



2019 NEW ZEALAND
FINANCIAL INTEGRITY SYSTEM ASSESSMENT
(FISA)

Self-Assessment

Consultation draft
1 August 2019



INTRODUCTION

Thank you for agreeing to participate in the 2019 New Zealand Financial Integrity System Assessment (FISA) by completing the **FISA Self-Assessment**. Please complete it within 60 days of receiving this email.

SECURITY OF FISA SELF ASSESSMENT

This **FISA Self-Assessment** has been designed to protect your organisation's privacy and to secure all information which is provided. For more information, please review the following links that describe the IT systems that have been used as the architecture. *[links will be included to the Appendices currently set out at the back of this document]*

THE FISA SELF-ASSESSMENT METHODOLOGY

The **FISA Self-Assessment** comprises 10 sections. Its straightforward design is an easy way for financial organisations to check up on how well they are doing to strengthen integrity systems that support trusted conduct and culture. It is designed to be carried out annually, providing an opportunity for organisations to prioritise their focus on their integrity systems once a year. It provides a framework for them to continuously improve their knowledge of work still to do, as well as their understanding of how to progress opportunities based on independent recognition of their strengths.

You can leave the online **FISA Self-Assessment** at any time and return later to complete it. If you do leave the **FISA Self-Assessment**, any answers already provided up to that time, will be retained while able to be edited.

An easy way to undertake the **FISA Self-Assessment** is to set up a meeting in a room with a large screen so members of your team can participate in discussing and then completing sections of the **FISA Self-Assessment**. For financial organisations with 20 or fewer staff members, the **FISA Self-Assessment** could be completed in one session. While the more time invested the better, the **FISA Self-Assessment** can be completed in less than an hour.

For larger organisations, the senior executive team may like to set up meetings each centred on the nine subject areas including policy, governance, accountability, consumers, info & communications, human capital, operations, risk & monitoring, and, procurement. This is the recommended approach as it means more members of the teams can discuss the day-to-day transaction that can challenge good conduct. They can test different priorities aimed at strengthening integrity systems for creation of greater services for customers and other opportunities for the financial organisation. Strong internal integrity systems are a key part of the framework that supports good conduct and culture as well as preventing corruption.

Another approach, though, for time constrained financial organisations, is to invite the nine senior executives with accountabilities in the nine subject areas to a single meeting where they can complete the **FISA Self-Assessment**. As for smaller firms, this is likely to take less than an hour.

TONE AT THE TOP

A major feature of organisations serious about strengthening their integrity systems, is that the systems to ensure good conduct and culture are embraced by Governance and shareholders. Once the **FISA Self-Assessment** is completed by the management team, a further sign that participating organisations are committed to the practices required to prevent corruption by strengthening integrity systems, will be a signature from the most senior person leading the financial organisation.

THIS IS A CHANCE FOR NEW ZEALAND TO BE TOP AGAIN

The New Zealand Finance Integrity System Assessment (FISA) is the first ever review of the integrity system of any country's financial sector. FISA is designed and carried out by Transparency International New Zealand (TINZ). As an independent civil society organisation, TINZ is uniquely placed to ensure both independence and objectivity. It has been working with the New Zealand public sector which continues to score highly on the international rankings of the Corruptions Perceptions Index and with the defence force which has scored at the top.

FISA Self-Assessment is designed to be carried out annually by all New Zealand's financial organizations.

The recent reviews of registered banks and insurance companies by the Financial Market Authority (FMA) and the Reserve Bank of New Zealand (RBNZ) have found that there are weaknesses in the conduct and culture of organisations in those sectors.

“Overall, there are weaknesses in the governance and management of conduct risks, and significant gaps in the measurement and reporting of customer outcomes.” RBNZ FMA review of the major registered banks.

A large take up of the comprehensive, voluntary **FISA Self-Assessment** will be a demonstration to the rest of the world that New Zealand financial organisations are keen to do better. Given that it is happening shortly after the FMA and RBNZ Reviews, the **FISA Self-Assessment** will also identify weaknesses in the governance and management of conduct risks. At the same time, strong participation by financial organisations to participate in a process designed to provide knowledge about ways to improve, will be evidence that distinguishes New Zealand financial organisations from those operating in other countries.

The anonymised results of the **FISA Self-Assessment** provide evidence for the five yearly independent assessment of the whole financial system. Participation in the annual **FISA Self-Assessment** process helps support the strategies of modern financial organisations to support their brands and reputations. These are the key components for achieving maximum returns.

FISA's AIM

The **FISA System Assessment** covers a wide range of financial organisations as well as government and industry agencies with oversight and regulatory roles in the finance sector. This comprehensive independent assessment of the full financial system will be carried out every five years.

The aim of the FISA assessment is to:

- Build trust and confidence in New Zealand's financial system
- Examine the state of integrity systems within the New Zealand financial system
- Foster and support good conduct

- Prevent and combat corruption, and,
- Reinforce a culture of integrity
- Securing a sustainable future for all New Zealanders.

FISA will provide customers, citizens, communities, civil society organisations, government and businesses with information about the way the financial system identifies and seeks to prevent corruption. This enables them to identify good performance and push for, and benefit from, improvement.

Financial organisations will have a blueprint for improvement enabling them to set clear priorities for preventing corruption while seeking the additional returns that result from improved integrity. TINZ independent assessment is an objective way of bringing the unique attributes of the New Zealand financial system to international attention.

FISA STRATEGY OF CONTINUOUS IMPROVEMENT

The FISA strategy to create a virtuous cycle is motivated by the following five stages:

1. Online **FISA Self-Assessment** completed by financial organisations, e.g. banks, finance companies, Kiwi-Saver providers, credit unions, building societies, and insurance companies
2. Publication of the anonymised results of the **FISA Self-Assessment**
3. Review and context provided by the independent assessment of the financial system, to identify weaknesses, as well as strengths, in integrity systems
4. Development of tools to address weaknesses for use by TINZ when working alongside professional services firms to advise financial organisations about ways to enhance their integrity systems
5. Then the next annual **FISA Self-Assessment** provides an opportunity to monitor whether outcomes improve for customers and public trust.

Please scroll to the Appendices at the end of the **FISA Self-Assessment** which includes a discussion of the FISA strategy and a Glossary that included the latest description of terms feature bribery, corruption and fraud, as well as features of integrity systems.

Thank you for agreeing to participate in the 2019 New Zealand Financial Integrity System Assessment (FISA) Self-Assessment.

The self-assessment comprises 11 sections and 87 principal questions.

You can leave the self-assessment at any time and return later to complete it. If you do leave the self-assessment, any answers already provided will be retained.

SECTION 1 - Policy

This section asks questions about:

- The oversight of the NZ financial system, in particular, the effectiveness of anti-corruption and financial oversight institutions;
- The alignment of anti-corruption initiatives with pro-trade and pro-business initiatives;

The transparency of financial organisations when dealing with civil society organisations (CSO's) on corruption and bribery issues. For the purposes of this self-assessment, anti-corruption and financial oversight institutions includes the **Reserve Bank of NZ (RBNZ)**, **Financial Markets Authority (FMA)**, **Serious Fraud Office (SFO)**, **Commerce Commission**, **Department of Internal Affairs (DIA)**, **Ministry of Business, Innovation and Employment (MBIE)**, **Ministry of Justice (MOJ)**, **NZ Police**, **Inland Revenue** and **Treasury**.

*Notes: Financial organisations are entities that receives deposits, borrow, lend and invest money. Civil Society Organisations (CSO's) are non-market and non-government entities formed by people with a common interest. Examples of CSO's that interact with the NZ financial system include **Transparency International NZ (TINZ)**, **Chartered Accountants of Australia and NZ (CA ANZ)**, **Institute of Directors (IOD)** and the **NZ Law Society**. Pro-trade and pro-business initiatives include the **New Zealand Story**, a government initiative to help NZ businesses gain a competitive advantage in overseas markets by building a strong, consistent and trustworthy international reputation.*

New Zealand anti-corruption and financial oversight institutions are resourced at a level that enables them to fully meet their statutory obligations?

"Resourced" means an institution has all the financial, human and physical (both tangible and intangible) resources that it requires to fully meet it's statutory obligations.

Strongly Disagree

Disagree

Neutral

Agree

Strongly Agree

Slide to select



Select the anti-corruption and financial oversight institutions that you consider are under resourced.

- Reserve Bank of NZ (RBNZ)
- Financial Markets Authority (FMA)
- Serious Fraud Office (SFO)
- Commerce Commission
- Department of Internal Affairs (DIA)
- Ministry of Business, Innovation and Employment (MBIE)
- Ministry of Justice (MOJ)
- Inland Revenue (IRD)
- Treasury
- Banking Ombudsman
- Insurance Ombudsman
- Other oversight Institutions - Please specify

Select the areas in which you consider that the RBNZ is under resourced.

"Resourced" means an institution has all the financial, human and physical (both tangible and intangible) resources that it requires to fully meet it's statutory obligations.

- Financial Resources
- Human Resources - Number of personnel
- Human Resources - Competency of personnel
- Tangible Assets (eg, property, plant and equipment, software (ICT) etc)
- Intangible Assets (eg, intellectual property)
- Not sure
- Other - Please specify

Select the areas in which you consider that the FMA is under resourced.

"Resourced" means an institution has all the financial, human and physical (both tangible and intangible) resources that it requires to fully meet its statutory obligations.

- Financial Resources
- Human Resources - Number of personnel
- Human Resources - Competency of personnel
- Tangible Assets (eg, property, plant and equipment, software (ICT) etc)
- Intangible Assets (eg, intellectual property)
- Not sure
- Other - Please specify

Select the areas in which you consider that the SFO is under resourced.

"Resourced" means an institution has all the financial, human and physical (both tangible and intangible) resources that it requires to fully meet its statutory obligations.

- Financial Resources
- Human Resources - Number of personnel
- Human Resources - Competency of personnel
- Tangible Assets (eg, property, plant and equipment, software (ICT) etc)
- Intangible Assets (eg, intellectual property)
- Not sure
- Other - Please specify

Select the areas in which you consider that the Commerce Commission is under resourced.

- Financial Resources
- Human Resources - Number of personnel
- Human Resources - Competency of personnel

- Tangible Assets (eg, property, plant and equipment, software (ICT) etc)
- Intangible Assets (eg, intellectual property)
- Not sure
- Other - Please specify

Select the areas in which you consider that the DIA is under resourced.

"Resourced" means an institution has all the financial, human and physical (both tangible and intangible) resources that it requires to fully meet it's statutory obligations.

- Financial Resources
- Human Resources - Number of personnel
- Human Resources - Competency of personnel
- Tangible Assets (eg, property, plant and equipment, software (ICT) etc)
- Intangible Assets (eg, intellectual property)
- Not sure
- Other - Please specify

Select the areas in which you consider that MBIE is under resourced.

"Resourced" means an institution has all the financial, human and physical (both tangible and intangible) resources that it requires to fully meet it's statutory obligations.

