**Canberra Health Services**

**Policy**

**Fraud and Corruption**

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| Policy Statement |

Canberra Health Services (CHS) is committed to our vision – creating exceptional health care together and our role – to be a health service that is trusted by our community. An important way to maintain this trust is to ensure that we comply with all legislation and standards to minimise incidents of fraud and corruption (see definition of terms).

This policy is supported by the CHS Fraud and Corruption Control Plan (FCC Plan) and has been developed in line with the ACT Public Sector (ACTPS) Integrity Governance Policy, *ACT Public Sector Management Act 1994*, *ACT Integrity Commission Act 2018* and the *ACT Public Interest Disclosure Act 2012.*

CHS does not tolerate fraudulent behaviour in any form or to any degree. CHS abides by the ACTPS Integrity Framework (available at <https://www.cmtedd.act.gov.au/__data/assets/pdf_file/0003/2004924/ACTPS-Integrity-Framework.pdf>)

and the ACTPS Integrity Governance Policy (available at <https://www.cmtedd.act.gov.au/__data/assets/pdf_file/0004/2004925/ACTPS-Integrity-Governance-Policy.pdf>).

All CHS staff, including contractors, have a responsibility to ensure that they adhere to the fraud and corruption prevention strategies and that any potentially fraudulent or corrupt activity is reported appropriately.

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| CHS Fraud and Corruption Control Plan |

The ACT Public Service Management Standards 2016 requires each public service agency to ensure that threats to the integrity of the agency are addressed in fraud and corruption prevention plans.

As per the ACTPS Integrity Governance Policy, all directorates must undertake a fraud risk assessment and prepare an FCC Plan. Fraud risk management will form part of the business planning cycle and will contribute to business performance through minimisation of the directorate’s risks. It provides senior management and the Audit and Risk Management Committee with solid evidence that fraud risk management is actively occurring within the directorate. Risks identified in the fraud risk assessment are listed in the FCC Plan.

The FCC Plan must be reviewed every two years.

The CHS FCC plan is available on the CHS Policy Register, HealthHub (intranet) and to the public through the ACT Government Open Access website.

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| Purpose |

The purpose of this Policy and the supporting Fraud and Corruption Control Plan is to:

* Reduce the risk of fraud, corruption and losses through better fraud and corruption control practices.
* Foster an environment that actively discourages fraudulent and corrupt activities in order to protect CHS’s assets, interests and reputation.
* Assist staff to make decisions in the reporting of fraud, corruption and other criminal offences affecting CHS.
* Support a transparent framework for reporting and investigating fraud and corruption should it occur.

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| Scope |

This policy and the supporting Fraud and Corruption Control Plan apply to all CHS staff and service providers.

All staff and all levels of management have responsibility for fraud and corruption control and prevention.

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| Roles & Responsibilities |

All staff have an ongoing responsibility to ensure the efficient and effective use of public monies and assets. All staff should ensure any potentially fraudulent or corrupt activity is reported to one of the following:

* Senior Executive Responsible for Business Integrity Risk (SERBIR)
* Head of Internal Audit
* Divisional Executive Group Manager or Executive Director, or
* Chief Executive Officer (CEO).

Specific responsibilities for fraud control and corruption within CHS are allocated to a range of separate roles in the directorate as detailed below.

## Chief Executive Officer (CEO)

* Ensure adequate fraud controls are in place.
* Appointment of SERBIR for CHS.
* Mandatory notification of fraudulent or corrupt behaviour to the ACT Integrity Commission as soon as practicable.
* Approve annual financial statements prepared by the Directorate and recommended for approval by the Audit and Risk Management Committee.
* Choose to disclose other information to the ACT Integrity Commission that the CEO considers:
* relevant to the function of the Commission
* appropriate to disclose.
* Respond to requests for information (other than Assembly Information, see below) by the ACT Integrity Commission within a reasonable timeframe (not more than 7 days) or provide the Commission with a reasonable excuse for not doing so.

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**Note**:

If the CEO is asked to provide Assembly Information to the ACT Integrity Commission, they must, as per the *ACT Integrity Commission Act 2018*:

* give a copy of the request to the Speaker of the ACT Legislative Assembly, and notify the Commission that they have done so
* not disclose the information without the authorisation of the Speaker
* if the Speaker authorises it, provide the information to the Commission.

