current and future governments.
- Carry out the functions of our organisation, unaffected by our personal beliefs.
- Support our organisation to provide robust and unbiased advice.
- Respect the authority of the government of the day.

### 3. Responsible

*We will...*

- Act lawfully and objectively.
- Obey lawful instructions.
- Use our resources carefully and only for intended purposes.
- Treat information confidentially and with care and use it only for proper purposes.
- Work to improve the performance and efficiency of Public Trust.
- Behave so as not to bring Public Trust into disrepute.

### 4. Trustworthy

*We will...*

- Be honest and act with integrity.
- Work to the best of our abilities.
- Ensure our actions are not affected by our personal interests or relationships.
- Never misuse our position for personal gain.
- Decline gifts or benefits that place us under any obligation or perceived influence.
- Avoid any activities, work or non-work related that may harm the reputation of Public Trust, the Government or other Crown organisations.

# Principle 1 – Fair

## We treat everyone fairly and with respect

Treating people fairly means that we do not show any favouritism, bias or self-interest in our work. We administer the law and policy fairly and reasonably and with respect for our customers.

Our decisions are based on accurate and relevant information and decide cases on their merits. We observe the principles of natural justice, which require us to disclose information about the way we make decisions and allow a fair opportunity for people who may be affected by them to make representations. We avoid any perceived unfairness that could arise from having any personal interest in decisions we make or from working on issues where we have a relationship with those involved.

We treat everyone with respect - the customers we serve and the people we work with. This means promoting a respectful culture, being courteous and contributing to the smooth functioning of our workplaces by...

- not discriminating against anyone, except as legally required to give effect to Public Trust's functions
- protecting the privacy of people accessing our services
- not harassing, bullying or otherwise intimidating members of the public or colleagues
- respecting different cultural backgrounds and valuing equality and diversity by understanding our differences
- having proper regard for the safety of others
- avoiding behaviour that may endanger or cause distress to colleagues
- not allowing workplace relationships to adversely affect our work performance.

## We are professional and responsive

Being professional means having well developed personal integrity, to be committed to Public Trust's responsibilities and being aware of the extent to which other interests may affect those responsibilities. Senior employees within Public Trust must be particularly conscious of the Crown Entity and ethics and governance frameworks within which we operate.

Many of us are part of professions that have membership codes of conduct. Such codes set out obligations that apply concurrently with the duty we have to Public Trust. We must manage any differences with integrity, including discussing concerns with our manager. Although unlikely, if a conflict does arise, Public Trust will determine whether behaviour is appropriate in the circumstances of the particular situation, rather than any professional code.

Our professionalism is shown by the way we treat people and respect their privacy. We also show it in the way we meet the performance standards of our vocation and of Public Trust.

We are encouraged to maintain links with outside organisations but we remain aware of balancing our professional responsibilities to Public Trust and our need to participate in such discussions.

Because we may influence the granting of benefits, exercising discretions, shaping resource allocations, making enforcement decisions and develop policy, we must always act fairly, impartially and transparently.

## We work to make our services accessible and effective

Our actions minimise the likelihood of any individual, group or community being disadvantaged. We ensure that the public has reasonable access to our organisation, and to information about services and any entitlements. We consider customer-focused alternatives to traditional ways of providing services i.e. electronic transactions. The perceived fairness of Public Trust may be influenced by the ease of public access to services.

Effectiveness flows from meeting objectives that we have agreed with the Government and delivering benefits that the community expects from us. The challenge we face is to be effective in situations where there is diverse demand. We focus on getting the best results from public funding i.e. value for money, and ensuring that what we do reflects the Government's priorities and policies. In many circumstances, effectiveness may come from working more closely with other organisations and exploring whether advantages and cost benefits can result from integrating activities.

## We strive to make a difference to the well being of New Zealanders

Part of our function incorporates social responsibility; a spirit of service to the community and being motivated to improve the well being of New Zealanders. This involves finding a more efficient, effective, economical and sustainable way of making our professional contribution to the work of Public Trust.

Our relationships with our customers are distinguished by goodwill and impartiality, coupled with trustworthiness, fairness and respect for the rights of others i.e. the integrity standards of the code of conduct. By applying these standards to the work we do, we make a difference to improving the lives of New Zealanders.

We do not turn a blind eye to wrong doing. We take responsibility to ensure our senior managers are advised of any serious ethical or integrity concerns we have about conduct shown that could bring Public Trust into disrepute. If we are concerned about the consequences of reporting serious misconduct, we follow our Protected Disclosures Act policy.



## Principle 2 – Impartial

### We maintain the political neutrality required to enable us to work with current and future governments

Some of the work we do requires us to be apolitical. It is important that we do not detract from the ability of Public Trust to work with the Government, regardless of the political parties Ministers may represent. Our responsibility to the Government is to work in a politically neutral manner and our commitment to Ministers must be unaffected by any party political concerns.

Our responsibility is to do nothing that undermines the ability of Public Trust to provide strong support for the good governance of New Zealand, regardless of the political composition of the Government.

If we hold a prominent decision making position in Public Trust and take part in high profile activities that are not directly related to our position, we risk the public perception that we are not able to work in a disinterested, public spirited and politically neutral way. We must always consider the way our actions may be perceived by reasonable observers, and accept that our official responsibilities may from time to time place some constraints on the way we exercise our personal freedoms.

We are careful when Members of Parliament make direct approaches to us. An enquiry made in a private capacity should be managed in a strictly impartial way. Where there is doubt about the nature of an approach, we will refer the matter to our Chief Executive who, if the approach is inappropriate, will refer it to the Minister.

For most of us participation in party politics is not likely to affect the confidence that the Government has in us, and is not likely to undermine our ability to work with future governments. What we must do is ensure that we do not confuse our political rights with our employment responsibilities.

As a general rule, we are free to belong to any lawful organisation. Our rights to participate in social campaigns and the activities of political parties, unions and professional associations are not precluded because of where we work. But we are always aware of the perceptions that others may have of our ability to be politically impartial in the way we work. When expressing views on behalf of such groups, we will not be seen as speaking on behalf of Public Trust.

Just as membership of a political party is acceptable to most of us, so is helping with fundraising, assisting with a leaflet drop, or taking part in other forms of support for a party.

This standard involves two different principles. It imposes an absolute obligation not to bring our political interests into our work. It also implies that there is a variable tolerance for political involvement. In our non-working lives we will maintain the level of political neutrality that is appropriate

for the responsibilities we have.

As always, it is a matter of judgement. Whether it is a political party involvement or taking on a position in a community campaign group, a union or a professional organisation, we are careful to keep politics out of our position, and our position out of politics.

### We carry out the functions of Public Trust, unaffected by our personal beliefs

Our work is not influenced by personal beliefs or commitments. These personal interests can be wide-ranging, including party political, religious, philosophical, and vocational, and can be shaped by all sorts of experiences and upbringing. What we do reflects our standards of integrity and conduct and is not undermined by any personal conviction or particular ethical viewpoint.

Working for Public Trust does not preclude us from having strong personal beliefs. Sometimes the strength of our convictions may make it difficult for us to carry out a particular organisational task. The code of conduct is not intended to prevent the expression of conscientious objection in such cases. However, where these circumstances arise, we will let Public Trust know of our concerns in a timely way, so that the ability to deliver services is not diminished.

We obey all lawful and reasonable instructions given by Public Trust and work as directed. We are not justified in ignoring the operating procedures or exercising our decision making responsibilities in a way that suits our personal beliefs.

When expressing our personal beliefs in any public debate, particularly on issues relating to government policy or our activities, we ensure our comments are appropriate to the position we hold, and are compatible with the need to maintain the convention of party political neutrality.

### We support Public Trust to provide robust and unbiased advice

We apply high standards of professionalism to the advice we prepare for Public Trust. That advice is...

- honest, impartial, comprehensive and objective
- free of personal interest, political bias or the interests of Public Trust
- transparent and does not contain unclear or hidden agendas.

### We respect the authority of the Government of the day

Public Trust carries out some activities on behalf of the Government. We recognise our relationship to the Government and respect the responsibilities and the authority of Ministers.

## Principle 2 – Impartial

*(continued)*

As a Crown Entity where our relationship with the Minister is through our board, we will be directed by the board. The board must consider how best to maintain its obligations as part of executive government and fulfil the expectation that the board operates in a way that retains the Minister's confidence.

No employee, without explicit instructions, should comment about government policy on behalf of Public Trust. It is generally unacceptable for us in our personal capacity to comment on matters of government policy if we...

use or reveal any information gained in the course of our work where this is not already known by, or readily available to, the general public  
purport to express or imply an organisational view  
act in a way that constitutes a personal attack on a Minister, work colleagues or other State servants  
criticise in such strong or persistent terms that our ability to deliver the executive government responsibilities of Public Trust in an impartial way is called into question.

Any public information release or public comment on behalf of Public Trust will be in accordance with our policies for the release of official information.

As a Crown Entity many of us are not directly involved in supporting our board to give advice to our Minister. However, we are aware of our organisation's responsibilities and ensure we follow processes to avoid the Minister being surprised by our comments. Where there is scope to comment in a personal capacity we observe our organisation's policies and procedures. As in all matters of integrity, exercising judgement is essential.

When it is acceptable for us to comment in a personal capacity about matters in which we have an interest, it may relate to a topic that concerns our Minister so we should ensure there are "no surprises" for the Minister flowing from such comments.

Working at Public Trust does not prevent us being active members of a union or professional association. However we do not use, for the benefit of the union or professional organisation, information acquired in the course of our work.

If we take on a spokesperson position with a union or professional association, we are not under the same constraints when making comments that are critical of the Government or of our organisation's management, when such comments are clearly on behalf of that union or association. However, we appreciate the obligation to act responsibly, and not act in a way that harms the reputation of Public Trust.

## Principle 3 – Responsible

### We act lawfully and objectively

We obey the law. This means we act within the letter and spirit of the law and recognise that the purpose of many of our organisational policies and procedures is to give effect to the requirements of the law.

When making decisions, we act within the scope of the power or discretion conferred on us, and within our delegated authority. The exercise of executive powers complies with both New Zealand law and any international conventions given effect through statute.