- Financial Resources
- Human Resources - Number of personnel
- Human Resources - Competency of personnel
- Tangible Assets (eg, property, plant and equipment, software (ICT) etc)
- Intangible Assets (eg, intellectual property)
- Not sure
- Other - Please specify

Select the areas in which you consider that the MOJ is under resourced.

"Resourced" means an institution has all the financial, human and physical (both tangible and intangible) resources that it requires to fully meet it's statutory obligations.

- Financial Resources
- Human Resources - Number of personnel
- Human Resources - Competency of personnel
- Tangible Assets (eg, property, plant and equipment, software (ICT) etc)
- Intangible Assets (eg, intellectual property)
- Not sure
- Other - Please specify

Select the areas in which you consider that the IRD is under resourced.

"Resourced" means an institution has all the financial, human and physical (both tangible and intangible) resources that it requires to fully meet it's statutory obligations.

- Financial Resources
- Human Resources - Number of personnel
- Human Resources - Competency of personnel
- Tangible Assets (eg, property, plant and equipment, software (ICT) etc)
- Intangible Assets (eg, intellectual property)
- Not sure
- Other - Please specify

Select the areas in which you consider Treasury is under resourced.

"Resourced" means an institution has all the financial, human and physical (both tangible and intangible) resources that it requires to fully meet it's statutory obligations.

- Financial Resources
- Human Resources - Number of personnel
- Human Resources - Competency of personnel
- Tangible Assets (eg, property, plant and equipment, software (ICT) etc)
- Intangible Assets (eg, intellectual property)
- Not sure
- Other - Please specify

Select the areas in which you consider the Banking Ombudsman is under resourced.

"Resourced" means an institution has all the financial, human and physical (both tangible and intangible) resources that it requires to fully meet it's statutory obligations.

- Financial Resources
- Human Resources - Number of personnel
- Human Resources - Competency of personnel
- Tangible Assets (eg, property, plant and equipment, software (ICT) etc)
- Intangible Assets (eg, intellectual property)
- Not sure
- Other - Please specify

Select the areas in which you consider the Insurance Ombudsman is under resourced.

"Resourced" means an institution has all the financial, human and physical (both tangible and intangible) resources that it requires to fully meet it's statutory obligations.

- Financial Resources
- Human Resources - Number of personnel
- Human Resources - Competency of personnel
- Tangible Assets (eg, property, plant and equipment, software (ICT) etc)

Intangible Assets (eg, intellectual property)

Not sure

Other - Please specify

Select the areas in which you consider that any other oversight institution is under resourced.

"Resourced" means an institution has all the financial, human and physical (both tangible and intangible) resources that it requires to fully meet it's statutory obligations.

Financial Resources

Human Resources - Number of personnel

Human Resources - Competency of personnel

Tangible Assets (eg, property, plant and equipment, software (ICT) etc)

Intangible Assets (eg, intellectual property)

Not sure

Other - Please specify

New Zealand's anti-corruption and financial oversight institutions are independent and free from the undue influence of government/non-government agencies and private citizens?

Strongly Disagree

Disagree

Neutral

Agree

Strongly Agree

Slide to select

Select the anti-corruption and financial oversight institutions that you consider are not free from the undue influence.

Reserve Bank of NZ (RBNZ)

Financial Markets Authority (FMA)

Serious Fraud Office (SFO)

Commerce Commission

Department of Internal Affairs (DIA)

- Ministry of Business, Innovation and Employment (MBIE)
- Ministry of Justice (MOJ)
- Inland Revenue (IRD)
- Treasury
- Banking Ombudsman
- Insurance Ombudsman
- Other Institutions - Please specify

Select the group(s) that you believe exert undue influence over the RNBZ

- Government - Elected representatives
- Government - Bureaucracy
- Private Enterprise - Industry associations
- Private Enterprise - Individual enterprises
- NGO's
- Other groups - Please specify

Select the group(s) that you believe exert undue influence over the FMA

- Government - Elected representatives
- Government - Bureaucracy
- Private Enterprise - Industry associations
- Private Enterprise - Individual enterprises
- NGO's
- Other groups - Please specify

Select the group(s) that you believe exert undue influence over the SFO

- Government - Elected representatives
- Government - Bureaucracy
- Private Enterprise - Industry associations
- Private Enterprise - Individual enterprises
- NGO's
- Other groups - Please specify

Select the group(s) that you believe exert undue influence over the Commerce Commission

- Government - Elected representatives
- Government - Bureaucracy
- Private Enterprise - Industry associations
- Private Enterprise - Individual enterprises
- NGO's
- Other groups - Please specify

Select the group(s) that you believe exert undue influence over the DIA

- Government - Elected representatives
- Government - Bureaucracy
- Private Enterprise - Industry associations
- Private Enterprise - Individual enterprises
- NGO's
- Other groups - Please specify

Select the group(s) that you believe exert undue influence over MBIE

- Government - Elected representatives
- Government - Bureaucracy
- Private Enterprise - Industry associations
- Private Enterprise - Individual enterprises
- NGO's
- Other groups - Please specify

Select the group(s) that you believe exert undue influence over the MOJ

- Government - Elected representatives
- Government - Bureaucracy
- Private Enterprise - Industry associations
- Private Enterprise - Individual enterprises
- NGO's
- Other groups - Please specify

Select the group(s) that you believe exert undue influence over the IRD

- Government - Elected representatives
- Government - Bureaucracy
- Private Enterprise - Industry associations
- Private Enterprise - Individual enterprises
- NGO's
- Other groups - Please specify

Select the group(s) that you believe exert undue influence over the Treasury.

- Government - Elected representatives
- Government - Bureaucracy
- Private Enterprise - Industry associations
- Private Enterprise - Individual enterprises
- NGO's
- Other groups - Please specify

Select the group(s) that you believe exert undue influence over the Banking Ombudsman.

- Government - Elected representatives
- Government - Bureaucracy
- Private Enterprise - Industry associations
- Private Enterprise - Individual enterprises
- NGO's
- Other groups - Please specify

Select the group(s) that you believe exert undue influence over the Insurance Ombudsman.

- Government - Elected representatives
- Government - Bureaucracy
- Private Enterprise - Industry associations
- Private Enterprise - Individual enterprises
- NGO's
- Other groups - Please specify

Select the group(s) that you believe exert undue influence over any other oversight institutions

- Government - Elected representatives
- Government - Bureaucracy
- Private Enterprise - Industry associations
- Private Enterprise - Individual enterprises
- NGO's
- Other groups - Please specify

New Zealand's anti-corruption and financial oversight institutions are effective at combating bribery, corruption, fraud, unethical trade practices, terrorist financing and money laundering?

Strongly Disagree Disagree Neutral Agree Strongly Agree

Slide to select



Select the anti-corruption and financial oversight institutions that you consider are ineffective at combating bribery, corruption, fraud, unethical trade practices, terrorist financing or money laundering.

- Reserve Bank of NZ (RBNZ)
- Financial Markets Authority (FMA)
- Serious Fraud Office (SFO)
- Commerce Commission
- Department of Internal Affairs (DIA)
- Ministry of Business, Innovation and Employment (MBIE)
- Ministry of Justice (MOJ)
- Inland Revenue (IRD)
- Other Institutions - Please specify

Give examples of where you consider the RBNZ was/is ineffective at combating bribery, corruption, fraud, unethical trade practices, terrorist financing or money laundering.

Give examples of where you consider the FMA was/is ineffective at combating bribery, corruption, fraud, unethical trade practices, terrorist financing or money laundering.

Give examples of where you consider the SFO was/is ineffective at combating bribery, corruption, fraud, unethical trade practices, terrorist financing or money laundering.

Give examples of where you consider the Commerce Commission was/is ineffective at combating bribery, corruption, fraud, unethical trade practices, terrorist financing or money laundering.

Give examples of where you consider the DIA was/is ineffective at combating bribery, corruption, fraud, unethical trade practices, terrorist financing or money laundering.

Give examples of where you consider MBIE was/is ineffective at combating bribery, corruption, fraud, unethical trade practices, terrorist financing or money laundering.

Give examples of where you consider the MOJ was/is ineffective at combating bribery, corruption, fraud, unethical trade practices, terrorist financing or money laundering.

Give examples of where you consider the IRD was/is ineffective at combating bribery, corruption, fraud, unethical trade practices, terrorist financing or money laundering.

Give examples of where you consider any other oversight institution was/is ineffective at combating bribery, corruption, fraud, unethical trade practices, terrorist financing or money laundering.

Civil Society Organisations (CSO's) have a role to play in providing non-regulatory oversight of NZ financial institutions?

Civil Society Organisations (CSO's) are non-market and non-government entities formed by people with a common interest. Examples of CSO's that interact with the NZ financial system include [Transparency International NZ \(TINZ\)](#), [Chartered Accountants of Australia and NZ \(CA ANZ\)](#), [Institute of Directors \(IOD\)](#) and the [NZ Law Society](#).

Strongly Disagree Disagree Neutral Agree Strongly Agree

Slide to select

Pro-trade and pro-business initiatives (such as the NZ Story) promote certain characteristics and values as being reasons why overseas entities should, and do, trade with New Zealand.

From the list below, rank each of these characteristics and values in order of importance to your entity, where 1 is the most important characteristic/value.

Drag your choices here to rank them

Concern for people
Concern for the environment
Ingenuity
Trustworthiness
Accountability

This is an "Opinion only" question. The results will be reported to all self-assessment participants but are not scored.

To what extent do you agree or disagree with this statement?

"The economic growth of a country declines as bribery and corruption increases?"

Strongly Disagree Disagree Neutral Agree Strongly Agree

Slide to select

SECTION 2 - Governance

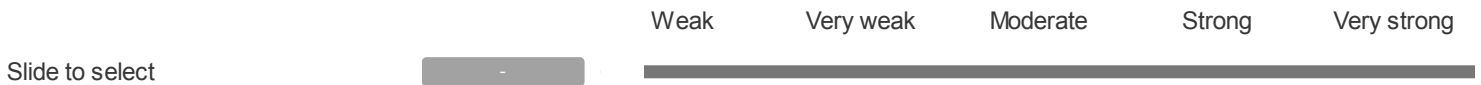
This section asks questions about:

- The extent to which the entity demonstrates an alignment with pro-integrity and anti-corruption/bribery principles;
- The extent to which the attributes of good governance are apparent in the leadership style of the entity;
- The importance to users, of the financial statements published by your entity.

The next questions are about the extent to which governance and management can demonstrate commitment to the principles of a sound compliance programme.

In each case, select the extent to which governance and management of the entity can demonstrate their commitment to the following principles of a sound compliance programme.

To what extent does the entity demonstrate a commitment, in both words and actions, to the policies and procedures of the compliance programme?



Briefly describe the documentation that sets out the principles that governance and management are required to comply with in order to demonstrate, in words and actions, a commitment to the entity's compliance programme.

To what extent do governance and management take fair and decisive action on reports of misconduct?



Briefly describe the fair and decisive actions that governance and management are required to take when reports of misconduct are made.

To what extent do governance and management apply consistent and effective communication about entity's compliance programme?



Briefly describe the main principle's of the entity's compliance communication programme.

Support and recognition for employees who support the entity's compliance programme?