## Audit and Risk Management Committee

* Review and give independent advice on the appropriateness of CHS risk oversight and management systems, financial and performance reporting, and system of internal control.
* Review and give independent advice on whether the process for developing and implementing CHS fraud control and corruption prevention plan is sound and CHS has appropriate processes and systems in place to detect, capture and effectively respond to fraud and corruption risks including reporting from SERBIR.
* Review the annual audited financial statements and related management representations and recommending whether those statements are suitable for signing.
* Consider internal audit resourcing, coverage and independence in relation to CHS key risks and recommending approval of the Annual Internal Audit Work Plan.
* Consider internal and external audit reports, providing advice about significant issues identified and monitoring the implementation of agreed actions.
* Consider ethical practices within the directorate in accordance with the *Public Sector Management Act 1994* and the Public Sector Management Standards 2016*.*

## SERBIR

* Mandatory notification of fraudulent or corrupt behaviour to the ACT Integrity Commission as soon as practicable.
* Ensure the directorate has a current FCC Plan.
* Notify the Audit and Risk Management Committee of revisions made to the FCC Plan.
* Monitor implementation of the FCC Plan and coordinate any risk treatments.
* Act as the primary senior executive point of contact for allegations of fraud and determine how escalated allegations should be handled.
* Maintain an appropriate recording and tracking system to ensure that all instances of suspected fraud and corruption are satisfactorily resolved and recorded.
* Ensure that the FCC Plan is brought to the attention of all staff through training sessions, the intranet or other media.
* Provide a summary report to each meeting of the Audit and Risk Management Committee on instances of alleged fraud under investigation, plus a comprehensive annual report on the number of cases of fraud alleged and outcomes of the investigations.
* Reports to the Audit and Risk Management Committee.

## People and Culture

* Assist the CEO and SERBIR in fulfilling their responsibilities.
* Ensure staff induction includes Fraud and Ethics awareness information.

## Strategy and Governance

* Partner with business units to support their risk assessments.
* Assist SERBIR to ensure the FCC Plan is up to date and operating effectively within the Directorate.

## Head of Internal Audit

* Conduct internal audits in accordance with the internal audit program.

## Executive Leadership (Deputy CEO, Chief Operating Officer, Executive Directors, Executive Branch Managers and Executive Group Managers)

* Mandatory notification of matters they suspect, on reasonable grounds, involves serious corrupt conduct or systemic corrupt conduct behaviour to the ACT Integrity Commission as soon as practicable.
* Notify the SERBIR about alleged fraudulent or corrupt behaviour. If there is a perceived conflict of interest involving the SERBIR the matter should be reported to the CEO.
* Adopt and promote the highest standards of ethical behaviour within the directorate.
* Oversee risk assessments and action plans related to Fraud and Corruption within their divisions and portfolios.
* Develop, encourage, insist upon and implement sound financial, legal and ethical decision making within the directorate.
* Ensure that staff undertake fraud and corruption awareness training sessions as part of the mandatory Workplace Behaviours e-learning.
* Ensure awareness of fraud and corruption control policy documents are promoted to all staff.
* Consider fraud risks in their area of control and regularly assess the potential for breaches of integrity, including fraud and corruption.

## Senior Management (e.g. Directors of Nursing/Midwifery, Directors of Allied Health, Clinical Directors etc.)

* Assist the CEO and SERBIR in fulfilling their responsibilities.
* Report any fraudulent or corrupt activity they become aware of or suspect to any senior executive or SERBIR.
* Adopt and promote the highest standards of ethical behaviour within the directorate.
* Develop, encourage, insist upon and implement sound financial, legal and ethical decision making within the directorate.
* Ensure that staff undertake fraud and corruption awareness training sessions as part of the mandatory Workplace Behaviours e-learning.
* Ensure awareness of fraud and corruption control policy documents are promoted to all staff.
* Consider fraud risks in their area of control and regularly assess the potential for breaches of integrity, including fraud and corruption.

## All staff and contractors

* Report any suspected fraudulent or corrupt activity within the directorate of which they become aware. Reports can be made to managers/supervisors, any senior executive or SERBIR.
* Become familiar with the FCC Plan and contribute to its effective implementation, thereby assisting in minimising the incidence of fraud and corruption within the directorate.

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| Fraud and Corruption Signals |

Managers and staff should be alert to the common signs of fraud and corruption. Signals for potential fraud and corruption include:

* implausible excuses and reasons for unusual events or actions
* senior staff involved in routine process work such as purchasing, ordering and receiving of goods or routine recruitment
* staff evidently living beyond their means, who have access to funds, or control or influence over service providers
* excessive staff turnover
* staff who do not take holidays for extended periods
* potential or real conflicts of interest not declared
* excessive number of duties (e.g. both processing and approving the same transaction) residing with one person
* undue secrecy or excluding people from available information
* staff who treat controls and standard practice as challenges to be overcome or defied
* unauthorised changes to systems or work practices
* missing documentation relating to client or agency financial transactions
* “blind approval” where the person signing does not sight supporting documentation
* only duplicate copies of invoices.
* decisions or activity inconsistent with organisational plan and vision

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| Reporting |

If a staff member becomes aware of possible fraud and corruption, they are obliged to report their concerns. In the first instance it is generally best to report any concerns to an immediate supervisor/manager.