It is important we show an objective and balanced approach to our legislative responsibilities. We do not act arbitrarily or oppressively in doing this and accept that unreasonable or unjust actions can be lawful. We maintain accurate, complete and accessible records of the decisions and actions we take.

We have a responsibility for administering and enforcing particular pieces of legislation. This responsibility does not blind us to the equal importance of other laws.

We are aware that a part of our success is influenced by the public's perception of us. This means responding appropriately and objectively if we become aware of any unlawful activities in our organisation. We appreciate the importance of modelling the standards set by this code and taking responsibility to support our organisation when standards are breached.

### We use our resources carefully and only for intended purposes

We use resources efficiently, effectively and economically. Occasionally this may include having to account publicly for our stewardship. We have specific policies and procedures to ensure that capital assets, operational funding and employee resources are committed responsibly and that there is clarity about proper discretionary spending, including travel and allowances, and the acceptable use of office equipment, organisational facilities, and vehicles. These policies and procedures must be followed.

We acknowledge that our resources are publicly owned and are partly funded by public money. We follow careful processes for procuring and using our resources and in disposing of assets that are no longer required. The reputation of our organisation is important to us.

We have modern communication, email, internet and computer services – some of which can be remotely accessed. Some of us have cell phones that are company provided. These resources must not be misused.

It is never acceptable for us to access official information for personal purposes or to give that information to others, without clear authorisation from our organisation.

In keeping with the practice of most employers of choice, occasional and moderate personal use of our organisation's telephones, web-based resources and other office equipment is acceptable. These resources, however, are provided for the work of Public Trust. We do not use office equipment to operate a private business. Our responsibility is to ensure any unofficial use of organisational resources is reasonable and lawful.

Particular caution is necessary when accessing the internet. There is a wealth of information that can enhance our personal development and improve the contribution we make to our position. However, many websites may be characterised as anti-social. These websites are often structured around violent, prurient, intimidating or extremist content. Except for enforcement and approved research activities, it is unlikely that accessing such material using organisational resources will ever be acceptable.

When assessing whether personal use of our resources is acceptable, we take a conservative view of what is occasional, moderate, reasonable and lawful. We are transparent in the way we use these resources.

### We treat information with care and use it only for proper purposes

The proper management of information is central to our integrity. We have a duty to handle official information appropriately and ensure that personal privacy rights are preserved. We are familiar with legal obligations relating to the protection and release of official information and understand that statutory privacy principles govern the handling of personal information.

It is a breach of trust for us to make use of information that we have learned through our work, or to disclose it in any way, unless we have permission to do so. We are circumspect about discussing our organisation's information when we are not directly engaged in organisation business, and are aware that, unless we have authorisation or it is a matter of public record, we do not disclose official information at external meetings or in any academic activities we undertake.

We give New Zealanders access to personal information about themselves, and make official information available on request unless, as specified by law, there are good reasons for withholding it.

## Principle 3 – Responsible *(continued)*

### We work to improve the performance and efficiency of our organisation

We have an obligation to consider how we can carry out our functions in better and more successful ways.

Public Trust performs efficiently, effectively, economically and with a spirit of service to the public. We are aware of the sustainability implications of what we are doing.

For some of us our work involves delivering services that the Government expects of us and contributing to the results that New Zealanders are entitled to. We are conscious that when delivering these services we are acting on behalf of wider government. We consider the part we can each play in improving the effectiveness of Public Trust and take responsibility for improving our own performance. Personal improvements in efficiency will contribute to improvements in the overall efficiency of our organisation.

Improvements flow from attention to what we do and how we do it. This involves our decision making and performance management systems. We must be able to measure how effective and efficient we are if we are to improve on what we do.

## Principle 4 – Trustworthy

### We act honestly

The principle of honesty underpins the obligations. Acting honestly includes...

acting always with a focus on accuracy and authenticity  
honesty does not necessarily mean continuous, full disclosure. In some circumstances, full disclosure is a requirement  
unless there is a lawful reason for doing so, we must not act on the premise that the end justifies the means  
not acting with guile for administrative convenience or to conform to political arrangements  
not deceiving or knowingly misleading  
setting out facts and relevant issues truthfully and correcting any errors as soon as possible  
avoiding misunderstanding by providing all the facts about an issue; providing only some of the facts may mean we are telling only half the truth.

Honesty means that we are truthful and open.

### We work to the best of our abilities

Working to the best of our abilities is a way of demonstrating our spirit of service.

We recognise that it is important for the people of New Zealand to be aware of the work we carry out on their behalf, and that they trust us to act always in the public interest. We appreciate that properly documenting our decisions and actions is part of promoting public understanding and maintaining community confidence. We therefore keep accurate, readily accessed records which enable us to let the public know what we do, and how decisions and outcomes have been reached.

We are expected not only to be apolitical, responsive, objective and accountable in carrying out the work of Public Trust, but to try to improve the quality and quantity of the contribution. This may involve supporting others within and across organisations to share knowledge and expertise. We use personal development opportunities to increase our skills and the value we can add to Public Trust. This has been described as working with pride, passion, pace and professionalism.

### We ensure our actions are not affected by our personal interests or relationships

Ensuring our actions are not affected by personal interests or relationships is essential if we are to be worthy of public trust and confidence. We act in a way that does not improperly benefit our family or friends or groups in which we have a personal interest.

We are conscious of the potential for conflict in what we do. Avoiding bias and any appearance of bias are equally important. If we have an interest, and our official responsibilities connect to that interest, our impartiality is at risk. We avoid creating any sense that we favour any party to a decision, and avoid anything that would make them feel there is a real danger of bias in what we do.

We avoid circumstances where our personal interests or relationships conflict with the interests of Public Trust. We also avoid situations where there could be an appearance of such conflict. Our actions are fair and unbiased and are able to bear close public scrutiny. An important part of strengthening trustworthiness is our commitment to transparency. Openness allows us to ensure that conflicts are avoided or managed. By being open and disclosing non-work commitments, we enhance our trustworthiness.

We do not give preferential treatment to people we are connected with, either socially, personally, through work or in any other way. We do not get involved in deciding matters relating to friends or family, take part in recruitment and selection processes, or have supervisory responsibilities for another family member.

Any commercial activities, investments or other personal interests should not influence the work we do, and we are open about declaring where our interests may potentially conflict with our responsibilities. Just as we first obtain permission from Public Trust before undertaking additional employment so that any conflicts can be avoided, we also disclose any commercial business we set up that will operate concurrently with our employment with Public Trust.

We never use for personal advantage any information that we may access in the course of our work and that is not already generally available to the public.

### We never misuse our position for personal gain

We have a range of roles, responsibilities and powers that enable us to carry out our organisational functions. These must be applied, and the resources of our organisation used, only for the intended purpose and in the intended way. This is reflected in the duty of statutory Crown Entities to ensure that everyone working for the organisation acts in a manner consistent with its objectives, functions, current Statement of Intent and any output agreement.

## Principle 4 – Trustworthy (continued)

Using our position properly incorporates all the integrity standards of the code. It requires fairness and for us to act within the spirit and the letter of law and policy. It means that we remain impartial in our work and are not influenced in our decision making by personal interests or any advantage to any person or organisation with which we are connected.

We are objective in the way we manage our work, ensuring we are fair, consistent and transparent in what we do. Acting inappropriately will inevitably conflict with the statutory requirement for our organisation to function in an efficient, effective and economical way, as managing complaints about the way we do things will divert resources from productive activities. We maintain accurate records of what we do, and respond openly to requests for information, so that the public can be confident that we do not misuse our position.

We all work impartially, are not influenced by personal motives, do not show favouritism or misuse resources for our personal benefit. We are careful not to put ourselves in a position where our work responsibilities could be affected by some other interest that we have. We also avoid circumstances where other people could reasonably consider that our personal interests create a conflict with our work responsibilities.

We are alert to the possibility of conflicts between our professional and personal lives. If such circumstances arise, we ensure that we have properly disclosed the potential conflict, have distanced ourselves from involvement and avoided acquiring information that could be seen as giving us a personal advantage.

### We decline gifts or benefits that place us under any obligation or perceived influence

We are careful about accepting any form of benefit that is not provided by Public Trust and are always aware of the wider public perception that can result from accepting favours.

Using an official position for personal gain is a form of dishonesty. We understand that anything proffered to us in connection with our work can only be accepted if specifically permitted by our policies.

There will usually be perceptions of influence or personal benefit if we accept gifts, hospitality or 'quid pro quo' exchanges of favours. We do not seek or accept favours from anyone, or on behalf of anyone, who could benefit from influencing us or our organisation. In all cases, it is expected that gifts will only be accepted following a transparent process of declaration and registration. To avoid misperceptions, it is essential that the process is public. This requirement applies equally when gifts and opportunities are offered to organisations as a whole - for example, donations to social clubs and employee discount arrangements.

When we are presented with ceremonial gifts, these are expected to remain the property of Public Trust, reflecting the relationship that gave rise to the gift.

Offers of hospitality, as with gift offers, must always be assessed in terms of the purpose of the donor. Receiving hospitality is usually inappropriate if it extends beyond courtesy.

There is potential for abuse in air points schemes and other product promotion programmes. We must ensure that work related purchasing decisions are kept separate from arrangements of this type, unless we have published policies that specifically address any apparent personal interest that may arise.

We do not receive personal benefits or gratuities from third parties for carrying out Public Trust's functions, participating in activities as a representative of Public Trust or undertaking work related speaking engagements. Any payments will either be declined or paid to Public Trust.

### We avoid any activities, work or non work that may harm the reputation of our organisation

As a general principle, what we do in our personal lives is of no concern to our organisation unless it interferes with our work performance or reflects badly on Public Trust.

We avoid being connected publicly with behaviour that creates a sense of public disquiet, and that, implicitly, diminishes trust in our organisation. Involvement in some personal activities, including unlawful behaviour or incidents involving a breach of trust, is likely to bring Public Trust into disrepute.

In making judgements about our non work activities, we consider...

- the nature and circumstances of the activity
- our position, duties, and responsibilities
- the consequences of the activity on our ability to fulfil our position
- the effects of the activity or its consequences on our organisation's relationships
- any legal framework e.g. a professional code
- the likely public perception of the appropriateness of what we do, and the "angle" that commentators may adopt if there is media reporting of our activities.