Provide a minimum of 3 examples that demonstrate the manner in which governance/management supported and recognised employees who supported the entity's compliance programme.

To what extent does the entity undertake periodic assessments of employee perceptions to determine if governance and management actions demonstrate a commitment to the entity's compliance programme?



Select the frequency at which employee perceptions of governance/management commitment to the entity's compliance programme are assessed.

- Quarterly or more frequently
- Half-yearly
- Annually
- Bi-annually
- When considered necessary
- Never

Other Frequency

To what extent can the entity demonstrate the swift, fair and transparent handling of customer complaints?



Briefly describe the main principles of the entity's customer complaints process that demonstrates the requirements of swiftness, fairness and transparency.

To what extent does the entity undertake the regular monitoring of social media and online presence to protect entity and brand reputation and shareholder (investor) value?



Select all the social media and online presences maintained by the entity.

- Website
- Facebook
- Twitter
- LinkedIn
- Instagram
- Pinterest
- You Tube
- Google +
- Tumblr
- Flickr
- Snapchat
- WhatsApp
- Wechat
- Trade me
- E Bay
- Amazon
- Alibaba
- Bitcoin
- Other - Please specify

Employees are given the opportunity to communicate informally with governance and management at regular scheduled meetings?

Weak

Very weak

Moderate

Strong

Very strong

Slide to select

Very weak

Select the frequency at which employees are given the opportunity to communicate informally with governance/management.

- Quarterly or more frequently
- Half-yearly
- Annually
- Bi-annually
- When requested by employees
- When considered necessary
- Other frequency

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 ("*the Act*") places certain obligations on financial institutions to assess the money laundering and financing of terrorism risk that it may reasonably expect to face in the course of its business.

Select the extent to which your entity has implemented the following AML policies and procedures.

	Yes	No	Not sure
Variations to the AML programme require governance (board) approval	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
A dedicated AML compliance officer has been appointed	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The compliance officer has received the proper AML training	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The AML programme complies with ALL the requirements of the Act	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The AML programme is subject to independent 3rd party audit (other than the AML supervisor)	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
The AML programme is subject to independent internal audit	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
All relevant employees have received the proper AML training	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

How many breaches of the entity's AML policies and procedures have been reported in the last 12 months?

- Nil
- Not sure

Prefer not to answer

Enter a number

To what extent has the entity implemented policies to comply with the Responsible Lending Code issued under Section 9G of the Consumer Finance and Credit Contracts Act 2003?

Very Weak

Weak

Moderate

Strong

Very Strong

N/A - Non
Lender

Slide to select

Weak

How many breaches of the Responsible Lending Code issued under Section 9G of the Consumer Finance and Credit Contracts Act 2003 have been reported by the entity in the last 12 months?

Nil

Not sure

Prefer not to answer

Enter a number

Select all the obligations of the Responsible Lending Code that have been breached by the entity in the last three (3) years.

Obligations that apply before and throughout the agreement

Advertising

Inquiries into and assessment of borrowers' requirements and objectives

Inquiries into and assessment of substantial hardship

Assisting borrowers to make an informed decision

Assisting guarantors to make an informed decision

Credit related insurance and repayment waivers

Fees

Subsequent dealings

Default and other problems

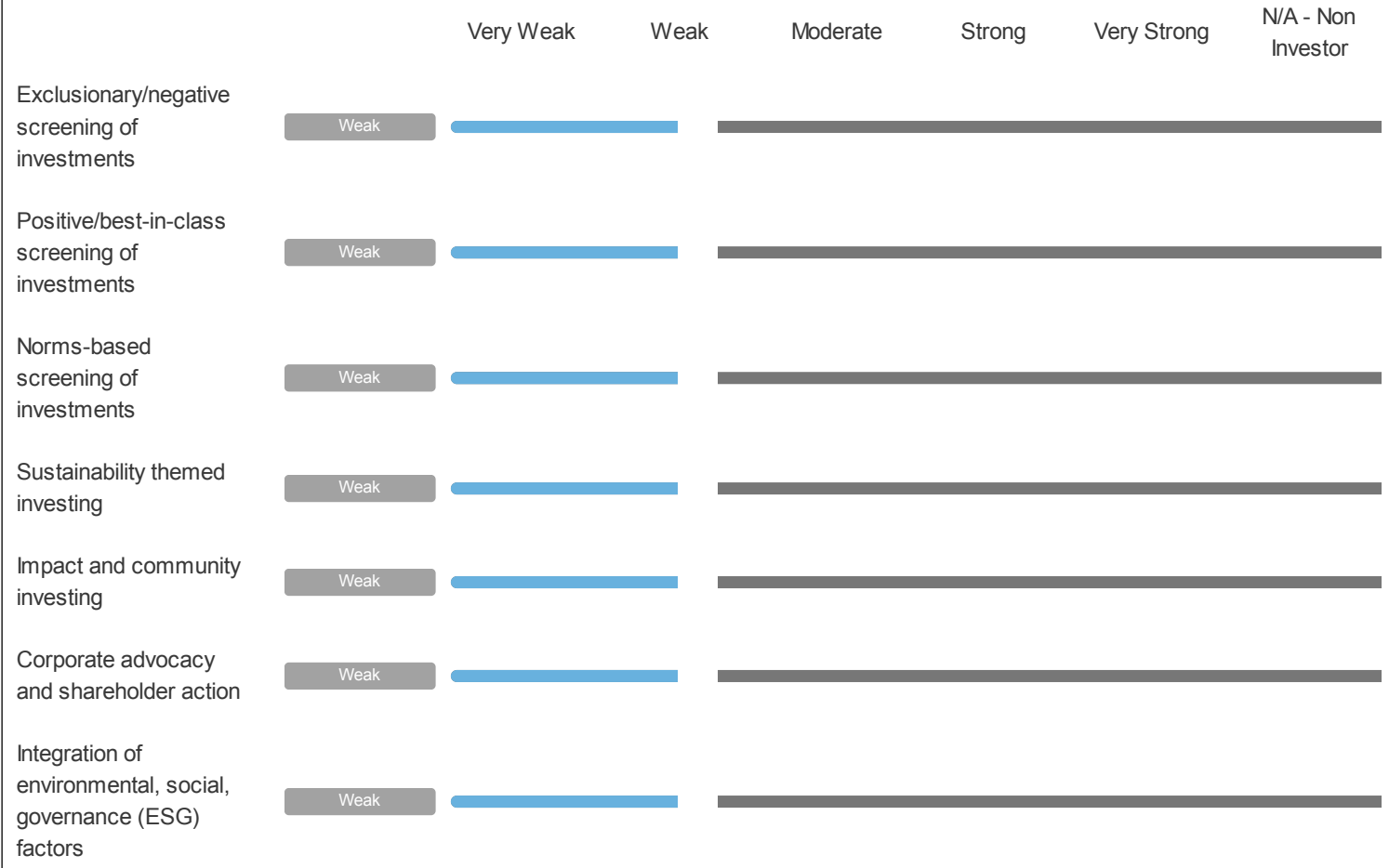
Repossession

Oppression

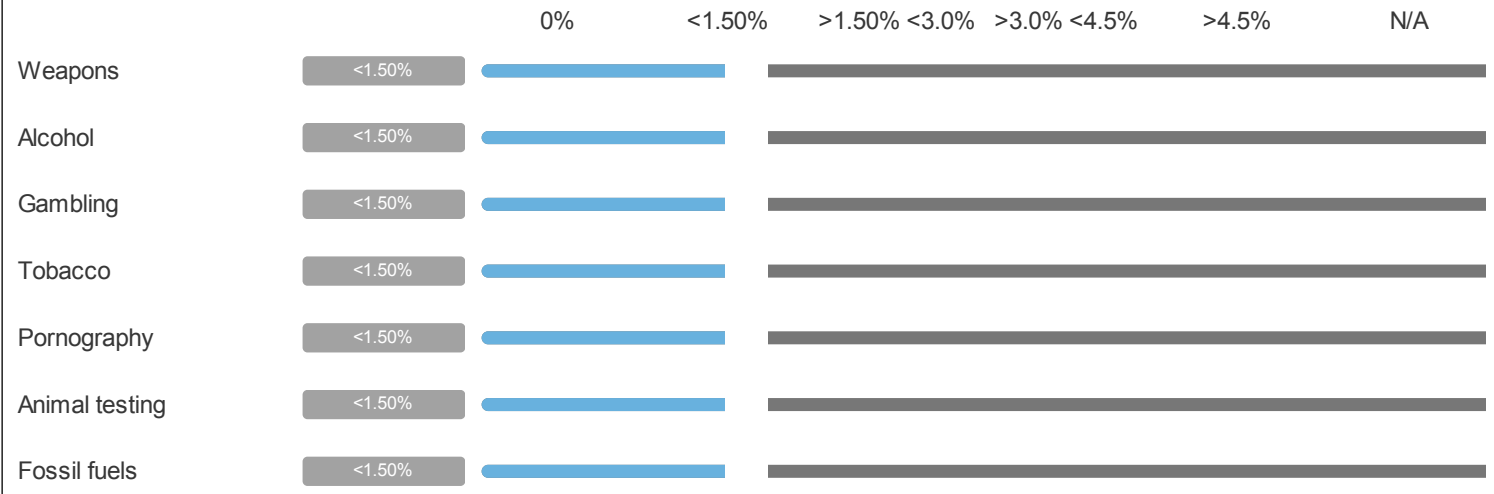
Other - Please specify

To what extent has the entity implemented policies to meet the responsible investment approaches issued by the Responsible

Investment Association Australasia (RIAA)?



What percentage of entity funds are invested in each of the following asset classes as detailed in the most recent relevant investment statement?



Does the entity have separate governance (board) committees to consider and provide advice on the following matters?

Yes No


Nominations for governance positions	<input type="radio"/>	<input type="radio"/>
Financial expenditure and budgets	<input type="radio"/>	<input type="radio"/>
Audit (both internal and external)	<input type="radio"/>	<input type="radio"/>
Risk	<input type="radio"/>	<input type="radio"/>
Remuneration of governance/senior management	<input type="radio"/>	<input type="radio"/>
Investment policy	<input type="radio"/>	<input type="radio"/>
Lending policy	<input type="radio"/>	<input type="radio"/>
Ethics	<input type="radio"/>	<input type="radio"/>
Social Responsibility	<input type="radio"/>	<input type="radio"/>

This is an "Opinion only" question. The results will be reported to all self-assessment participants but are not scored.

To what extent do you agree or disagree with this statement?

"Competition between financial organisations plays a significant role in the prevention of corruption?"

Strongly Disagree Disagree Neutral Agree Strongly Agree

Slide to select 

SECTION 3 - Accountability

This section asks questions about the extent to which financial organisations make themselves accountable to employees, customers, suppliers, investors and the general public and the history if any, of non-compliance with regulatory and other authorities.

The financial statements of financial organisations are available to a variety of users, both intended and unintended.