If staff are unable to raise the issue with their supervisor/manager or the matter relates to their supervisor/manager, they should raise the issue directly with SERBIR, or with a nominated CHS Public Interest Disclosure Officer.

CHS has two nominated Public Interest Disclosure Officers:

Deputy Chief Executive Officer, [DCEO@act.gov.au](mailto:DCEO@act.gov.au), and

Executive Group Manager, People and Culture [CHSPeople-Culture@act.gov.au](mailto:CHSPeople-Culture@act.gov.au).

Refer to the Public Interest Disclosure (Integrity Commission – Managing Disclosures and Conducting Investigations) Guidelines for more information.

Further information on the CHS SERBIR is provided on the intranet, and they can be contacted via CHS.SERBIR@act.gov.au. Under the ACTPS Integrity Governance Policy, the SERBIR is responsible for determining how fraud allegations will be handled and will treat all matters with discretion and confidentiality in the first instance.

Staff should report suspicions to only those people who absolutely need to know. This protects people from allegations that may not be proven and prevents the possible destruction of evidence.

Employees should be aware that the [*ACT Public Interest Disclosure Act 2012*](http://www.legislation.act.gov.au/a/2012-43/current/pdf/2012-43.pdf) (the Act) supports the reporting of wrongdoing, including fraud and corruption. The Act provides for a method of investigating allegations, while protecting the individual who has made the disclosure from any reprisals. Persons reporting suspected fraud or corruption are protected under the provisions of this Act.

Members of the public, as well as current and former ACT public servants, may make a public interest disclosure to any ACT government entity.

All reports of fraud or corruption are recorded on the SERBIR Fraud and Corruption register, which is held by Strategy and Governance. This register is updated regularly to reflect the outcome of investigations into each incident. A summary of the register is provided at each CHS Audit and Risk Management Committee meeting. An annual summary is also recorded in the CHS Annual Report.

SERBIR provides an annual report to the Audit and Risk Management Committee, including an analysis of incidents and control reviews to help inform future mitigation strategies and forward audit plans.

The CEO, as the head of a public sector entity, as well as Deputy CEO, Chief Operating Officer, Executive Directors, Executive Branch Managers and Executive Group Managers, as senior executive services officers have mandatory corruption notification requirements under the *Integrity Commission Act 2018*. These officers must notify the ACT Integrity Commission as soon as practicable of any conduct that they suspect on reasonable grounds to be serious or systemic corrupt conduct. It is an offence for these officers to not complete the mandatory corruption notification. The mandatory corruption notifications can be made on the ACT Integrity Commission website (see <https://www.integrity.act.gov.au/reporting-to-the-commission/mandatory-reporting>).

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| Investigating Fraud and Corruption |

When a report of fraud is made a premliminary assessment will be made to determine whether there is any basis for further action. SERBIR may appoint an Authorised Officer within the organisation to undertake enquiries or complete the assessment.

In the preliminary assessment process, care needs to be taken to avoid unfounded and incorrect accusations. Unnecessarily and prematurely alerting individuals against whom allegations have been made, who may in turn destroy evidence of fraud and making statements, could expose the directorate to legal liabilities for damages arising from a wrongful accusation.

Based on the preliminary assessment one of the following actions will occur:

* if the report does not warrant an investigation the staff member will be managed through CHS HR processes for example management of underperformance
* if the report warrants an investigation it will be referred to Professional Standards Unit in Chief Minister, Treasury and Economic Development Direcorate for further investigation
* if the report includes sufficient evidence that fraud has occurred, CHS will commence with a summary termination process.

Following the verification of a fraud incident, SERBIR will determine if an internal control review is required. An internal control review will include a reassessment of the adequacy of the internal control environment (particularly those controls directly impacting on the fraud incident and potentially allowing it to occur) and will consider whether improvements are required. Where improvements are required, these should be implemented as soon as practicable.

Additionally, the SERBIR will consider whether the matter may be of a potential criminal nature and warrants referral to the Australian Federal Police (AFP) for investigation.

## Advice to Line Managers

Fraud or suspected fraud can cause stress and disruption in the workplace. Information on fraud investigations should be on a strict ‘need to know basis’.