Before starting a business activity, or accepting any secondary or additional employment, whether or not it is for payment, we will obtain specific approval from Public Trust. We ensure that there will be no conflict with our official duties and no adverse effect on our efficiency or performance, and that the additional work can be performed wholly in our own time. We have clear authorisation from our organisation before we begin any secondary or additional work.

## Principle 4 – Trustworthy

*(continued)*

Additional employment may create a conflict if it involves...

- work in a business that has or is developing a contractual relationship with any part of Public Trust
- could reasonably be considered to be competing in a similar space to Public Trust
- an organisation that receives public funding
- a business that lobbies Ministers, or Members of Parliament, or government organisations
- a business that is regulated by the organisation we work for
- a business that may undermine our ability to fulfil our duties
- a business that has an interest in the privileged, private or confidential information that we can access.

When considering whether an activity may be harmful and therefore unacceptable, our immediate feelings can often be a useful guide. What is your conscience telling you? Another test of appropriateness may be the opinions of colleagues following discussion of all the facts, in effect a collective conscience. A reluctance to openly discuss an activity may reflect our innate awareness that the activity is not acceptable.

# Guidelines for dealing with *breaches*

## Introduction

Public Trust has established an internal procedure for dealing with any breaches of ethics, standards of integrity or conduct.

The procedures identify unsatisfactory conduct which may invoke disciplinary action by Public Trust and the likely consequences of any such breaches.

## Policy

It is Public Trust's intention that all matters relating to breaches of ethical standards of behaviour and conduct, and/or unsatisfactory conduct, shall be dealt with fairly, properly, consistently and in conformity with the procedures set out below. It is, therefore, a requirement for all staff to familiarise themselves with these procedures and adhere to them in all circumstances involving disciplinary action.

### Breaches can fall into two categories:

- Serious misconduct – action or behaviour of the type that could warrant immediate dismissal.
- Misconduct – action for which the appropriate penalty would be a warning under the warning procedure. Misconduct includes unsatisfactory work performance, defined as being serious and persistent failure to carry out duties to the level required for that position.

Notwithstanding those actions deemed to be serious misconduct or misconduct as set out in these guidelines, any other breach or action which at the time and under the circumstances prevailing that is construed as serious misconduct or misconduct will be subject to these procedures.

## Principles

The key principles in dealing with disciplinary or potential disciplinary cases are natural justice and the related concept of procedural fairness. These principles mean that it is not sufficient that any disciplinary action taken by an employer is substantively justified by an employee's action or inaction. The decision to take disciplinary action also needs to be arrived at in a way that is procedurally fair.

The Public Trust principles which ensure procedural fairness and natural justice provide for:

- A full investigation to be carried out whenever an allegation of serious misconduct is made against any employee and there is a possibility of dismissal. An employee may be suspended on pay pending the outcome of the investigation. An investigation should also be carried out when allegations of other unsatisfactory conduct are made
- The employee must be advised of their right to request union assistance and/or representation at any stage
- The employee must be advised of the specific matter(s) causing concern and a reasonable opportunity provided for the employee to state any reasons or explanations
- The employee must be advised of the corrective action required and given a reasonable opportunity to do so
- The process and results of any disciplinary action is to be recorded in writing, sighted and signed by the employee and placed on their personal file
- Any disciplinary penalty must be appropriate to the seriousness of the offence to which it relates and should be consistent with action taken in other similar circumstances
- An employee aggrieved by any action taken by Public Trust has a right to pursue a personal grievance.

These principles provide a good reference and ready checklist in any disciplinary situation. Any manager dealing with a disciplinary matter must be able to satisfy the Chief Executive that all these principles have been complied with before he/she approves any disciplinary action being taken.



# Warning procedure

## First offence

When an investigation has disclosed unsatisfactory conduct by an employee or they are deemed not to be performing to the level required after a period of monitoring and coaching, the following procedure will be carried out, except where the action is serious misconduct of a type/degree which warrants immediate dismissal.

An employee who has engaged in misconduct is to be interviewed and advised of the behaviour or breach of rules that has occurred

The employee will be given an opportunity to respond to the allegation

On receipt of this response, the Manager will determine if any further action is to be taken

If further action is considered to be required, the Manager should arrange for a PSA or other representative to be present as a witness during the formal interview, the next stage of the process

During the interview the employee will be issued with a first oral warning which should include the following:

1. a statement of the problem
2. identification of the specific behaviour or breach of the rules that has occurred
3. consequences of the behaviour/breach
4. a statement of corrective action required of the employee
5. proposed action by the employer failing corrective action
6. the expiry date of the warning.

The warning, although oral, should be recorded and witnessed by the employee, the Manager and the witness and placed on the employee's personal file.

## Second offence

Where an employee is involved in a further breach, engages in misconduct again before the expiry date of the first warning or their performance does not continue to improve the following action will be taken:

- The employee is to be interviewed and advised of the behaviour or breach of rules that has occurred
- The employee will be given an opportunity to respond to the allegation
- On receipt of this response, the Manager will determine if any further action is to be taken.

- If further action is considered to be required the employee will be issued with a written warning during a formal interview.

An employee representative is to be present if requested by the employee. The warning should include the following:

1. a statement of the problem
2. identification of the specific behaviour or breach of the rules that has occurred
3. consequences of the behaviour or breach
4. reference to previous warnings, including dates given
5. a statement of corrective action required by the employee and any assistance to be given to the employee to help them meet the required standard
6. proposed action by the employer failing corrective action
7. the expiry date of the warning.

The warning is to be signed by the employee, the Manager and the witness and placed on the employee's personal file.

## Third offence

Where an employee repeats or further engages in misconduct for a third time before the expiry of the second warning the following action will be taken:

- The employee is to be interviewed and advised of the behaviour or breach of the rules that has occurred
- The employee will be given an opportunity to respond to the allegation
- On receipt of the response, the Manager will determine whether the explanation provided is satisfactory
- If an acceptable explanation is given, a record of the interview is to be kept on the employee's personal file, initialled by the employee and the Manager
- If the explanation is not satisfactory, the employee will be issued a notice of dismissal, in the presence of the employee's representative, by a Public Trust Manager having the delegation to terminate employment
- The Manager issuing the notice of dismissal must advise the employee of the reason(s) for the dismissal and that their explanation was not acceptable.

*Note: Only the person with the delegated authority to dismiss can terminate any employee's employment. That person must review all the evidence and discuss any further matters with the employee to satisfy themselves that the action is fair and appropriate and advise the employee accordingly.*

## Dealing with poor performance

The issue of persistent poor performance may arise following a period of ongoing coaching and monitoring to improve performance. The above procedure enables you to work through the issue but must be combined with regular, ongoing meetings to discuss and review performance and for feedback to be given on problems as they occur.

Sometimes a performance problem may stem from or be influenced by personal problems faced by an employee e.g health, alcohol, family stress etc. The Employee Assistance Programme (EAP) is designed to help employees deal with such problems and managers should always check whether an employee with a performance problem could benefit from EAP help.

EAP is not a replacement for normal disciplinary processes. Rather it may proceed separately from or in parallel to them. Just because an employee is receiving EAP help does not mean all disciplinary action is frozen. An employee with a serious work related performance problem may still be notified of a performance discrepancy and be required to meet a given standard of performance. If no improvement after a reasonable period occurs, then further action, including dismissal can be taken. Any such decision would always be based on all the facts of an employee's situation, including an assessment of whether there was reasonable prospect of performance improvement, whether EAP assisted or otherwise.

## Additional notes

Duration of Warnings – All warnings must have an expiry date. The duration of the warning will depend of the circumstances of the case under consideration. A guideline for warning periods is three months for the first warning and six months for a second.

Dismissal on Notice – This step may result after completion of the warning procedure. As set out in Public Trust Collective and Individual Employment Agreements, the period of notice is one month for salaried employees and one week for all other employees.

Instant (Summary) Dismissal – In the case of serious misconduct an employee may be dismissed without notice.

Other Penalties – In situations where the penalty of dismissal is not deemed appropriate, the Chief Executive may enforce other penalties considered appropriate, including but not limited to, demotion or re-assignment

# Definitions

## Introduction

The following are examples of types of conduct which the Chief Executive would regard as falling short of the standards of integrity, behaviour and conduct expected of Public Trust employees. The commission of any of these offences, or of any other action which is contrary to the ethical behaviour and principles of Public Trust, will be considered to be a breach and may lead to disciplinary action.

## Serious misconduct examples

- Willful failure or refusal to comply with employment related legal requirements or the Public Trust Code of Conduct and Code of Ethics
- Willful failure or refusal to perform work assigned or to obey lawful and reasonable instructions given under the authority of the Chief Executive
- Improper use or disclosure of personal information or official information
- Unauthorised possession of Public Trust property or the property of another employee
- Willful damage to Public Trust property
- Being under the influence of alcohol or consuming alcohol (except with management's approval) or illegal drugs in the workplace
- Being unable to perform duties due to consumption of alcohol or the influence of drugs (except as may have been medically supplied and used as directed)
- Disorderly conduct
- Falsification or unauthorised distribution or removal of Public Trust records
- Willfully endangering other employees or Public Trust Customers, including violent behaviour
- Behaviour calculated to cause distress to other employees or to affect adversely the performance of their duties
- Failure to observe statutory safety requirements
- Sexual harassment
- The making of a false oath or declaration
- Willful misuse of Public Trust or customers' funds
- Where the employee is a member of the New Zealand Law Society, failing to observe any applicable part of the Code of Ethics of that Society which amounts to professional misconduct.

- Deliberate misrepresentation as to name, job title or delegated authority to any person
- Except with Public Trust approval, dealings involving customers assets which could have the effect of conferring either directly or indirectly any financial or other benefit on the employee or his or her spouse, family or children
- Accepting any secret or unauthorised commission
- Failing to report immediately defalcations or other improper conduct of a serious nature by another employee, where the employee has clear evidence or reasonable grounds to suspect that such serious misconduct has occurred
- Misuse of Public Trust's network or computer systems and/or the use of unlicensed software.