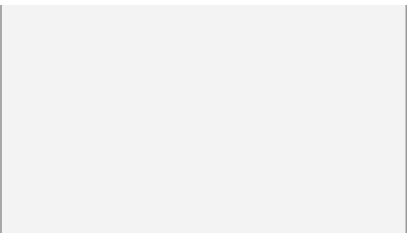
From the list below, rank each of the users in order of importance to your entity, where 1 is the most important user.



Drag your choices here to rank them



- The Public
- Suppliers
- Managers
- Lenders
- Investors/Shareholders (both existing and prospective)
- Government Agencies including Regulators and IRD
- Employees
- Directors
- Customers
- Competitors



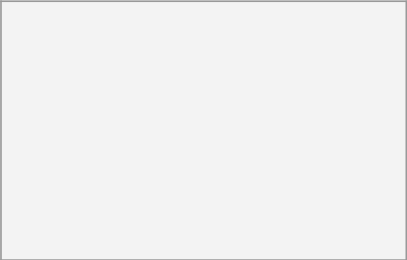
Provide any reasoning for the rankings applied above.

The audit process (both internal and external) serves a variety of purposes.

From the list below rank each of purpose in order of importance to the entity, where 1 is the most important purpose.

Drag your choices here to rank them

- Verify the authenticity and validity of all recorded transactions
- Check the accuracy of all accounting transactions
- Check the distinction between



capital and revenue items

Confirm the existence and values of assets and liabilities

Confirm if all statutory requirements have been met

An independent opinion on the truth and fairness of information in the financial statements

Detect and prevent errors

Detect and prevent fraud

Check for the misuse of entity resources (assets and revenue)

Increase the morale of trustworthy employees

Verify the legitimacy of all income sources

Identify any related party transactions

Provide any reasoning for the rankings applied above.

Does the entity provide customers, suppliers, investors and the general public an anonymous way to report actual or suspected fraudulent, corrupt, unethical or irregular practices by any person or party related to your financial organisation in any way?

"Anonymous" means independent from any "in-house" reporting system maintained and monitored by the entity itself.

Yes

No

Select all the methods that employees, customers, suppliers, investors and the general public can use to report actual or suspected fraudulent, corrupt, unethical or irregular practices, in an anonymous way.

- Dedicated website
- Dedicated phone line
- Dedicated e-mail address
- Dedicated postal address
- Secure complaint box
- Other method - Please specify

Is each of the methods used managed by an independent third party, at arm's length from your financial organisation in order to preserve anonymity?

- Yes
- No

How many times has each method been used in the last three (3) years?

	Nil	1	2	3 or more
Dedicated website	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dedicated phone line	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dedicated e-mail address	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dedicated postal address	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Secure complaint box	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other method(s)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

In the last three (3) years has the entity been the subject of any of the following?

For the purposes of this question, "investigation" means a non-routine investigation carried out by any regulatory authority or

industry body.

	Yes	No
Investigation (formal or informal) by a regulatory authority	<input type="radio"/>	<input type="radio"/>
Prosecuted by a regulatory authority	<input type="radio"/>	<input type="radio"/>
Sanctioned or warned by a regulatory authority	<input type="radio"/>	<input type="radio"/>
Investigation (formal or informal) by an industry body	<input type="radio"/>	<input type="radio"/>
Sanctioned or warned by an industry body	<input type="radio"/>	<input type="radio"/>

Names of any regulatory authority or industry body undertaking any investigation (formal or informal) of the entity.

- Reserve Bank of NZ (RBNZ)
- Financial Markets Authority (FMA)
- Serious Fraud Office (SFO)
- Commerce Commission
- Department of Internal Affairs (DIA)
- Ministry of Business, Innovation and Employment (MBIE)
- Ministry of Justice (MOJ)
- Inland Revenue (IRD)
- Industry Body

Briefly describe the outcome of any regulatory authority investigation.

Names of any regulatory authority taking prosecutions against the entity.

- Reserve Bank of NZ (RBNZ)
- Financial Markets Authority (FMA)
- Serious Fraud Office (SFO)
- Commerce Commission
- Department of Internal Affairs (DIA)
- Ministry of Business, Innovation and Employment (MBIE)
- Ministry of Justice (MOJ)
- Inland Revenue (IRD)
- Other - Please specify

Briefly describe the outcome of any regulatory authority prosecution.

Names of any regulatory authority that issued sanctions/warnings against the entity.

- Reserve Bank of NZ (RBNZ)
- Financial Markets Authority (FMA)
- Serious Fraud Office (SFO)
- Commerce Commission
- Department of Internal Affairs (DIA)
- Ministry of Business, Innovation and Employment (MBIE)
- Ministry of Justice (MOJ)
- Inland Revenue (IRD)
- Other - Please specify

Briefly describe the sanction(s)/warning(s) issued by a regulatory authority.

Name(s) of any industry body undertaking an investigation (formal or informal) of the entity.

Briefly describe the outcome of any industry body investigation.

Names of any industry body that issued sanctions/warnings against the entity.

Briefly describe the sanction(s)/warning(s) issued by an industry body.

This is an "Opinion only" question. The results will be reported to all self-assessment participants but are not scored.

To what extent do you agree or disagree with this statement?

"Sentences awarded by the courts for corporate fraud, bribery and corruption offences appear less severe than the seriousness of the offences committed?"

Strongly Disagree

Disagree

Neutral

Agree

Strongly Agree

SECTION 4 - Information and Communication

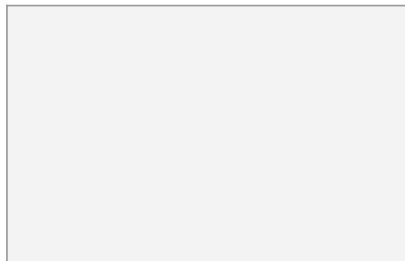
This section asks questions about the extent to which financial organisations make information publicly available and the importance of users, both intended and unintended, of that information.

The information have communication tools that are available to a variety of users, both intended and unintended. Information, in the context of this question, includes financial statements, investment statements, prospectuses, brochures, advertising, social media, electronic media etc.

From the list below rank each user of this information in order of importance to your financial organisation, where 1 is the most important user.

Drag your choices here to rank them

- Managers
- Investors (both existing and prospective)
- Lenders
- Customers
- Suppliers
- Competitors
- The Public
- Government Agencies including Regulators
- External Auditors
- Employees
- Civil Society Organisations



(CSO's)

Provide any reasoning for the rankings applied above.

To what extent does the entity make the following information publicly available?

	Very Weak	Weak	Moderate	Strong	Very Strong
Employee salary bands	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Governance remuneration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employee fringe benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gender employment equality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Corporate social responsibility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

How is information on employee salary bands made publicly available?

- Annual report
- 6-monthly report
- Website
- Social media
- Press releases
- Other - please specify

How is information on governance remuneration made publicly available?

- Annual report
- 6-monthly report

- Website
- Social media
- Press releases
- Other - please specify

How is information on employee fringe benefits made publicly available?

- Annual report
- 6-monthly report
- Website
- Social media
- Press releases
- Other - please specify

How is information on gender employment equality made publicly available?

- Annual report
- 6-monthly report
- Website
- Social media
- Press releases
- Other - please specify

How is information on corporate social responsibility made publicly available?

- Annual report

- 6-monthly report
- Website
- Social media
- Press releases
- Other - please specify

Does the entity have a formal policy on the procedure for responding to requests for information from the media and/or public interest groups?

- Yes
- No
- Not sure

Briefly describe the procedure for responding to requests for information by the media and/or public interest groups.

This is an "Opinion only" question. The results will be reported to all self-assessment participants but are not scored.

To what extent do you agree or disagree with this statement?

"A facilitation payment, no matter what the intended purpose, should be considered as a bribe?"

Strongly Disagree Disagree Neutral Agree Strongly Agree

Slide to select

SECTION 5 - Human Capital

This section asks questions about:

- The extent to which financial organisations provide rules and training for all personnel (including employees and governance body) on bribery, corruption, unethical practices and related issues;
- The extent to which the entity uses incentives to remunerate employees and, if so;
- The types of incentive based remuneration used by the entity.

Does the entity have a written Code of Conduct or similar set of rules that details social norms, rules and responsibilities and proper conduct and practice expected of employees and the governance body?

- Yes
- No

When was the written Code of Conduct or similar set of rules last formally reviewed?

- Within the last 12 month
- Within the last 24 month
- Within the last 36 months
- More than 36 months
- Never reviewed
- Not sure

Select the extent to which each of the following issues are covered in the Code of Conduct.

		Very Weak	Weak	Moderate	Strong	Very Strong
Bribery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Corruption	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fraud	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conflicts of Interest	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gifts from customers and suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hospitality from customers and suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How is "bribery" defined in the Code of Conduct.

How many breaches of the entity Code of Conduct on bribery have been reported in the last 12 months?

- Nil
- Not sure
- Prefer not to answer
- Enter a number

How is "corruption" defined in the Code of Conduct.

How many breaches of the entity Code of Conduct on corruption have been reported in the last 12 months?

- Nil
- Not sure
- Prefer not to answer
- Enter a number

How is "fraud" defined in the Code of Conduct.

How many breaches of the entity Code of Conduct on fraud have been reported in the last 12 months?

- Nil
- Not sure
- Prefer not to answer
- Enter a number

How is "conflict of interest" defined in the Code of Conduct.

How many breaches of the entity Code of Conduct on conflicts of interest have been reported in the last 12 months?

- Nil
- Not sure
- Prefer not to answer
- Enter a number

Select all the options that best describe the entity's policy on the receipt of gifts from customers and suppliers as set out in the Code of Conduct.

- Allowed provided full disclosure is made
- Allowed without limitation
- Allowed provided value is less than a specified amount

- Approved considerations are specified by the entity
- Unacceptable considerations are specified by the entity
- All considerations accepted must be reported
- All considerations declined must be reported
- Considerations above specified amount must be reported
- Non-disclosure is deemed "serious misconduct"
- Considerations are not allowed
- Other - please describe

How many breaches of the entity Code of Conduct on gifts from customers and suppliers have been reported in the last 12 months?

- Nil
- Not sure
- Prefer not to answer
- Enter a number

Briefly describe the entity policy on hospitality from customers and suppliers as set out in the Code of Conduct.

How many breaches of the entity Code of Conduct on hospitality from customers and suppliers have been reported in the last 12 months?

- Nil
- Not sure
- Prefer not to answer
- Enter a number

To what extent does the entity provide training for personnel (both employees and the governance body) on the following issues?



Select all the attributes of the entity's bribery training programme.

- Conducted by internal personnel
- Conducted by external personnel
- Conducted on induction
- Conducted not less than annually
- Competency is recognised in performance reviews
- Competency is recognised in entity media releases (internal and external)
- Other - Please specify

Select all the attributes of the entity's corruption training programme.

- Conducted by internal personnel
- Conducted by external personnel
- Conducted on induction
- Conducted not less than annually
- Competency is recognised in performance reviews
- Competency is recognised in entity media releases (internal and external)
- Other - Please specify

Select all the attributes of the entity's fraud training programme.