Who needs to know will vary from case to case. Often, people in a work area will not even know an investigation is occurring. As a line manager, confidentiality must be maintained, and unsubstantiated comments discouraged, to maintain a professional approach to any matters raised. It is important to remain impartial and objective, to ensure any future requirements to give evidence are based on fact and not hearsay.

Briefing staff after an investigation can be positive and help improve team morale.

## Those Suspected of being involved in Fraud or Corruption

Anyone suspected of corruption or of committing fraud are considered innocent until proven guilty. If you are to be interviewed by a fraud investigator or feel you are suspected of committing improper behaviour or an offence, you have the right to:

* non-disclosure of your affairs with people not concerned with the matter
* insist that interviews or investigations will adhere to the principles of procedural fairness
* presumed innocence and that interviews or investigations are not seen as imputing guilt
* say nothing and not participate in an interview
* not answer a question if you feel the answer may implicate you in the fraud
* seek whatever advice you think is necessary before the interview
* have a solicitor, union representative or other person present whilst being interviewed
* have an interpreter present if necessary, and
* request access to documents relating to the investigation.

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| Evaluation |

**Outcome**

* Reduce the risk of fraud, corruption and losses through better fraud and corruption control practices.
* Foster an environment that actively discourages fraudulent and corrupt activities in order to protect CHS’s assets, interests and reputation.

**Measures**

* Yearly review of data relating to Workplace Behaviours Training mandatory E-learning.
* Regular reporting of fraud and corruption notifications to the Audit and Risk Management Committee.
* Quarterly SERBIR updates to staff via the HealthHUB and all staff emails.

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| Related Policies, Procedures, Guidelines and Legislation |

**Policies**

* Chief Executive Officer’s Financial Instructions
* ICT Resources – Acceptable Use
* [Procurement](http://inhealth/PPR/Policy%20and%20Plans%20Register/Procurement%20Policy.pdf)
* Protective Security
* ACTPS Integrity Governance

**Procedures**

* Conflict of Interest
* Gifts and Benefits

**Guidelines**

* Public Interest Disclosure (Integrity Commission – Managing Disclosures and Conducting Investigations) Guidelines

**Legislation**

* *Public Sector Management Act 1994*
* *Public Sector Management Standards 2016*
* *ACT Public Interest Disclosure Act 2012*
* *Human Rights Act 2004*
* *Work Health and Safety Act 2011*
* *ACT Integrity Commission Act 2018*

**Other**

* ACTPS Integrity Framework

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| Definition of Terms |

**Fraud as defined in the ACTPS *Integrity Framework*:**

“Dishonestly obtaining a benefit or causing a loss, by deception or other means.”

Fraud is not restricted to obtaining monetary or material benefit. The benefits of fraudulent acts can either be tangible or intangible. Examples of fraud include:

* assisting others to obtain a benefit
* theft of money (cash, cheques, EFTPOS) due to the directorate
* charging personal expenditure on directorate credit or fuel cards
* unapproved use and misuse of motor vehicles and other directorate assets
* raising fictitious invoices
* submitting false claims for reimbursement
* releasing misleading or inaccurate information for the purpose of deceiving, misleading or to hide wrong doing.

**Corruption as defined in the ACTPS *Integrity Framework*:**

Conduct “involving a breach of trust in the performance of official duties, or conduct that is not honest or impartial”.

Corrupt conduct is further defined in the *Integrity Commission Act, 2018 as:*

“Conduct that could constitute a criminal offence, serious disciplinary offence or constitute reasonable grounds for dismissing, dispensing with the services of, or otherwise terminating the services of, a public official. It is behaviour that adversely affects, either directly or indirectly, the honest and impartial exercise of functions by a public official or public sector entity.”

Examples of corruption include:

* manipulating a tendering process to achieve a desired outcome
* unauthorised use of directorate facilities and time to operate a private business
* misusing information or material obtained during the course of official duties
* overstating working hours or claiming an allowance when not eligible
* receiving personal benefits in exchange for assisting a supplier or consultant
* not disclosing and/or allowing a conflict of interest to obtain a preferred outcome.

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| Search Terms |

Fraud, corruption, control, plan, corrupt, report, reporting, SERBIR, code, conduct, fraudulent, public, interest

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*Policy Team ONLY to complete the following:*

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| *Date Amended* | *Section Amended* | *Divisional Approval* | *Final Approval* |
| *18 October 2021* | *Complete Review* | *Josephine Smith, EBM-Strategy and Governance* | *CHS Policy Committee* |
| *18 April 2023* | *Update to meet ACT Integirty Commission Act 2018* | *Josephine Smith, EBM Strategy and Governance* | *CHS Policy Team* |

*This document supersedes the following:*

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