## Misconduct examples

- Unauthorised absence from the workplace
- Use of obscene or abusive language
- Failure to observe general safety rules
- Failure to exercise economy in the use of stores, stationery and other supplies
- Failure to exercise the careful use and preservation of Public Trust property
- Unsatisfactory work performance (including negligence, carelessness, indolence, inefficiency or incompetence in the discharge of any duty)
- Misuse or unauthorised use of Public Trust motor vehicles or other property
- Sleeping during working hours
- Persistent absenteeism or abuse of sick leave entitlements or poor timekeeping
- Failure to report as soon as conveniently possible absence due to sickness or emergency to your Manager
- Failure to record or pay for private communications made using Public Trust facilities
- Gambling on Public Trust premises or during working hours
- Other similar behaviour considered by the Chief Executive to constitute misconduct.

The above examples of Misconduct and Serious Misconduct are not exhaustive.



## Omitting the Truth...

### *George was more than happy to be a referee for Jo...*

Jo works as a Customer Service Representative in a Contact Centre and he has been a difficult staff member to manage in the 18 months he has been in Public Trust. Despite George's best efforts in coaching him, Jo hasn't met George's expectations or his targets but George would concede that Jo does have some strong qualities. George suspects that it's just the role he is in. Jo might be better suited to something with a little more challenge and more direct customer contact. George has provided Jo with feedback on his performance and has been encouraging him to improve his performance but he hasn't started any formal performance management monitoring, although he is close to considering it. George is aware that Jo has been looking for other jobs. Secretly, he would welcome Jo moving on, he is too disruptive to the team because he frequently gets bored. Then George gets the following telephone call.

"Hi George, my name is Shane Cassidy from Unlimited Trust, I'm ringing about Jo who has given your name as a referee for the role of Advisor. I have a few questions that I'd like to ask you. Are you free to talk...?"

The phone reference proceeds relatively well and George has been very careful to answer the questions put to him. If Shane reads between the lines of what George has not been saying he might be alerted to some issues. Then he asks a final question which goes as follows:

"I really appreciate it and thanks for your honest comments George. Lastly, is there any other information about Jo that you think I should be aware of as his future potential employer?" George hesitates, he hadn't directly been asked by Shane about whether or not he would re-hire Jo if given the opportunity. Is now the time to tell of his real concerns. Well, that would depend!

- 1. What do you do? Is your approach honest and ethical?*
- 2. How do you think your behaviour in this situation and as a member of our leadership team reflects on Public Trust if no concerns are shared?*
- 3. Consider how you would feel if someone did the same to you about someone you were intending to employ?*

Note: These scenarios are not real situations, they have been made up for the purposes of this booklet



It's not tax evasion...

*Sure we can do that ... Fred gulped*

Fred works in Special Business and his job involves setting up and administering high value trusts on behalf of Public Trust's customers. The Smith Family trust is one of his key clients and at \$25million it's worth a considerable amount to Public Trust in terms of its ongoing revenue from fees and disbursements. This is largely due to the complexity of the Trust and its extensive investment, taxation, administration and general management requirements.

While the Smith Trust has been performing very well in the time that Fred has been responsible for it and the Smith Family trustees are generally pleased with progress, they are concerned about the amount of tax and fees that the Trust pays. They feel Public Trust could be doing more to limit their taxation liabilities and charge less on administration and to Fred's surprise they have sought some independent advice from an external accounting/trustee services firm that they would like Fred to consider.

Some of the suggestions put forward in the advice given by the outside party could minimise their tax/fees position, but in some cases they aren't practices or principles that Public Trust adhere to. However, the Smith Trust is a large and valuable client and Public Trust would not want to lose it.

1. *What should Fred do?*
2. *How does he judge what is and isn't ethical when it comes to minimising tax or is it tax avoidance? What should he be guided by? What is a reasonable level of fees for a key client?*
3. *How does it feel when customers do this to you?*

Note: These scenarios are not real situations, they have been made up for the purposes of this booklet



I think you really need this...

*‘I’m sure this product will really give you peace of mind and give you just the cover I think you need...’ said Tim to Wendy Bradshaw.*

This year revenue and sales targets have been challenging and Tim has been finding it hard to meet them. Needs based selling is all well and good, but sometimes customers don’t even know what they need.

This year Tim really needs to get the highest possible performance achievements to reach the maximum potential for a bonus.

Wendy walked into the Customer Centre having booked an appointment for a rewrite of her existing Will. It’s a relatively straightforward Will. She has a range of assets for distribution but because she has remarried she wants to include her new husband as one of the beneficiaries. While Tim is discussing the requirements of Wendy’s Will he explores with her whether or not she has an Enduring Power of Attorney and suggests that she might like to consider this. Given her age and stage of life she agrees that it would be prudent.

The issue of a Trust is also discussed and explored but Wendy is adamant that she isn’t interested in anything that complex. Her needs are simple. Tim agrees that now might

not be the time and he suggests a follow up call to her in a year’s time to see if her circumstances or her mind has changed. In the meantime he provides her with some information to read on Trusts.

Public Trust also has a range of new insurances available to customers and after asking Wendy about her existing cover Tim learns that she has ample insurance cover for her life but her current policy does not include terminal illness and trauma cover. Tim explains the insurance products available through Public Trust and after considerable debate she reluctantly agrees she may have a gap with trauma cover and she signs on for some additional life insurance cover.

1. *Is Tim’s behaviour ethical?*
2. *Did Wendy really need the cover and should she have signed up for this additional insurance cover?*
3. *Do targets impact your sales behaviour – in which way? Discuss*

Note: These scenarios are not real situations, they have been made up for the purposes of this booklet



## Settling the estate...

*‘It’s a modest house but we could all do with the money so the best possible price is what we are expecting from Public Trust’ said Cheryl to Sonya, the Estate Manager.*

Max was a long time client of Public Trust and his will provided for Public Trust to act as executor. He relied on us to carry out his wishes in a professional capacity, as speedily as possible. There were six beneficiaries in the will – his ex-wife and five children.

Max had a small cottage to sell as part of his assets. It wasn’t a large or expensive house but it formed the bulk of his estate along with some cash assets and insurance policies for settlement and distribution. From the beneficiaries perspective in relation to the house, it was important to get the best possible price, particularly in this declining market.

Eddie was the local real estate agent for the area, he outsold all the other agents in the region by a considerable margin and he regularly called into the Public Trust office to keep in touch and chat with the Customer Centre Manager, Estate Manager and Advisors. Sonya put a lot of

business his way and referred the house on to Eddie for an appraisal. He had just brought the team a huge box of goodies for morning tea and along with the bottle of wine she had received at Christmas time from him she felt he deserved some easy and uncomplicated referrals. No competitive quotes were sought and Sonya told her decision to go with Eddie to the family on the basis of his excellent reputation in the local market.

- 1. Was Sonya’s behaviour ethical?*
- 2. If not, why not?*
- 3. What are the rules regarding gifts from clients and what impact should that have on our future decision making regarding the allocation of work or contracts?*

Note: These scenarios are not real situations, they have been made up for the purposes of this booklet



## Under the weather...

*“Hi Malcolm, Rachel here. Listen, I’m not feeling that well today, I think I’m going to rest up in bed...”*

Rachel sighed, she was exhausted and she felt like she hadn’t slept at all. I can’t face work..... she thought. She’d been working so hard lately with all the extra time that she put in over the last few months to cover a co-worker on leave, while making sure that she continued to deliver a high level of service to her own customers. Typically, her personal life had also turned upside down over the last few weeks. She needed a break, time out to catch up, a day in the sun. It was a glorious summer day. Maybe she could just head down to the nearby park and find a place in the sun to relax and recharge herself.

All she had to do was make the call and then she could just relax. Rachel walked over to the phone...

- 1. Is Rachel right to do this? Is this an appropriate use of sick leave?*
- 2. What actions could Rachel take to manage this situation for a different outcome?*
- 3. Is she letting her colleagues and Public Trust customers down?*

Note: These scenarios are not real situations, they have been made up for the purposes of this booklet





## That doesn't seem good value?

*“I've not charged the full amount for that work...”*

Mary has been working on settling the Billens estate for about four months. Everything has taken longer than she anticipated and when she added up the hours she worked on the estate it related to quite a lot of money in terms of fees and charges. She wasn't sure Isabelle and the other beneficiaries would see it that way – after all they had had a range of conversations about their current financial difficulties and how this legacy couldn't have come at a better time.

On reviewing the output of the time recording system and using her judgement on what seemed fair and reasonable, Mary provides her manager with a summary of the fees to be charged. Graeme reviews these and is surprised. He calls Mary in to discuss the account.

Mary has made some decisions that she shouldn't have, but after discussing the work completed and the fees that should be charged Mary concedes to Graeme that the estate has been well managed, the time taken is reasonable and our costs were outlined to the customer from the outset. They agree the invoiced amount to be charged to the customer.

- 1. What information should Mary have based her decision on? Did she have the authority to consider discounting or not charging for her time?*
- 2. What is wrong with not charging commercial rates – should we take customers' expectations and circumstances into account?*
- 3. What should she do?*

Note: These scenarios are not real situations, they have been made up for the purposes of this booklet

# Ethics related *policies*



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## Foreword

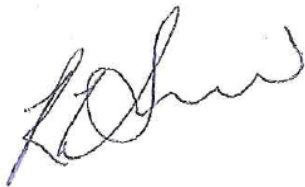
The following policies have been packaged together as they relate to ethics or ethical decision making situations we may face in our roles every day. This document does not contain all the related business rules and guidelines with Public Trust, they are too numerous to list in full here, however, the key policies that govern ethics are combined in this document for easy reference.

## Introduction

As Chief Executive, I feel very strongly that we all model ethical behaviour and ethical decision making. Particularly in a business environment like Public Trust where we are responsible for providing advice and services that give comfort and assurance to all New Zealanders about protecting their assets or carrying out their final wishes.

Ethical behaviour and decisions are critical to the future success of Public Trust. We rely on our customers to have confidence and trust in everything we do and in ensuring we always do the right thing.

Our ethical framework and documents form part of your employment agreement with us. You are required to read, understand and agree to abide by the rules, policies and provisions we have in place. In order to complete this, you are required to initial each page and sign the declaration located at the end of the booklet and return it to HR.



Bob Smith  
**Chief Executive**



# Conflicts of interest policy

## Purpose

This policy provides guidance on how to identify and limit or remove the potential for conflicts of interest or personal influence that might bear upon a decision made by an employee.