- Conducted by internal personnel
- Conducted by external personnel
- Conducted on induction
- Conducted not less than annually
- Competency is recognised in performance reviews
- Competency is recognised in entity media releases (internal and external)
- Other - Please specify

Select all the attributes of the entity's conflict of interest training programme.

- Conducted by internal personnel
- Conducted by external personnel
- Conducted on induction
- Conducted not less than annually
- Competency is recognised in performance reviews

Competency is recognised in entity media releases (internal and external)

Other - Please specify

Select all the attributes of the entity's gifts from customers and suppliers training programme.

Conducted by internal personnel

Conducted by external personnel

Conducted on induction

Conducted not less than annually

Competency is recognised in performance reviews

Competency is recognised in entity media releases (internal and external)

Other - Please specify

Select all the attributes of the entity's hospitality from customers and suppliers training programme.

Conducted by internal personnel

Conducted by external personnel

Conducted on induction

Conducted not less than annually

Competency is recognised in performance reviews

Competency is recognised in entity media releases (internal and external)

Other - Please specify

Select all the attributes of the entity's anti-money laundering (AML) training programme.

Conducted by internal personnel

Conducted by external personnel

- Conducted on induction
- Conducted not less than annually
- Competency is recognised in performance reviews
- Competency is recognised in entity media releases (internal and external)
- Other - Please specify

Select all the attributes of the entity's know your customer (KYC) training programme.

- Conducted by internal personnel
- Conducted by external personnel
- Conducted on induction
- Conducted not less than annually
- Competency is recognised in performance reviews
- Competency is recognised in entity media releases (internal and external)
- Other - Please specify

Select all the attributes of the entity's know your supplier (KYS) training programme.

- Conducted by internal personnel
- Conducted by external personnel
- Conducted on induction
- Conducted not less than annually
- Competency is recognised in performance reviews
- Competency is recognised in entity media releases (internal and external)
- Other - Please specify

Select all the attributes of the entity's know your employee (KYE) training programme.

- Conducted by internal personnel
- Conducted by external personnel
- Conducted on induction
- Conducted not less than annually
- Competency is recognised in performance reviews
- Competency is recognised in entity media releases (internal and external)
- Other - Please specify

Does the entity remunerate any employee on the basis of any of the following incentive based measurements?

	Yes	No
Revenue or Sales (\$)	<input type="radio"/>	<input type="radio"/>
Number of sales	<input type="radio"/>	<input type="radio"/>
Gross Profit (GP)	<input type="radio"/>	<input type="radio"/>
Net Profit (NP)	<input type="radio"/>	<input type="radio"/>
Customer number growth	<input type="radio"/>	<input type="radio"/>
Share Price	<input type="radio"/>	<input type="radio"/>
Earnings per Share (EPS)	<input type="radio"/>	<input type="radio"/>
Cross/up selling	<input type="radio"/>	<input type="radio"/>
Other incentive based measurement	<input type="radio"/>	<input type="radio"/>

Are members of the governance body (board) and senior management required to complete an annual statement in which they must disclose the nature of any interest that is, or is perceived to be, a conflict of risk (disclosure of interests)?

	Yes	No
Governance (board) members	<input type="radio"/>	<input type="radio"/>
Senior management	<input type="radio"/>	<input type="radio"/>

Are the annual disclosure of interest statements from governance (board) members made publicly available?

- Yes
- No

At what frequency are the annual disclosure of interest statements for governance (board) members updated?

Select all the options that apply.

- More frequently than annually
- Annually
- Biennially
- More than biennially
- Immediately there is a material change
- Not sure
- Other - Please specify

Are the annual disclosure of interest statements from senior management made publicly available?

- Yes
- No

At what frequency are the annual disclosure of interest statements for senior management updated?

Select all the options that apply.

- More frequently than annually
- Annually
- Biennially
- More than biennially
- Immediately there is a material change
- Not sure
- Other - Please specify

Does the entity pay any form of "soft dollar" benefits to employees or financial adviser contractors?

"Soft dollar" benefits are defined as an extra non-cash bonus given to an employee or contractor in return for meeting agreed product or sales objectives or for the direction of customers to a specific financial product or service provided by the entity.

- Yes
- No

Are "soft dollar" benefits disclosed to customers?

- Always
- Sometimes
- Never
- Not sure

This is an "Opinion only" question. The results will be reported to all self-assessment participants but are not scored.

To what extent do you agree or disagree with this statement?

"Anti fraud, bribery and corruption training for all personnel (both employees and governance body) is the most effective component of an effective anti fraud, bribery and corruption strategy?"

Strongly Disagree Disagree Neutral Agree Strongly Agree

Slide to select



SECTION 6 - Customers

This section asks questions about the way in which the entity inter with customers to ensure that customers are treated fairly and their privacy is respected and protected.

Does the entity have a code of conduct or similar set of rules for the fair treatment of customers?

- Yes

- No
- Not sure

To what extent are the following obligations covered in the customer code of conduct (or similar set of rules)?

		Very weak	Weak	Moderate	Strong	Very Strong
Provide information to enable informed decision making	<input type="radio"/>	<input type="checkbox"/>				
Marketing material not to be misleading	<input type="radio"/>	<input type="checkbox"/>				
The right for customers to be treated fairly at all times	<input type="radio"/>	<input type="checkbox"/>				
Personal and business information is treated according to privacy laws	<input type="radio"/>	<input type="checkbox"/>				
A prompt and fair response to customer feedback	<input type="radio"/>	<input type="checkbox"/>				
A "cooling off period" in excess of that required by law/regulation/industry code	<input type="radio"/>	<input type="checkbox"/>				
A dispute resolution process	<input type="radio"/>	<input type="checkbox"/>				
The proper disclosure of conflicts of interest	<input type="radio"/>	<input type="checkbox"/>				
Disclosure of remuneration and incentives paid to employees and advisers	<input type="radio"/>	<input type="checkbox"/>				
Full disclosure of all product information, including costs	<input type="radio"/>	<input type="checkbox"/>				
Full disclosure of the risks and costs associated with product replacement	<input type="radio"/>	<input type="checkbox"/>				

Disclosure of the entity's privacy policy

The use of plain English language to communicate with customers

How many breaches of the customer code of conduct (or similar set of rules) have been reported in the last 12 months?

- Nil
- Not sure
- Prefer not to answer
- Enter a number

Select all obligations of the customer code of conduct (or similar set of rules) that have been breached in the last three (3) years.

- Inadequate information to enable informed decision making
- Misleading marketing material
- Unfair treatment of customers
- Breach of privacy laws
- Delay in responding to customer feedback
- Failure to comply with the "cooling off" period
- Implementation of of the dispute resolution process
- Failure to disclose conflicts of interest
- Failure to disclose remuneration and incentives paid to employees and advisers
- Failure to disclose all product information, including costs
- Failure to disclose the risks and costs associated with product replacement
- Failure to disclose the entity's privacy policy
- Other - Please specify

SECTION 7 - Operations

This section asks questions about the extent to which financial organisations:

- * Manage the potential for employee bribery, corruption and fraud risk;

* Manage the potential for customer, supplier or distributor, bribery, corruption and fraud risk;

To what extent has the entity implemented the following procedures to manage bribery, corruption and fraud risk?



Are ALL breaches of the bribery, corruption and fraud policy by employees ALWAYS reported to the appropriate external agency for enforcement?

External agencies include the NZ Police, Serious Fraud Office ("SFO") and Financial Markets Authority ("FMA").

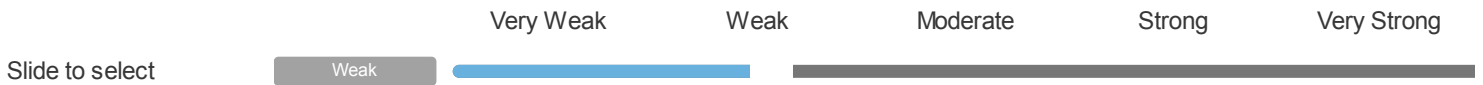
- Yes
- No
- Not sure

Select all the reasons why breaches of the bribery, corruption and fraud policy by employees are not always reported to the appropriate external agency for enforcement?

- Reputational risk to the entity
- Confidential settlement with the employee
- Restitution settlement with the employee
- Minor breach only of the bribery, corruption and fraud policy
- Personal concerns for the employees emotional/mental condition
- Protection for a "whistleblower"
- Other - please specify

To what extent has the entity implemented policies and procedures to cover the "on-boarding" of all new customers?

"Customer onboarding" is the induction process an entity undertakes to enhance the customer experience and to satisfy regulatory and credit risks. The process is sometimes referred to as "know your customer" ("KYC") and includes credit checking and compliance with AML legislation.



In the last three (3) years, has any breach of the entity's customer "on-boarding" polices and procedures resulted in:

	Yes	No	Not sure
Financial loss to the entity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Financial loss to a third party	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Reputational loss to the entity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Reputational loss to a third party	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Breach of any law or regulation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Enforcement action against the customer by an enforcement agency	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

To what extent has the entity implemented policies and procedures to cover the "on-boarding" of all new suppliers and distributors?

Suppliers and distributors includes all intermediaries such as financial advisers.

Very Weak

Weak

Moderate

Strong

Very Strong

Slide to select

Weak

In the last three (3) years, has any breach of the entity's supplier/distributor "on-boarding" policies and procedures resulted in:

	Yes	No	Not sure
Financial loss to the entity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Financial loss to a third party	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Reputational loss to the entity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Reputational loss to a third party	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Breach of any law or regulation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Enforcement action against the customer by an enforcement agency	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

At what frequency are "high value" customers reallocated to a new contact person within the entity?

"High value" means a customer within the top 25% of all customers as measured by value.

Never

Rarely

Sometimes

Often

Very Often

Slide to select

Rarely

At what frequency are "high value" suppliers reallocated to a new contact person within the entity?

"High value" means a supplier within the top 25% of all suppliers as measured by value.

Never

Rarely

Sometimes

Often

Very Often

Slide to select

Rarely

At what frequency is the entity's anti-bribery, corruption and fraud programme audited?

Select all the frequencies that apply.

- 6 monthly or more frequently
- Annually
- Biennially

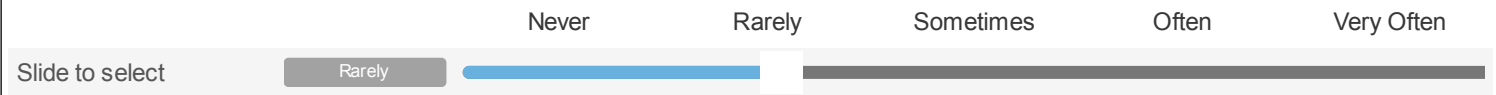
- Randomly
- Infrequently
- Whenever a breach is reported
- Other frequency - please specify

How are audits of the entity's bribery, corruption and fraud programme conducted?

- By internal audit only
- By external audit only
- By both internal and external audit

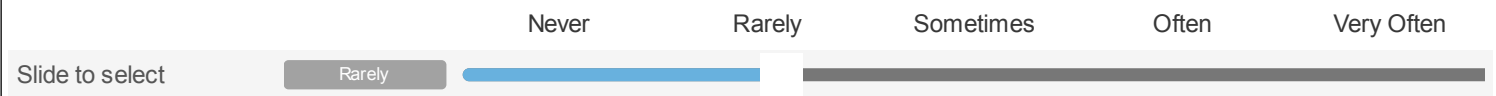
At what frequency are persons employed in accounts payable positions rotated to other accounting positions within the entity?