## Definition of a conflict of interest

An employee who has or whose relative or associate has a substantial interest in any contract, sale, purchase, expenditure or service by or to Public Trust, must immediately disclose the interest to their manager. If such an interest exists, the employee will refrain from participating in the decision, contract, sale or purchase in any manner.

Relatives are defined as family members who include spouse, de-facto partners, children, grandchildren, parents, grandparents, brothers and sisters (including half brothers and sisters), brothers and sisters in law, children in law, uncles, aunts, and cousins of the employee.

## Applications

This policy applies to all persons who are employed by Public Trust on a full time, part time or contract basis.

## Principles

It is expected that all employees ...

1. While acting for or engaging in any activity affecting Public Trust will do so with loyalty to Public Trust and maintain the highest standards of ethics.
2. Have the right to engage in activities outside the normal scope of employment, provided such activities do not conflict with or reflect adversely on Public Trust's interest or deprive Public Trust of an appropriate measure of time and effort.
3. Identify to their manager any situations involving conflicts of interest, including but not limited to ...
  - Financial dealings that are contrary to Public Trust's best interests
  - Personal relationships in the nature of a couple of current Public Trust employees
  - Acceptance of favours, money or other considerations which might obligate them to take action that may be adverse to Public Trust's interests.

## Employee responsibilities

Employees are to avoid or remove themselves from situations that may compromise their authority or integrity by making decisions favouring one's own gain or gain for personal friends and/or family members. The specific areas of concern include awarding contracts/work, accurate record keeping, hiring or performance review and compensation decisions. Employees are to avoid circumstances that favour an individual rather than Public Trust's interests.

Any employee who has (or whose relative has) a situation of conflict of interest shall make known that interest to their manager. He or she shall thereafter refrain from participating in any manner in the contract, sale, purchase, expenditure or decision.

It will be the responsibility of the employee to keep the disclosure current with their manager.

Any employee who has a relative or personal friend that has an interest to supply equipment, material, supplies or services to Public Trust may do so provided ...

- The interest is specifically disclosed.
- Any contract is awarded after public competitive bidding; and
- The employee refrains from participating in any manner in the contract, sale, purchase, expenditure or decision.

## Breaches

Any employee who intentionally or knowingly breaches this policy will be subject to disciplinary action under the Public Trust Code of Conduct. Any contract that has been determined to be in breach of this policy will be subject to cancellation by Public Trust management.

# Expense claims policy

## Purpose

This policy sets out the rules and obligations that must be followed prior to reimbursement being made to an employee for business related expenses incurred by that employee.

## Policy

It is recognised that there are situations where employees need to pay for expenses and to seek reimbursement.

Public Trust has a policy to reimburse its employees for actual and reasonable expenses paid on Public Trust's behalf by that employee. Any expenditure reimbursed must relate directly to Public Trust business.

The employee must comply with all aspects of this policy, the expense claim must be correctly authorised, and have reasonable and appropriate documentation showing a clear business purpose.

Claims should be made as quickly as possible and Public Trust will seek to reimburse on a timely manner so that the employee is out of pocket for as short a time as possible. Claims are limited to a maximum of \$500 per claim, however, an exception is for Study Assist claims which can exceed \$500.

This policy must be read in conjunction with the sensitive expenditure policy and the credit card policy and the Collective Agreement.

## Procedures to be followed when claiming reimbursement

- All requests for reimbursement must be made in accordance with this policy. It is preferable for goods purchased for every day procurement to order those goods and have Public Trust invoiced. However, this policy covers those situations where this is not possible.
- Only expenses approved within Public Trust's policies and limits will be reimbursed.
- Once the expense is incurred, the employee should complete an Expense Claim Form showing all expense claims with the original GST tax invoices or receipts fully itemised and attached.
- All requests for reimbursement must be made in accordance with this policy as approved by the Executive Team.
- To enable Public Trust to claim the GST requests for reimbursement must be supported by original GST tax invoices. The invoices must be itemised and an explanation of the business expense is required on the reimbursement form. This explanation must be detailed enough to determine the implications with respect to sensitive expenditure, and also to determine the income tax, FBT, entertainment tax and GST obligations.
- Copies of personal credit card statements do not meet the GST tax invoice requirements and are therefore not sufficient to support an expense reimbursement
- Any unusual transactions must be followed up with the employee immediately.

Suspected breaches of policy must be referred to the Finance Manager, without exception.

- Where there are two or more employees present at a function or gathering, it is by default that the most senior employee is required to pay. This will ensure that an independent review and approval of the expense(s) incurred is performed by the appropriate "one up" approving manager.
- When completing the Expense Claim Form, the employee should:
  - Write the nominal and cost centre code next to the amount of each transaction.
  - Write a detailed description of the business purpose of the expense.
  - Attach all tax invoices or receipts to the claim form (regardless of amount).
  - Sign in the space provided in the bottom left.
  - Have the expense claim approved by the Cost Centre manager (or next line manager).
  - Once approved, the Cost Centre manager shall return the completed statement to the Accounting Officer, Corporate Finance within seven working days.
- Employees are not permitted to approve their own expenditure, or those with who they are in a personal relationship.
- Expense claims will be reimbursed within seven working days of lodging an expense claim form with the Accounting Officer. Payment will be made to the claimant's bank account.

## Record management

Employees are accountable and responsible for managing their records. It is the responsibility of the employee to ensure that an invoice is received for every purchase and that this is a tax invoice for GST purposes, where appropriate.

## Verification of changes

- The approving employee's manager (who must also be the cost centre manager) is required to verify all transactions listed on the Expense Claim form prior to approving the form. In doing so, the manager is to ensure the transactions are business related and the employee has supplied supporting documentation.
- When submitting an Expense Claim form, the employee must advise the approving signatory of any instances within the expense claim, which do not comply with the criteria, described in this policy.
- The approving signatory must check the expense claim to ensure all expense items are:
  - Supported with an original GST tax invoice or receipt which is attached to the Expense Claim form.
  - Coded to an appropriate nominal and cost centre code.
  - Reasonable and comply with the Sensitive Expenditure Policy.

## Signing authority

- Employees are not permitted to approve their own expenditure.
- Authorising signatories must not authorise the payment of any expense claim where they have a financial interest or a potential conflict of interest.
- The relevant Cost Centre Manager must sign off expenditure for employees.
- National Operations Managers and Regional Managers must sign off for their Cost Centre Managers.
- The General Manager must sign off expenditure for other Cost Centre Managers, Regional Managers and National Operations Centre Managers.
- The Chief Executive must sign off expenditure incurred by General Managers.
- The Board Chairman must sign off expenditure incurred by the Chief Executive.

## Missing receipts

- If receipts for individual amounts under \$50 are unavailable to be attached to the expense claim form, then a brief description should be recorded on the Expense Claim form outlining what the expenditure was for, and also a reason why the receipt has not been attached to support the statement.
- It is accepted that at times a receipt may not be available (for example, in the case of parking meters). However, a receipt should always be provided where one was provided at the original transaction.
- Amounts over \$50 may not be reimbursed without an invoice. If an employee has not received, or lost an invoice, they are expected to request a copy from the suppliers.
- Frequent claims without accompanying receipts will become subject to the usage and compliance review conducted by Finance on a regular basis.

## Mileage claims

- Mileage claims are not to be made on the Expense Claim form.
- Separate Mileage Claim forms are available on the Intranet and should be sent to the Payroll Advisor in Human Resources.

## Adequate documentation

As the expense claim process can often include claims for expenditure of a sensitive nature, it is important that expenditure complies with the Sensitive Expenditure Policy document and that adequate documentation is prepared and maintained. This requirement is equally as important for the protection of employees that incur or approve this expenditure as it is for Public Trust.

- It is important that a decision made to incur any expenditure of this type is documented including the business reason why the particular decision was made for business reasons.
- Because of the nature of this type of expenditure, it will often be subject to FBT or the entertainment tax regime. Adequate documentation will allow Public Trust to meet all its taxation obligations in this regard as well as with respect to GST obligations.
- Where expenditure of a sensitive nature has been incurred and reimbursed without adequate documentation an approval as required by this policy or any other related policy, Public Trust reserves the right to recover the amount by invoicing the employee concerned and recovering said amount by way of a payroll deduction.
- Where this involves a personal claim, the claim may be declined.
- Where Public Trust has already paid the expenditure, an invoice will be raised against the employee seeking recovery by way of payroll deduction.

## Storage of documentation

- The Finance Manager will ensure that all approved Expense Claim forms and supporting documentation are retained.
- All supporting documentation for each expense claim must be retained for seven years after the end of the financial year to which the transaction relates.

## Usage and compliance review

- Finance may review the actual usage of the expense claim process by the employee and has the responsibility to follow up any suspected irregularities or misuse of the claim process.
- Where, in the opinion of the Finance Manager, there has been repeat non-compliance with this policy, the matter will be raised with the employee's General Manager and formal disciplinary action may be taken for breach of policy under the Public Trust Code of Conduct.
- All expense claims made by the Finance Manager or Chief Financial Officer shall be subject to independent review by the Chief Financial officer or the Internal Audit Manager as appropriate.

## Audit review

All expenditure is subject to audit review by both the internal and external auditors.

# Fraud awareness, reporting and action

## Purpose

This policy makes employees aware of what fraud is, Public Trust's attitude to fraud and employee responsibilities if fraud by employees, clients, suppliers or others is discovered or suspected.

## Measures

Public Trust undertakes proactive programmes and procedures aimed at minimising or preventing actual or potential fraud. Proactive programmes include employee vetting procedures, fraud plans and education and awareness programmes. Additionally, Public Trust adopts a range of proactive procedures including internal controls, segregation of duties, physically safeguarding assets, independent checks, authorisation procedures, overriding controls, internal and external audit.

Public Trust will always fully investigate any allegations of fraud by employees, clients, suppliers and others in relation to Public Trust or any of its business arrangements or activities and will take appropriate action deemed necessary by Public Trust in consultation, to the extent appropriate in the circumstances, with the relevant manager.

**All prima facie cases of fraud will be reported to the Police irrespective of the amount or circumstances.**

## Definition

Fraud is a deliberate act which involves the use of deception or opportunity to gain advantage from a position of trust or authority. This includes:

- acts of omission
- thefts or making defalcations
- making of false statements
- evasion
- manipulation of information
- other acts of deception.

## Employee responsibilities

All Public Trust employees are responsible for the stewardship of assets of both Public Trust and its clients. This responsibility includes the minimising of opportunities for fraud by employees, clients, suppliers, and others in relation to Public Trust or any of its business engagements or activities.

The Internal Audit Manager is responsible for developing, communication, implementing and co-ordinating fraud management policies and strategies within Public Trust. He/she is required to:

- coordinate the overall approach to fraud management
- establish and maintain appropriate policies and strategies
- monitor compliance with those policies and strategies.

## Fraud policies and strategies

Fraud policies and strategies will cover at least the following:

- fraud reporting and disclosure policies
- carrying out fraud risk assessment
- fraud awareness programmes
- documenting responsibility for prevention and detection of fraud
- establishing procedures for reporting actual suspect fraud
- establishing a range of standard investigation responses to reports of fraud
- incorporating those responses as required into investigation plans
- managing investigations and reviewing investigation reports
- disseminating information throughout Public Trust as appropriate
- consulting with the Chief Executive, the Executive Team and Business Unit or Corporate Managers as appropriate regarding fraud generally or individual fraud investigations.



## Reporting fraud

Employees are to report actual instances or suspicions of fraud by any one or a combination of the following ways: orally or in writing to their immediate manager orally or in writing to the Internal Audit Manager or a member of the Internal Audit team and/or orally or in writing to the Chief Executive.

## Reporting and confidentiality

Employees are encouraged not to make reports anonymously. Anonymous reports, unless sufficiently detailed, can be difficult to follow up without setting off unnecessarily wide investigations. The confidentiality of the sources of reports of fraud will be maintained at all times unless:

- an employee or other person reporting the alleged fraud consents in writing to disclose their identity
- the Chief Executive reasonably believes that disclosure
- is essential to the effective investigation of the suspected fraud
- is essential having regard to the principles of natural justice.

Once a report of an actual or suspected instance of fraud has been made, no further action is required of, or should be taken by the employee concerned. In particular, and except as authorised by the Internal Audit Manager:

- no attempt should be made by any employee to contact the person(s) under enquiry for the purpose of determining the facts or seek restitution; and
- no information regarding the report, or the circumstances giving rise to it, should be given to anyone else, whether an employee or otherwise.

## Investigations

Managers, Internal Audit or others to whom a report of suspicion of fraud has been made must immediately advise the Internal Audit Manager who is charged with responsibility for ensuring that all reports or instances of actual or suspected fraud are fully investigated.

## Investigation policy and procedures

Following a report of actual or suspected fraud, an initial investigation will be planned and implemented by or at the discretion of the Internal Audit Manager. The plan for the initial investigation will be targeted to address the nature of the reported suspected activity. The Chief Executive, and to the extent appropriate in the circumstances, the relevant manager will be consulted on the initial investigation plan including the schedule for reporting progress.

A range of standard initial investigation responses related to different kinds of fraud reports or other circumstances will be developed by the Internal Audit Manager for inclusion in investigation plans. Investigation plans will be followed through until their end irrespective of their circumstances.

## Rights of employees

Throughout an investigation the principles of natural justice are to be observed by:

- informing the employee(s) concerned in writing at the earliest opportunity of the investigation having regard to the nature of the allegations made affording adequate opportunity for the employee concerned to provide an explanation in writing of their actions allowing the opportunity for the employee concerned to seek legal, union or other representation.

## Initial report

Following the initial investigations, a written report on the findings will be made to the Chief Executive detailing:

- the nature of the activity reported or investigated
- the results of the initial investigation
- any recommendations regarding further investigations or other action and
- a new or amended investigation plan where further investigations are recommended.

## No further action after reporting

Once a report of an actual or suspected instance of fraud has been made, no further action is required of, or should be taken by the employee concerned. In particular, and except as authorised by the Internal Audit Manager.

## Internal Audit Manager responsibilities

The nature of the allegation, or the circumstances surrounding the actual or suspected fraud, may require that reporting of the findings of the initial investigation be made verbally so that further investigations be put in hand without further delay.

To the extent appropriate in the circumstances, the report on the initial investigation will be disclosed to and discussed with the relevant Business Unit or Corporate Manager.

Normally it will be at this point that the Executive Team is first advised of the situation through the report of the investigations.

## Suspension of employees

Where appropriate, employee(s) believed to be involved in actual or suspected fraud may, during the investigations, be suspended on full salary.

This procedure will operate where circumstances warrant that action. Before it is invoked there will be full consultation by the Internal Audit Manager with the Chief Executive and to the extent appropriate in the circumstances other relevant employees, (e.g. the Business Unit or Corporate Manager concerned and the Human Resources Manager).

## Police notification and consultation

The Police are to be informed by the Internal Audit Manager immediately wherever investigations establish a prima facie case of fraud.

The advice of the Police is to be sought at an early stage as to further action, including the possible appointment of external investigators to assist in completing investigations, collecting evidence and related activities.

## External investigators

Where circumstances warrant, approved external investigators will be employed. Public Trust Internal Audit or other employees may be called on to assist the investigation. This action will be co-ordinated by the Internal Audit Manager.

The current approved external investigator is Insurance & Commercial Investigations Ltd.

## Authority of external investigations

The external investigator will be provided with appropriate letters of introduction and authority which normally will provide for:

- free unrestricted access to Public Trust 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 may use or have custody of any such items or facilities when it is within the scope of their investigation.

## Scope of external investigation

The scope of the investigation and other activities will be agreed between the external investigator and the Internal Audit Manager, incorporated in the investigation plan and approved by the Chief Executive in consultation, to the extent appropriate in the circumstances, with the relevant Business Unit or Corporate Manager.

The agreement with the external investigators should take into account all the relevant factors including:

- confidentiality issues
- budget
- billing/payment arrangements
- Public Trust policies
- witnesses
- suspect correspondence
- exhibits
- liaison
- reporting arrangements
- time frames
- investigators involved

## Managing investigators

The Internal Audit Manager is responsible for ensuring the timetables and reporting schedules for all fraud investigations, whether internal or external, are met.

## Final reports on fraud

On completion of every fraud investigation a final report to the Chief Executive is to be prepared.

A copy of the final report will normally be disclosed to the Executive team and, to the extent appropriate in the circumstances to the relevant Business Unit or Corporate Manager.

## Criminal proceedings

It is the responsibility of the Police to decide whether a crime has been committed and whether to take criminal proceedings.

## Information disclosure

Disclosure of information about fraud investigations and reports to parties not directly involved, especially during the initial stages when the facts are still being established, can be damaging to Public Trust and affect its image with customers and the general public.

For this reason information disclosure about any investigations, even of the fact that these are underway, needs to be carefully managed to reduce any harmful effects of general public disclosure.

Responsibility for ensuring this occurs rests with the Internal Audit Manager. Specialist advice and assistance is to be obtained where required including consulting the Chief Executive and, to the extent appropriate in the circumstances, with the Executive Team or other relevant Managers, including the General Manager Marketing and Communications.

## Information disclosure to employees

- Initial investigations: Both the fact that an investigation is underway, and the reason for it, will usually be kept confidential until the facts have been established. This will also help with securing any documentary or other evidence.
- Subsequent investigations: Where initial investigations confirm that fraud has occurred, disclosure of information to employees about the case will be made with the approval of the Chief Executive after consultation with the Executive Team and, to the extent appropriate in the circumstances, with the relevant Business Unit or Corporate Manager.
- Other: Any disclosure of information will normally be co-ordinated by the General Manager Marketing.

## Disclosure to the media

Any public release of information about the investigations, or the fact they are being made, will only be approved and actioned after consultation with the Chief Executive. Any disclosure of information will normally be co-ordinated by the General Manager responsible for Marketing and Communications.

## Ethics and disciplinary standards

Employees should be aware that fraud affecting the assets or integrity of Public Trust or its clients will not be tolerated and will be notified to the Police, in all instances where fraud has occurred or is suspected.

The Public Trust Code of Conduct details areas of acceptable and non-acceptable behaviour. Employees will be liable for their own actions.

## Internal publications

Internal publications will from time to time contain items reinforcing Public Trusts stance on fraud or unacceptable conduct.

## Internal audit team availability

The Internal Audit Team is available for meetings to raise the awareness of employees with regard to fraud.

## Remedial action

Following each fraud investigation, a final report will be completed by the Internal Audit Manager with the assistance of the internal or external investigators involved in detailing:

- The circumstances leading to the fraud;
- The results of the investigation recommendation of any action necessary to prevent a recurrence of the fraud; and
- The time frames for implementing changes to the systems necessary and recommending who should be responsible.

## Counselling

Public Trust will provide suitable counselling to employees, victims and family members as required. The nature of such counselling will depend of the circumstance of each instance of fraud.

The Internal Audit Manager and the Human Resources Manager are to liaise as necessary on the need for, and the nature of, any counselling.

# Gifts, prizes and rewards policy

## Purpose

This policy provides guidelines to employees on the rules relating to receipt of gifts, prizes and rewards.

## General policy principles

Gifts, rewards, prizes and incentives from customers and vendors can sometimes appear generous but their acceptance may easily be seen as a potential conflict of interest.

An employee may accept small gifts or thank you's from clients or customers where they cannot be perceived as influencing or attempting to influence a decision or outcome.

Examples may include:

- A grateful customer may provide a home made cake as a thank you for resolution of an estate
- chocolates
- flowers.

Where any gift, prize, reward or incentive is received from a vendor with whom we do business by any Public Trust employee in the course of their work and it exceeds the value of \$50 it becomes the property of Public Trust and must be declared.

Where a Public Trust employee is invited to attend an event or function with any vendor company or client it is recommended that approval be sought from your manager prior to your attendance.

If you are in any doubt about whether or not to accept a prize, gift, reward, incentive or invitation ask your manager in the first instance.

## Process for gifts exceeding \$50

Receipt of any gift over \$50 must be declared to the HR Manager. Details of the prize and the circumstances with which it was given should be provided. S/He will then determine whether the prize may be:

- kept by the recipient.
- shared among the team.
- returned to the company or individual who gifted it.
- donated to a suitable charity.