For example, accounts payable employees are rotated to accounts receivable or handling wages and salaries.



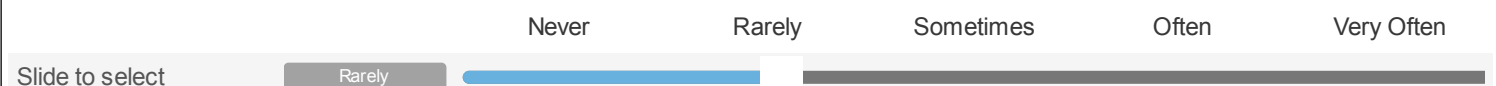
At what frequency are persons employed in accounts receivable positions rotated to other accounting positions within the entity?

For example, accounts receivable employees are rotated to accounts payable or handling wages and salaries or accounts payable.



At what frequency are persons employed in the payment of wages, salaries and other emoluments rotated to other accounting positions within the entity?

For example, employees handling wages and salaries are rotated to accounts receivable or accounts payable.



SECTION 8 - Risk Management and Monitoring

This section asks questions about the adequacy of measures adopted by financial institutions to manage and monitor bribery, corruption, fraud and money laundering risks.

How many breaches of the entity anti-bribery, corruption and fraud programme have been reported in the last 12 months?

- Nil
- Not sure
- Prefer not to answer
- Enter a number

Select the causes of all breaches of the entity anti-bribery, corruption and fraud programme that have occurred in the last three (3) years.

- Inadequate training
- Failure to conduct risk based due diligence
- Third party breach of anti-bribery/corruption controls
- Failure to report a breach of an anti-bribery/corruption risk event
- Other - Please specify
- Poor communication of the programme
- Lack of commitment from governance and/or management
- Employee breach of anti-bribery/corruption controls
- Failure to conduct regular risk assessments

Does the anti-bribery, corruption and fraud programme consider "out of character" behaviours of employees who hold delegated authority of any kind?

*"Out of character" behaviours are those behaviours that may indicate the presence of corrupt or fraudulent practices, sometimes referred to as "red flags". For a list of common fraud "red flags" [click here](#)
Delegated authority includes financial, operational, procurement and/or managerial delegated authority.*

- Yes
- No
- Not sure
- No anti-bribery, corruption or fraud programme implemented
- A risk/audit committee function

In the last 3 years, has any "red flag" behaviour by an employee provided the primary evidence for a breach of the entity's anti-bribery corruption and fraud programme?

For a list of common red flags, [click here](#)

- Yes
- No
- Not sure
- Prefer not to answer

The improper use (either deliberate or inadvertent) of an entity's information technology (IT) assets can expose the entity to bribery, corruption and fraud risk.

- Does the entity have an [acceptable use policy](#) that restrict the ways in which the network, website or system may be used and sets guidelines as to how it should be used?
- Is the policy rigidly enforced?
- Have any breaches of the acceptable use policy ever resulted in any loss to the entity (loss include any financial or reputation loss)?

	Yes	No	Not sure
Entity has acceptable use policy in place?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Acceptable use policy is rigidly enforced?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Has any breach of acceptable use policy caused any loss?	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

To what extent does the entity carry out the following checks when "on-boarding" of all new employees?

		Never	Rarely	Sometimes	Frequently	Always
Reference check	<input type="radio"/> Rarely	<input checked="" type="radio"/>		<input type="radio"/>		
Credit check	<input type="radio"/> Rarely	<input checked="" type="radio"/>		<input type="radio"/>		
Police check	<input type="radio"/> Rarely	<input checked="" type="radio"/>		<input type="radio"/>		
Drug test	<input type="radio"/> Rarely	<input checked="" type="radio"/>		<input type="radio"/>		

Social media check	Rarely		
Confirmation of any qualifications	Rarely		
Confirmation of any licences or registrations	Rarely		
Identity check	Rarely		
Proof of place of residence	Rarely		
Gaps in employment history	Rarely		
Duplicate bank account check	Rarely		
News media check	Rarely		
Insolvency register check	Rarely		
Related party check	Rarely		

In the last three (3) years, has any breach of the entity's employee "on-boarding" policies and procedures resulted in:

	Yes	No	Not sure
Financial loss to the entity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Financial loss to a third party	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Reputational loss to the entity	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Reputational loss to a third party	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Breach of any law or regulation	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Enforcement action against an employee by an enforcement agency	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

Transparency International New Zealand has identified 7 policies that are key to the prevention of bribery, corruption, fraud, money laundering and unethical behaviours.

From the list below, rank each of these policies in order of importance to the entity, where 1 is the most important policy.

Drag your choices here to rank them

- Tone at the top
- Code of conduct
- Communication and training
- Up to date knowledge of legislation and regulation

Whistle blowing capability

Proper due diligence of 3rd party suppliers and customers

Regular audits and risk assessments

Provide any commentary relevant to the rankings applied above.

Transparency International New Zealand has identified 7 benefits for entities with strong integrity systems.

From the list below, rank each of these benefits in order of importance to the entity, where 1 is the most important policy.

Drag your choices here to rank them

Enhanced reputation and brand

Easier access to markets

Lower costs of doing business

Greater customer loyalty

Easier access to capital

Quality and committed employees

Improved return on equity/investment

Provide any commentary relevant to the rankings applied above.

SECTION 9 - Procurement

This section asks questions about the adequacy of measures adopted by financial institutions to manage and monitor bribery, corruption and fraud along the supply chain.

To what extent does the entity have risk management measures in place to prevent or mitigate the occurrence of the following "bid rigging" methods within the procurement process?

Cover bidding (or courtesy bidding) occurs where some of the bidders agree to submit bids that are intended not to be successful so that another bidder can win the contract

Bid suppression occurs when bidders agree not to submit a bid so that another bidder can win the contract.

Bid rotation occurs when bidders take turns at being the successful bidder, for example, each bidder is designated to be the successful bidder on certain contracts with other bidders designated to win other contracts.

Market allocation, where bidders allocate or apportion markets, products, customers or geographic territories among themselves so that each will get a "fair share" of the total business available without having to truly compete with each other for that contract.

		Very weak	Weak	Moderate	Strong	Very strong
Cover bidding	<input type="checkbox"/>	<input type="checkbox"/>				
Bid suppression	<input type="checkbox"/>	<input type="checkbox"/>				
Bid rotation	<input type="checkbox"/>	<input type="checkbox"/>				
Market allocation	<input type="checkbox"/>	<input type="checkbox"/>				

In the last three (3) years has the entity experienced any of the following "bid rigging" methods within the procurement process?

	Yes	No	Not sure
Cover bidding	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bid suppression	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Bid rotation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Market allocation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To what extent does the entity use agents or intermediaries in the procurement of the following goods and services?

		No Use	Rare Use	Some Use	Often	Extensive Use
Information Technology (IT) hardware	<input type="text" value="-"/>	<input type="checkbox"/>				
Information Technology (IT) software	<input type="text" value="-"/>	<input type="checkbox"/>				
Business advisory and compliance services such as legal and accounting	<input type="text" value="-"/>	<input type="checkbox"/>				
Real estate acquisition	<input type="text" value="-"/>	<input type="checkbox"/>				
Real estate leasing	<input type="text" value="-"/>	<input type="checkbox"/>				
Customer acquisition	<input type="text" value="-"/>	<input type="checkbox"/>				
Other asset acquisition	<input type="text" value="-"/>	<input type="checkbox"/>				
Other asset leasing	<input type="text" value="-"/>	<input type="checkbox"/>				
Employee recruitment	<input type="text" value="-"/>	<input type="checkbox"/>				

In the last three (3) years has the entity experienced any breach of procurement policy for the following goods and services?

	Yes	No	Not sure
Information Technology (IT) hardware	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information Technology (IT) software	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Business advisory and compliance services such as legal and accounting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Real estate acquisition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Real estate leasing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Customer acquisition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other asset acquisition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other asset leasing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Employee recruitment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

This is an "Opinion only" question. The results will be reported to all self-assessment participants but are not scored.

To what extent do you agree or disagree with this statement?

"Competition between financial institutions plays a significant role in the prevention of corruption?"

Strongly Disagree

Disagree

Neutral

Agree

Strongly Agree

Slide to select



SECTION 10 - Entity Information

This section asks questions about the entity completing this Self-Assessment.

Describe the type of entity completing this self-assessment.

Select all the options that apply to the entity.

- | | |
|---|--|
| <input type="checkbox"/> Registered bank | <input type="checkbox"/> Finance company |
| <input type="checkbox"/> KiwiSaver provider | <input type="checkbox"/> Investment provider |
| <input type="checkbox"/> Life insurer | <input type="checkbox"/> General insurer |
| <input type="checkbox"/> Other entity - please describe | |

Number of full-time equivalent (FTE) employees?

- Less than 50
- 5 to 99
- 100 to 149

- 150 to 199
- 200 to 249
- 250 to 499
- 500 or more

Revenue reported in the last full financial year?

- Less than \$1,000,000
- \$1,000,000 to \$5,000,000
- \$5,000,001 to \$10,000,000
- \$10,000,001 to \$25,000,000
- \$25,000,001 to \$50,000,000
- \$50,000,001 to \$100,000,000
- \$100,000,001 to \$500,000,000
- More than \$500,000,000

Total Assets reported in the last full financial year?

- Less than \$5,000,000
- \$5,000,001 to \$10,000,000
- \$10,000,001 to \$50,000,000
- \$50,000,001 to \$100,000,000
- \$100,000,001 to \$250,000,000
- \$250,000,001 to \$500,000,000
- \$500,000,001 to \$1,000,000,000
- More than \$1,000,000,000

Is the entity a "reporting entity" for the purposes of the Anti-Money Laundering and Counter Financing of Terrorism Act 2009?

- Yes
- No

Select all the AML/CFT reporting entity categories that apply to the entity.

- | | |
|---|--|
| <input type="checkbox"/> Casino | <input type="checkbox"/> Lending |
| <input type="checkbox"/> Accountant | <input type="checkbox"/> Debt factoring |
| <input type="checkbox"/> Debt collection | <input type="checkbox"/> Financial leasing |
| <input type="checkbox"/> Real estate agent | <input type="checkbox"/> Foreign exchange |
| <input type="checkbox"/> Transferable securities | <input type="checkbox"/> Commodity futures trading |
| <input type="checkbox"/> Dealers in precious metals | <input type="checkbox"/> Dealers in precious stones |
| <input type="checkbox"/> Money and currency changing | <input type="checkbox"/> Money or value transfer services |
| <input type="checkbox"/> Trust and company service providers | <input type="checkbox"/> Financial guarantees and commitments |
| <input type="checkbox"/> Issuing and managing means of payment | <input type="checkbox"/> Transport of cash and other securities |
| <input type="checkbox"/> Exchange, interest rate and index instruments | <input type="checkbox"/> Individual and collective portfolio management |
| <input type="checkbox"/> Lawyers, notaries and other independent legal professionals | <input type="checkbox"/> Investing, administering or managing funds or money on behalf of other persons |
| <input type="checkbox"/> Money market instruments (cheques, bills, certificates of deposit, derivatives etc) | <input type="checkbox"/> Underwriting and placement of life insurance and other investment related insurance |
| <input type="checkbox"/> Safekeeping and administration of cash or liquid securities on behalf of other persons | <input type="checkbox"/> Participation in securities issues and the provision of financial services related to such issues |
| <input type="checkbox"/> Other | |

Select the name(s) of all the entity's AML/CFT supervisors.