## Exclusions

This policy does not relate to prizes and rewards offered to Public Trust as part of our internal rewards and recognition programme.

# Public Trust network use and operating standards policy

## Introduction

This policy relates to the use of Public Trust's network. The Public Trust network includes, but is not limited to ...

- Any computer system and its peripherals owned or administered by Public Trust.
- Any associated electronic or optical data storage systems.
- Any personal computer, laptop, PDA or any other hardware or device connected to Public Trust's local or wide area networks.
- Email and internet access.
- Any telecommunications network used by Public Trust.

This policy applies to all users of Public Trust's network, including all employees and contractors.

## Purpose of Public Trust's network

The Public Trust network is intended to facilitate Public Trust business. Public Trust encourages the use of the network because it makes communication more efficient and effective.

Users of the Public Trusts network have a responsibility to...

- Maintain Public Trust's public image.
- Not take any action that may bring Public Trust into disrepute.
- Use the network in a responsible and productive manner.

## Guidelines for personal use

Email and internet services are provided to facilitate resource sharing, innovation and communication.

Employees may use the Public Trust network for personal purposes only if that use ...

- Complies with the operating standards and policy outlined in this document.
- Does not adversely affect the performance of your job or the conduct of Public Trust business.
- Does not limit or degrade the use of the Public Trust network for business purposes.
- Is not unreasonable.

## Operating standards

All users of the Public Trust network must operate in accordance with the following standards and the Public Trust Code of Conduct.

## Network access and usage

Employees are directly responsible for the content of anything created and/or sent using the Public Trust network.

All email messages that are sent using the Public Trust network must contain the employee's name, except for the specific anonymous email set up from time to time for employee feedback.

1. Employees must not use another person's logon to access network equipment. Specifically, this means...
  - Not using another person's PC when they have logged on but have physically left the PC terminal.
  - Not using another person's logon ID to undertake certain tasks because you don't have the required security.
2. Employees must not use the Public Trust network as a vehicle for expressing political views or public comment on government policy.
3. Employees must not use the Public Trust network to create, send, access, view, copy, download or distribute any material which...
  - In the reasonable opinion of Public Trust is offensive.
  - Might foster prejudice or hatred on the grounds of sex, marital status, religious belief, ethical belief, colour, race, ethnicity, disability, age, political opinion, employment status, family status or sexual orientation.
  - Refers to an individual (whether a customer, employee, or any other person), competitor, company or other entity in a manner that is defamatory, derogatory or unreasonably inflammatory.
  - Breaches any law.
  - Is objectionable as defined by the Films, Videos & Publications Classifications Act 1993.
  - Infringes the privacy of any person or constitutes harassment.
  - Is contrary to Public Trust policy or the Public Trust Code of Conduct or
  - Solicits non-Public Trust business or is for personal gain.

4. Creating, storing, transmitting, downloading or displaying obscene material is forbidden. Obscene material includes any image (in any format) that contains full or partial nudity, which depicts acts of a sexual nature or of a degrading or violent nature.
5. Employees must not use or access a personal account with an online service (such as, but not limited to, MSN Hotmail) from their work PC.
6. Public Trust reserves the right to block access to any website. However, the ability to connect to a specific website does not in itself mean or imply that employees are permitted to access that website. The standards outlined above apply.
7. If an employee discovers that they have connected to a website that contains sexually explicit, racist, violent or other potentially offensive material, they should immediately disconnect from that website.
8. An employee must not download any executable file, or other object whether text, audio, image or other format onto the Public Trust network from any external source without prior authorisation. Conditions may apply to an authorisation. To obtain an authorisation, your manager should email the Operations Manager, Information Services.
9. Employees must use the legal disclaimer on all external email messages that are sent using the Public Trust network.
10. All material created on or sent using the Public Trust network is the property of Public Trust.
11. Employees must not intentionally or carelessly do (or assist or allow any other person to do) anything which damages, restricts, jeopardises, impairs or undermines the performance, integrity, usability or accessibility of the Public Trust network, including any computer screen, hardware, programmes or stored information or data.
12. Employees must comply with all directions and instructions regarding the use of the Public Trust network given by a network administrator at any time.

### Monitoring of network usage

Public Trust may access, monitor and copy all electronic communications on the Public Trust network. Information Services actively monitors email and internet access. Logs are kept of all emails, file transfers and website access requests and may be reviewed for compliance with this policy and the Public Trust Code of Conduct.

All incoming electronic data is scanned for viruses, objectionable material, illegal applications and items considered potentially harmful to the Public Trust environment, which may be automatically altered or erased to protect the network. In such cases an alert may be sent to a network administrator.

### Confidentiality of data

Any material that is sent using the Public Trust network and is confidential, sensitive, copyrighted or restricted in any other way must be clearly marked as such.

Electronic communication using the Public Trust network is not guaranteed to be private or secure. Accordingly, highly confidential information must not be transmitted using the Public Trust network. All highly confidential information must be sent in hard copy by a secure method.

### Storage and retention of email

Mailbox sizes for email accounts will be enforced as required to prevent critical operational impacts. At certain levels, users will be asked to reduce the size of their mailboxes. In determining whether messages should be deleted or retained the following standards must be followed.

Official company records in electronic form must be identified, managed, protected and maintained as long as needed for ongoing operations, audits, legal actions or any other known purpose.

Any email containing a formal approval or constituting any commitment by Public Trust to any outside organisation must be printed and a copy placed on the appropriate file to support accountability and audit.

### Breach of this policy

If an employee does not comply with this policy, they may ...

- Be subject to disciplinary action as outlined in the Public Trust Code of Conduct, which may include immediate dismissal.
- Have their network access rights suspended or terminated without warning.
- Be reported to the Policy or other appropriate agency.
- Have their contract cancelled (if an external party).

# Protected disclosures or whistleblowers policy

## Purpose

This policy provides a procedure to protect employees who make any disclosure of information about serious wrongdoing.

## Applicable legislation, regulation or agreement

The applicable legislation is the Protected Disclosure Act 2000 or Whistleblowers' Act as it is more commonly known.

## Serious wrongdoing

The Act sets out what constitutes serious wrongdoing. This included ...

- Unlawful, corrupt or irregular use of public funds or public resources; or
- An act, omission or course of conduct that constitutes a serious risk to public health, or public safety or the environment; or
- An act, omission or course of conduct that constitutes a serious risk to the maintenance of law, the prevention, investigation and detection of offences and the right to a fair trial; or
- An act, omission or course of conduct an offence; or
- An act, omission or course of conduct by a public official that is oppressive, improperly discriminatory or grossly negligent and that constitutes gross mismanagement.

## Expectations of employee

An employee may make disclosure if they ...

1. Believe that the information is true or likely to be true.
2. Want to disclose the information so that it can be investigated; and
3. Want the disclosure to be protected in terms of the Act.

## Reporting

Serious wrongdoing can be reported to one of three designated people.

1. the Chief Executive.
2. Internal Audit Manager
3. General Counsel, Corporate.

The approach can be made in person, by telephone or in writing. They will provide guidance on how to make the disclosure.

You do not have to identify yourself, and if you do, you may request that your identity remain confidential.

Under the Act disclosures must be made in accordance with internal procedures, however there are circumstances when disclosure can be made to an appropriate external authority e.g. when it is believed the Chief Executive is involved in the wrongdoing, circumstances require extreme urgency or there has been no action within 20 working days of the disclosure being made through internal procedures. Appropriate authorities are listed in the Act and include the Commissioner of Police, an Ombudsman, State Services commission or Health and Disability Commissioner. They do not include Ministers of the Crown, Members of Parliament or the media.

## Protection

The Act provides that the employee making the disclosure (unless it is a deliberately false allegation) has protection from civil and criminal liability or unfavourable treatment.

# Sensitive expenditure policy

## Purpose

This policy provides guidance on sensitive expenditure. This is expenditure which, by its very nature, could be questioned regarding its appropriateness.

## Applicable legislation, regulation, policy or agreement

- Public Finance Act
- Employment Agreement
- Public Trust Budget
- Financial delegations.

## Policy principles

Public Trust applies seven principles or tests to help determine the appropriateness of expenditure:

- Test 1: Best Interests – is it business-related expenditure and in the best interests of Public Trust?
- Test 2: Compliance – does it comply with legislation, policy and procedures?
- Test 3: Personal Benefit – does it incur or imply personal benefit to the employee?
- Test 4: Within Budget – is it within the approved budget?
- Test 5: Necessary – is the expenditure necessary to Public Trust?
- Test 6: Reasonable – what would the public's reaction to this expenditure be?
- Test 7: Appropriately Authorised – is it authorised and supporting documentation available?



## Travel

The following general rules and principles apply to expenditure relating to travel:

- Purpose of travel must be justifiable for business purposes and should be the most economical and efficient for the circumstances
- Employees must always travel economy domestically and internationally where flight time is within four hours
- All international travel must be approved by the Chief Executive
- Public Trust will not meet any travel costs or expenses relating to accompanying spouses or family
- Claims for meals and daily allowances must comply with Public Trust policy and employment agreements
- All travel should be booked through FCM Travel.

### Accommodation

- Public Trust has negotiated special rates for hotels via FCM Travel and hotel accommodation should be booked through them
- A single room with private facilities in a moderately priced hotel or motel is considered corporate standard.

### Personal meals while on travel

- Travellers will be reimbursed actual and reasonable meal expenses with receipts.
- A daily allowance is paid if provided for in specific employment agreements.
- Meals and costs considered reasonable include a continental or cooked breakfast and a two course dinner with up to two standard alcoholic/non-alcoholic drinks.
- Expenditure on alcohol not accompanied with a meal is a personal charge.
- Tipping is a personal expense, except during overseas travel in countries where tipping is customary.
- Use of in-room mini bar, video or movie channel bookings and dry cleaning are not reimbursable expenses.

## Koha expenditure

- As no receipts or paper trails usually exist for koha, an independent cost centre manager must be involved in the approval of koha.
- Expenditure exceeding \$1,000 should include pre approval from an Executive team member.
- A record should be kept of who the koha is paid to, particulars of the meeting, business reason or activity, type of payment made, source and payment and a tax receipt obtained if possible.

## Communication, telephones and cell phones

- Telephone, fax and internet charges on official business are reimbursable.
- Employees who enter client's homes or premises and call the office for safety reasons may seek reimbursement for these calls.
- Calls up to 15 minutes per day from your accommodation to contact your partner or family is considered reasonable.
- Personal calls on Public Trust phones should be reasonable and kept to a minimum.

The following general principles apply to use of motor vehicles.

### Private vehicle use

- Where private motor vehicle use is required and approved, reimbursement will be at the rate in line with that paid in the travel policy and employment agreements.
- Where the cost of private use is likely to exceed the cost of a rental car, a rental car should be taken.

### Car rental

- All cars should be booked through FCM Travel.
- Private vehicle repairs and speeding tickets are considered a personal expense.

### Car parking

- Parking fees associated with a travelling employee or those attending a meeting away from their normal workplace will be reimbursed with appropriate receipts.
- Parking fines and towing costs are considered a personal expense.

## Taxi cards and taxi chits

- The cost of taxis to and from places of business, hotels and airports in connection with business activity is reimbursable. Use of hotel vans and shuttles is recommended. Where possible, use Public Trust taxi chits.
- A taxi charge card may be issued to an employee who does a considerable amount of travel. It may only be used for business related travel. The card must not be used by any other person.
- When using a taxi chit ensure that all details of travel are recorded.
- Taxi chits must not be used for private travel.
- It is acceptable to use a taxi chit when working after 8.00pm or 9.00pm (during daylight saving) to provide a safe mode of transport home.
- All taxi fares of \$100 or greater require one up manager approval.

## Airline membership fees

- Travelling employees may retain frequent traveller programme benefits.
- No costs must be incurred by Public Trust in relation to your participation and in all cases the cheapest flights must be obtained.
- Payment of airline club membership is at management's discretion.

## Professional membership fees

- Professional membership fees may be paid by Public Trust where it is required for professional registration purposes and is clearly relevant to the performance of the employee's duties and responsibilities.
- Memberships must be cancelled or transferred to a replacement Public Trust employee should employment with Public Trust be terminated.
- Any refund of fees as a result of cancellation belongs to Public Trust.

## Gifts

Travellers may stay with friends or relations and can be reimbursed the cost of a gift or gift voucher for the host. Up to \$50 per night is considered reasonable and approval must be obtained in advance.

## Rewards

Public Trust operates a scheme whereby employees are rewarded for their service as follows:

- After 10 years a morning or afternoon tea with the team and \$50 gift may be approved.
- After 20 years a morning or afternoon tea with the team and \$100 gift may be approved.
- After 30 years a morning or afternoon tea with the team and \$200 gift may be approved.
- After 40 years a morning or afternoon tea with the team and mystery weekend for two for two nights. The approval and cost of this is met by HR.
- Rewards should be in line with public Trust's reward and recognition programme.

## Functions and courses

Where these events are held for Public Trust, business expenditure must be limited to actual and reasonable costs.

For off-site conferences attended by Public Trust employees no additional reimbursement shall be made where accommodation, meals and transportation expenses are included in the fee.

## Working breakfasts, lunches and dinners

Public Trust will only pay these expenses where the meeting has a business purpose.

## Business entertainment and networking

- For business entertainment and networking or when attracting business, expenditure on food and beverages is generally acceptable.
- Attendance of Public Trust employees at lunches and networking functions should be kept to a minimum.
- Costs must be signed off by the Cost Centre Manager prior to expenditure being incurred.

## Christmas functions

One holiday party per business team is permitted in any financial year and is limited to a dollar value to be determined and announced each year by the Executive.

## Signing authority

- Employees are not permitted to approve their own expenditure, or those with whom they have personal relationships.
- A one up approval process is required for all expenditure incurred.

## Processes

- It is preferable for goods purchased for everyday procurement to have Public Trust separately invoiced.
- Employees may use their corporate credit card up to the credit limit for everyday procurement where it is not an option or it is inconvenient to have goods invoiced.
- Employees may also use the expense claim process where they do not hold a corporate credit card and are unable to use every day procurement procedures.

## Documentation

- Whenever sensitive expenditure is to be incurred, the manager should document the rationale for the expenditure including the business purpose, retain it along with the invoice and keep it for a period of seven years. Where documentation is not kept with the invoice or reimbursement form, the authorising manager is to retain it for a period of two years from the day expenditure is incurred.
- If there is any doubt as to the propriety, the next line manager should be consulted and their approval recorded prior to the expenditure being incurred.
- Because of the nature of this type of expenditure, it will often be subject to FBT or the Entertainment Tax regime. Adequate documentation allows Public Trust to meet all its taxation obligations.
- Where inadequate documentation is kept Public Trust reserves the right to recover the amount from the employee concerned.
- Supporting documentation for the current year should be retained on site and be readily available for audit purposes.

## Taxation obligations

- Knowingly providing false, misleading or incomplete information to the Commissioner or any other person in relation to tax matters is a criminal offence under the Tax Administration Act 1994.
- Employees responsible for coding this type of expenditure must be familiar with the tax guidelines on the intranet.

## Monitoring

- The Finance Manager has the delegated authority to review all expenditure on discretionary items.
- Reviewing discretionary expenditure will be part of the internal audit process.
- Any breach of this policy, if not satisfactorily explained, will be presented to the Chief Executive for further action.

## Reporting inappropriate expenditure

Employees who may consider there has been discretionary expenditure of an inappropriate or extravagant nature must advise their manager, Finance Manager, General Manager or Internal Audit Manager immediately.

# Anti-money laundering & countering financing of terrorism

## Purpose & Overview

The Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) Act 2009 requires Public Trust to be proactive in assessing and managing our money laundering/financing terrorism (ML/FT) risks. This document summarises Public Trust's and its employees' obligations under AML/CFT legislation.

Money laundering refers to the process of legitimising 'dirty' money and assets gained through illegal activity. Terrorist financing shares similarities with money laundering but refers specifically to the collection and movement of funds to conduct terrorist activity.

## Legislative obligations

Our AML/CFT Compliance Programme details the policies and procedures we have in place to detect, manage, and mitigate our ML/FT risks. Among other duties, the Programme requires us to...

- Complete a Risk Assessment to help us understand and control our ML/FT risks.
- Collect, verify and store identification and address details of customers and associated persons
- Monitor and report suspicious transactions
- Keep appropriate records to allow us to track customer interactions and transactions
- Provide regular training on AML/CFT compliance

## Customer Due Diligence (CDD)

CDD involves gathering identification from customers and associated persons and verifying identity details to ensure the customer is who they say they are. When we establish a new business relationship for services that are within the scope of the AML/CFT Programme, we must conduct CDD on...

- The customer
- Any person who is authorised to act on behalf of the customer (e.g. a signatory/agent)
- anyone who has effective control of the customer or a 25% or more share in the customer (i.e. a beneficial owner)

We must also complete CDD when an individual wishes to make a cash transaction of \$10,000 or more. Employees in customer-facing roles are expected to be familiar with the Customer and Associated Persons Due Diligence policy.

## Suspicious Transaction Reporting

We must report any transactions, or proposed transactions, where we have reasonable grounds to suspect that the transaction may be related to money laundering or the proceeds of crime. A suspicious transaction is one that is inconsistent with our knowledge of the customer and their business, or a transaction that has no apparent or business or lawful purpose.

If you believe a transaction or proposed transaction is suspicious, you must submit a Suspicious Transaction Report (STR) to our AML/CFT Compliance Officer at [aml.cft@publictrust.co.nz](mailto:aml.cft@publictrust.co.nz).

The Compliance Officer will assess the STR and determine whether it needs to be sent to the NZ Police. Under no circumstances should you advise the customer or anyone outside of Public Trust that you are submitting a STR.

You do not need proof that a transaction is suspicious in order to submit a STR. In addition, you are not required to refuse the transaction or to conduct any further investigation. If in doubt, report the transaction or seek additional guidance from the AML/CFT Compliance Officer. Employees who deal with customers or customer transactions must be familiar with our Suspicious Transactions policy.

## Politically Exposed Persons (PEPs) and Sanctioned Parties

We conduct customer screening to determine whether a customer or associated person is a PEP or a sanctioned party/terrorist entity.

The AML/CFT Act does not prohibit us from establishing a business relationship with a PEP. However, if we intend to continue that business relationship, we must...

- obtain and verify the customer's or beneficial owner's source of wealth or funds
- obtain senior management approval

Under the Terrorism Suppression Act 2002, we may not provide property or financial services to sanctioned parties. Refer to the Politically Exposed Persons and Sanctioned Parties policy for further details.

## Training

Public Trust recognises the vital role that staff play in mitigating any money laundering/terrorist financing risks that we may face in the course of conducting our business. Senior managers and any employee who establishes and maintains business relationships with customers, or who processes receipts and payments will receive AML/CFT training as part of the employee induction process.

New employees in these roles must complete appropriate AML/CFT training within one week of their start date or will be prohibited from handling receipt and payment transactions until they have completed the required training.

Senior managers and staff engaged in establishing and maintaining business relationships or processing receipts and payments are required to attend annual refresher training sessions on AML/CFT compliance.

## AML/CFT Compliance Officer

Public Trust's AML/CFT Compliance Officer function is currently filled by the Enterprise Compliance Manager. Contact him or her at [aml.cft@publictrust.co.nz](mailto:aml.cft@publictrust.co.nz) to seek advice on any matters detailed in this document or associated policies.

## Business rules and other related policies

Our workplace is governed by a wide range of business rules and guidelines that related to the technical aspects of our work, all of which also assist and support effective decision making. It is not intended that these be listed here, but it is important to be aware that adherence to these is expected and is as important as these policies to our ethical framework. These can be found on the intranet.

They should be respected and complied with on all occasions. If you are in any doubt, ask your manager.

## Declaration

I acknowledge that I have been given a copy of the Public Trust...

- Statement of Ethics – doing the right thing; and
- Code of Conduct; and
- Ethics Related Policies document

I have read and understood these documents and all the related policies contained within it. I agree to comply with all relevant provisions.

*Please initial each page of the ethics framework and code of conduct, sign the declaration, and return to Human Resources. Please also retain a copy of the whole document for your personal records.*

Signed \_\_\_\_\_

Name \_\_\_\_\_

Position \_\_\_\_\_

Date \_\_\_\_\_