- Reserve Bank of NZ (RBNZ)

- Department of Internal Affairs (DIA)
- Financial Markets Authority (FMA)

What percentage (%) of the entity's customers are non-residents?

- Nil
- Less than 10%
- 10% to 19%
- 20% to 29%
- 30% or more

Enter the percentage (%) of the entity's customers in each of the ethnic categories listed below.

	< 10%	10% to 19%	20% to 29%	30% to 39%	40% or more
NZ European	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
NZ Maori	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pacific Island	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Asian (excluding Indian)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Indian	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other European	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

SECTION 11

This section asks questions about the people, within your financial organisation, who contributed to the completion of the FISA Self-Assessment.

Select the positions held, within your financial organisation, by all personnel that contributed to the completion of this self-assessment.

Select all the positions that apply.

- | | |
|--|--|
| <input type="checkbox"/> Chair of the governance body | <input type="checkbox"/> Other governance body members |
| <input type="checkbox"/> Chief Executive/CEO | <input type="checkbox"/> Chief Operating Officer (COO) |
| <input type="checkbox"/> Other Operations personnel | <input type="checkbox"/> Head of Finance/CFO |
| <input type="checkbox"/> Other Finance personnel | <input type="checkbox"/> Head of Internal Audit |
| <input type="checkbox"/> Other Internal Audit personnel | <input type="checkbox"/> Head of Risk Management |
| <input type="checkbox"/> Other Risk Management personnel | <input type="checkbox"/> Chief Information Officer (CIO) |
| <input type="checkbox"/> Head of Information Technology (IT) | <input type="checkbox"/> Other IT Personnel |
| <input type="checkbox"/> Head of Marketing/Sales | <input type="checkbox"/> Other Marketing/Sales personnel |
| <input type="checkbox"/> Head of Procurement | <input type="checkbox"/> Other Procurement personnel |
| <input type="checkbox"/> Head of Communications | <input type="checkbox"/> Other Communications personnel |
| <input type="checkbox"/> Head of Human Resources (HR) | <input type="checkbox"/> Other HR personnel |
| <input type="checkbox"/> Other - Please specify | |

Does the entity wish to make any further comments about any of the questions in this self-assessment?

- Yes
- No

Enter any comments in the panel below.

Do you wish to receive a copy of the entity's responses and a comparison with the aggregated results of the self-assessment?

Yes

No

Enter the contact details of the person to whom the results of this assessment should be sent.

First Name :

Last Name :

Position :

Email Address :

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Appendix 1: The New Zealand Financial Integrity System Assessment (FISA)

ASSESSMENT SUBJECTS

The FISA is comprehensive, covering nine areas where the risk of corruption can be mitigated by strengthening integrity reflected in culture and conduct. The five-yearly system assessment will be carried out by three Independent Assessors who have a strong background in the regulation, governance and scrutiny of financial organisation. They will conduct the financial sector assessment starting in year-1, using the anonymised annual responses to the online self-assessments from participating organisations as part of their evidence base. The assessors will also carry out research in specific areas not covered by the **FISA Self-Assessment**. Their work will be reviewed by a group led by Dame Alison Paterson. The final report will be reviewed prior to publication, by three peer reviewers including at least one from offshore. Throughout the assessment period, there will be many opportunities for discussion and feedback from the wider public. An attribute of the assessment methodology is that it's designed so that there can be open discussion of findings throughout.

GOOD CONDUCT PREVENTS CORRUPTION

The FISA assessment framework is designed around an examination of the extent that financial organisations implement seven key practices that shape integrity systems, as identified by Transparency International New Zealand.

They are:

1. Tone at the top
2. Continuous improvement in conduct and ethical behaviour
3. Strengthening integrity systems through effective communication and training
4. Up-to-date knowledge of relevant legislation/regulation
5. Avenues for reporting ethical standards breaches including anonymity for whistle-blowers
6. Effective Know Your Customer (KYC) and Know Your Supplier (KYS) procedures
7. Regular audits backed up by independent risk assessments that uncover corrupt practices and advise on weaknesses in integrity systems.

These 7 key practices provide the framework for good conduct and a culture that contributes to strengthening integrity systems and the prevention of corruption.

FEATURES OF A STRONG INTEGRITY SYSTEM

TINZ's approach is based on comparative research that finds the best antidote to corruption is strong integrity systems – systems build off good conduct and culture. As well as preventing bribery, corruption and fraud, strong integrity systems also provide financial organisations with levers for increasing returns in ways that benefit their customers, staff and shareholders.

Financial organisations can harvest these benefits which will be enhanced through a financial system that displays a high level of integrity.

The **FISA Self-Assessment** is designed to monitor the practices that lead to improved outcomes and to measure the net change in these benefits.

Further evidence will be collected as part of the five-yearly **FISA Assessment**.

Trends in the following integrity system development factors will be monitored:

1. Reputation and brand
2. Easier market access
3. Lower costs
4. Customer loyalty
5. Easier access to quality capital
6. Quality committed staff
7. Higher returns/ productivity

By examining the net benefits to financial organisations that take steps to implement these factors, FISA will provide a context for a national discussion of what works best to build the resilience that sustains those financial organisations that are committed to high levels of integrity.

BENEFITS OF AN INDEPENDENT ASSESSMENT

The New Zealand Story, the government's brand research specialists, have found widespread evidence that our country is regarded as unique in that it does business with integrity (see www.newzealandstory.govt/NZ about New Zealand's reputation: perception or reality).
<https://www.nzstory.govt.nz/blog/perception-or-reality/>)

This is backed up by the World Bank analysis that regularly places New Zealand at number 1 as the best place to do business.

Despite these positive perceptions about New Zealand, its financial system is overlooked by many investors because of its small size. The demonstration of willingness by banks, insurance companies, financial companies and other financial services providers to engage with a voluntary self-assessment, will draw the world's attention. At the same time, FISA provides a framework to describe and demonstrate the positive attributes of the New Zealand financial sector.

Importantly, an attribute of New Zealand, as a trusted society, is that it is possible to do the right thing without the need for extensive regulation. Financial organisations that participate in the FISA self-assessment will gain additional insights about ways to take their own steps to strengthen integrity systems within their businesses.

Appendix 2: General Glossary

The draft definitions below will be further refined and adapted as part of the assessment.

Abuse of position is a form of bribery, corruption or fraud where a person in a position of authority or appointed trust abuses their position for personal or financial gain, or so that someone else loses money or status. The abuse can be through action or inaction.

Anti-money laundering (AML) refers to a set of procedures, laws or regulations designed to stop the practice of generating income through illegal actions.

<http://www.investopedia.com/terms/a/aml.asp>

Assurance engagement is an engagement in which a practitioner expresses a conclusion designed to enhance the degree of confidence of the intended users other than the responsible party about the outcome of the evaluation or measurement of a subject matter against criteria.¹

Basel Committee on Banking Supervision (BCBS) is a group of international banking authorities who work to strengthen the regulation, supervision and practices of banks and improve financial stability worldwide.

<http://searchcompliance.techtarget.com/definition/Basel-Committee-on-Banking-Supervision-BCBS>

Beneficial ownership refers to the natural person(s) who ultimately own(s) or control(s) a customer and/or the natural person on whose behalf a transaction is being conducted. It also includes those persons who exercise ultimate effective control over a legal person or arrangement.²

Base Erosion Profit Sharing (BEPS) refers to tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations. Under the inclusive framework, over 100 countries and jurisdictions are collaborating to implement the BEPS measures and tackle BEPS.

Bid-rigging is where bidders for a contract collude on deciding which company should win a bid. This is achieved by agreeing on pricing and other components of the bid. Bid-rigging can include bid rotation, complementary bidding and cover pricing. Bid-rigging can be an offence under cartel or antitrust law if this exists.

Bid rotation is where tenders are a continuing opportunity and companies collude to rotate winning bids among themselves so that all the companies benefit over time. Bid rotation is a form of collusion.

Bribery is the offering, soliciting, giving or receiving of a financial or other advantage to influence the actions of a person in charge of a public or organisational duty. For an action which is a breach of trust in the business context, this is usually in order to obtain or retain business or to secure an improper advantage. See below for the specific term “foreign bribery”.

Business Principles for Countering Bribery is a good practice model for corporate anti-bribery policies and programmes developed through a multi-stakeholder process initiated and led by

¹ See: www.iaasb.org/

² See: www.fatf-gafi.org/media/fatf/documents/reports/Guidance-transparency-beneficial-ownership.pdf

Transparency International. The Business Principles were first published in 2002 and a third edition was published in 2013³.

Civil Society Organisations (CSOs) are non-market, non-government entities formed by people with a common interest. It is defined by the OECD as “the multitude of associations around which society voluntarily organizes itself and which represent a wide range of interests and ties. These can include community-based organisations, indigenous peoples’ organisations and non-government organisations.” (OECD, 2006, DAC Guidelines and Reference Series Applying Strategic Environmental Assessment: Good Practice Guidance for Development Co-operation, OECD Paris.)

Code of conduct is a policy statement of principles and standards that all company personnel, board members and third parties must follow. It can be applied to or adapted to cover third parties.

Conflict of interest is a situation where an individual or the entity for which they work, whether a government, business, media outlet or civil society organisation, is confronted with choosing between the duties and demands of their position and their own private interests.

Corruption is the abuse of entrusted power for private gain. International conventions, such as the United Nations Convention Against Corruption have avoided defining corruption, choosing instead to address specific forms of corruption.

Cronyism is the favouring of friends. Related to this are clientelism and patronage.

Cross-selling is the practice of selling an additional product or service to an existing customer. It is important to ensure that the additional product or service being sold enhances the value to the customer and this is transparent to them.

Due diligence is an investigation or audit of a potential business, investment or individual prior to entering into a business agreement or transaction or recruitment or appointment of individuals. Due diligence is an essential part of the anti-corruption programme.

Distributed Denial-of-Services Attacks are internet events in which multiple compromised computers or systems are made to attack a single targeted system. By flooding it with incoming messages in order to overload it, the compromised computers cause the target system to shut down. The shutdown results in legitimate users receiving “denial of service” messages when trying to access the targeted site or system.

Extortion is a criminal offence of obtaining money, property, or services from a person or an entity by coercion.

Facilitation Payment is a financial payment that is made with the intention of expediting an administrative process. It is made to smooth the progress of a service to which the payer is legally entitled, even without making such a payment. In some countries, these payments are considered normal, whereas in other countries, facilitating payments are prohibited by law and considered bribes.

Financial Action Task Force (FATF), is an intergovernmental organisation founded in 1989 on the initiative of the G7 to develop policies to combat money laundering. In 2001 the purpose expanded to act on terrorism financing.

³ Business Principles for Countering Bribery (Berlin: TI, 2013)

<https://www.google.co.nz/search?q=fatf+meaning&oq=fatf+meaning&aqs=chrome..69l57j0.4512j0j7&sourceid=chrome&ie=UTF-8>

Financial institutions for this assessment include financial organisations (see below) plus financial market regulators, supervisors and oversight agencies.

Financial organisations for this assessment refers to entities which borrow, lend, invest money and/or provide insurance. This includes banks, non-bank deposit takers, building societies, credit unions, some lenders other than NBDTs, KiwiSaver providers, insurance companies, and other fund managers.

Financial sector includes financial organisations and payment and settlement systems

Financial system includes the banking and finance sector and its regulators. In New Zealand, these are: Reserve Bank of New Zealand (RBNZ), the Financial Markets Authority (FMA), the Commerce Commission, the Department of Internal Affairs (DIA), Trustee Corporations, MBIE, the Banking Ombudsman, the Insurance and Financial Services Ombudsman, Financial Services Complaints Limited and Financial Disputes Limited, Financial Services Council (FSC), the Bankers' Association and other professional bodies, and financial organisations. Excluded for the purposes of FISA (out of scope) are: credit card issuers, providers of store credit cards and similar, and financial advisors.

Foreign bribery For the purposes of FISA, foreign bribery is defined in accordance with Article 1 of the OECD Anti-Bribery Convention, as "to offer, promise or give away any undue pecuniary or other advantage, whether directly or through intermediaries, to a foreign public official, for that official or for a third party, in order that the official act or refrain from acting in relation to the performance of official duties, in order to obtain or retain business or other improper advantage in the conduct of international business.

Foreign Corrupt Practices Act 1977 (FCPA) is a United States federal law (15 U.S.C. §§ 78dd-1, et seq.) generally prohibiting US companies and citizens and foreign companies listed on a US stock exchange from bribing foreign public officials to obtain or retain business. The FCPA also requires "issuers" (any company including foreign companies) with securities traded on a US exchange to file periodic reports with the Securities and Exchange Commission to keep books and records that accurately reflect business transactions and to maintain effective internal controls.

Fraud is [intentional deception](#) made for personal gain or to damage another individual or organisation.

Gift is money, goods, services or loans given ostensibly as a mark of friendship or appreciation. A gift is professedly given without expectation of consideration or value in return. A gift may be used to express a common purpose and the hope of future business success and prosperity. It may be given in appreciation of a favour done or a favour to be carried out in the future.

Grand Corruption is a Transparency International working definition of a public official or other person who deprives a particular social group or substantial part of the population of a state of a fundamental right; or causes the state or any of its people a loss greater than 100 times the annual minimum subsistence income of its people; as a result of bribery, embezzlement or other corruption offence.

Impunity is exemption from punishment when using power or self-appointed authority to take resources intended for another purpose.

Integrity pact is a tool developed by Transparency International for preventing corruption in public contracting, comprising an agreement between the government agency offering a contract and the enterprises bidding for it that they will abstain from bribery, collusion and other corruption.⁴

Integrity system refers to the features of the entity's structure that contribute to transparency and accountability. This system is more effective in preventing corruption when these features are across policy, governance, financial performance, information and communication, human capital, customers, operations, monitoring and procurement of the entity or sector.

Kickback is a payment or in-kind bribe given in return for facilitating a commercial transaction such as a contract or a loan. The term kickback describes its most common form where a portion of a contract fee from an awarded contract is kicked-back to the person approving the contract.

Know Your Customer (KYC) refers to a policy followed by responsible organisations to ensure their customers are trustworthy. It entails the collection of background information about their customers.

Know Your Supplier (KYS) refers to a policy followed by responsible organisations to ensure their suppliers, distribution channels and sources of raw materials are trustworthy and observe international human rights. It entails the collection of background information about their suppliers.

Libor is the London Inter-bank Offered Rate.

Libor/price fixing involved a scheme by bankers at many major financial institutions to manipulate the Libor for the purposes of profit.

New Zealand Story (see www.nzstory.govt.nz) is a government initiative to help New Zealand companies gain a competitive advantage in overseas markets by building a strong, consistent profile for New Zealand exporters in international markets. Its launch was funded in Budget 2013. The lead agencies for the New Zealand Story are Tourism NZ, NZ Trade and Enterprise, and Education NZ.

Passive bribery is the request or receipt, directly or indirectly, by a person of any undue advantage or the promise thereof for themselves or for anyone else, or the acceptance of an offer or a promise of such an advantage, to act or refrain from acting in breach of their duties.

Politically exposed person (PEP) is a term describing someone who has been entrusted with a prominent public function which presents a higher risk for potential involvement in bribery and corruption by virtue of their position and the influence that they may hold. The term PEP is typically used referring to customers in the financial services industry, while the term "foreign official" is used to refer to the risks of third-party relationships in all industries.

Related-party transaction is a business transaction or arrangement between two parties who associated in a relationship before the transaction.

Responsible lending code is a set of guidelines being increasingly refined which focus financial organisations on the integrity attributes of their borrowers ("know your customers").

Risk assessment is a systematic and continuing process for identifying and analysing inherent bribery and corruption risks to enable an assessment of their likelihood and impact on the enterprise's ability to achieve its commitments and objectives. Within the framework of the risk

⁴ See: www.transparency.org/whatwedo/tools/integrity_pacts

approach of the enterprise, the results of risks assessments are used to decide the controls to be implemented to mitigate the risks.

Stakeholders are those groups that affect and/or could be affected by an organisation's activities, products or services and associated performance. This does not include all those who may have knowledge of or views about an organisation. Organisations will have many stakeholders, each with distinct types and levels of involvement, and often with diverse and sometimes conflicting interests and concerns.⁵

Subsidiary is a separate legal entity in which the company (the parent or holding company) has a controlling equity interest or exercises a de facto controlling interest, such as the right to nominate members of the board of directors and thereby control the board, founder/priority shares, preferred shares, a controlling foundation or other devices.

Theft is dishonestly appropriating the property of another with the intention of permanently depriving them of it. This may include the removal or misuse of funds, assets or cash.

Tone from the top is the way the top leadership – the chair and CEO as well as board members and senior management – communicate and support by their actions, the enterprise's commitment to values including openness, honesty, integrity, and ethical behaviour and in particular the anti-corruption programme.

Trading in influence is also called "influence peddling", occurs when a person who has real or apparent influence on the decision-making of a person exchanges this influence for an undue advantage. The person with influence has the intent of persuading the decision-maker to act in a desired manner. The emphasis here is on "undue" to distinguish it from legitimate influence seeking such as lobbying or advocacy. The decision-maker may be unaware of the undue influence.

Transparency refers to the openness of an organisation about its values and policies reflected in monitoring, recording and publishing relevant information about performance that has an impact on its customers, staff and stakeholders. Transparency is regarded as a key part of a strong integrity system as it is a valuable tool for preventing corruption.

Undue advantage is an improper or unfair benefit whether promised, given or received.

Whistleblowing is the sounding of an alarm by an employee, director, or external person, with the aim of revealing neglect or abuses within the activities of an enterprise (or one of its third parties) or other organisation that threaten the public interest or the entity's integrity and reputation.

Abbreviations not covered in glossary

CFT - Countering the Financing of Terrorism

FISA – Financial Integrity System Assessment

IMF - International Monetary Fund

NBDT – Non-bank deposit takers

⁵ See: <http://www.accountability.org/standards/>

Appendix 3: Data Security and Intellectual Property

A. Data Security

Transparency International NZ (TINZ) undertakes to anonymise the results of the **FISA Self-Assessment**. This means that it will keep all information collected from individual respondents confidential.

1. Omni Risk Limited (“Omni”) utilises proprietary software under an Enterprise licence acquired from QuestionPro (www.questionpro.com), a wholly owned subsidiary of Survey Analytics (www.surveyanalytics.com) located in San Francisco USA.
2. Survey Analytics LLC is certified under the U.S. Department of Commerce's Safe Harbor Programme. The designation certifies that Survey Analytics LLC conducts business in compliance with European privacy laws. Through the certification, Survey Analytics LLC demonstrates its commitment to upholding the highest privacy standard and adhering to the seven International Safe Harbour Privacy Principles of: notice, choice, onward transfer, access, security, data integrity and enforcement.
3. Survey Analytics has Trustwave certification. Trustwave has deep experience helping members of the payments industry to secure data and become compliant with card brand and industry mandates, including the Payment Card Industry Data Security Standard (PCI DSS). Survey Analytics has worked with Trustwave to be get PCI DSS compliance and vulnerability scans certified. A copy of the Trustwave certificate is attached.
4. Survey Analytics uses Internap data centres. Internap Network Services Corporation (NASDAQ: INAP), is a provider of intelligent IT Infrastructure services, has successfully completed the transition from SAS 70 to a Service Organisation Controls (SOC) Report, regarding the operations and control structure in its company-controlled data centres. Internap is one of the first known data centre providers to receive a report under the new SOC2 Type II standard for controls at a service organisation. A copy of the Survey Analytics Data Centre SOC2 certification is also attached.
5. In our opinion the level of data security provided by Survey Analytics is the equivalent of a Tier 4 data storage facility. The “tier” system is used to define the maximum “downtime” provided by data centres in New Zealand where a Tier 1 data storage facility will allow for more “downtime” than a Tier 3 facility. For example, Datacom is a Tier 3 data system. We are not aware of any Tier 4 data storage facilities in New Zealand. The New Zealand Government requires that all government data is stored in a Tier 3 data storage facility.

B. Intellectual Property Rights - Ownership

1. Omni Risk utilises proprietary software under an Enterprise licence acquired from QuestionPro, a wholly owned subsidiary of Survey Analytics located in San Francisco USA.
2. The QuestionPro software provides a range of question types and also allows the licensee to develop “bespoke” question types using JavaScript.

3. The distinction between a question type and a specific question can be defined as follows:
 - (a) Question type means the method used to interrogate a specific topic. For example, Omni uses a numeric slider question type (with a Likert scale of 1 to 5) for those questions where FISA requires information about an entity's commitment to a particular process, procedure or code of practice.
 - (b) A specific question means the wording of a question used to interrogate a specific topic. A question such as "To what extent has the entity implemented policies to comply with the Responsible Lending Code issued under Section 9G of the Consumer Finance and Credit Contracts Act 2003?" is an example of a specific question.
4. The specific questions used in the survey have been designed for FISA. In this respect therefore:
 - (a) The specific FISA questions, as distinct from the question types, are the intellectual property of TINZ;
 - (b) The question types are the intellectual property of Omni under the licence it holds from QuestionPro.
5. The data provided by respondents to the survey is the intellectual property of TINZ but remains, at all times, subject to the confidentiality undertakings given by TINZ to respondents.

