



ACT Health

ACT Health Directorate Fraud and Corruption Control Plan

Document number	AHDPD-28:2022
Effective date	8 November 2022
Review date	31 July 2024
Author branch	Governance and Risk Branch
Approved by	Executive Board
Audience	All Staff
Version number	3.1

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Policy Statement

ACT Health Directorate (ACTHD) is committed to ensuring a consistently high standard of integrity and professionalism is inherent and on display by our organisation and our people.

We recognise the importance of demonstrating integrity and trust and having strong governance to support our business and ensure that public resources are professionally managed. We have an ongoing commitment to ensure our compliance with all applicable legislation and standards to minimise and eliminate any incidence of fraud and corruption through the development, implementation and regular review of a range of fraud prevention and detection strategies.

I call on all employees, including contractors, to actively model and uphold the values of the ACT Public Service, ensure fraud and corruption prevention strategies are adhered to, and report suspicious activities to the Senior Executive Responsible for Business Integrity Risk (SERBIR), the Head of Internal Audit, their Executive Group Manager, myself or the Integrity Commission.

The Directorate has a zero-tolerance approach to fraudulent or corrupt behaviour. Instances of fraud and corruption detected as being perpetrated against the Directorate will be fully investigated and prosecuted to the maximum extent under the law.

Any person who reports a suspected incident of fraudulent behaviour can be assured that any information that they disclose will be dealt with appropriately, followed up diligently and treated confidentially, and you will have my full support.

The Directorate is committed to building trust across the wider community and within government through its values-based culture, business focus, performance and accountability. To ensure we understand our fraud and corruption risk profile, and the controls in place to manage our risks, we maintain a Fraud and Corruption Control Plan that is reviewed every two years.

I encourage everyone to read this plan and look forward to your individual commitment and support to ensuring that the incidence of fraud and corruption in ACTHD is minimised.



Rebecca Cross
Director-General
ACT Health Directorate

Purpose

Under the ACT *Public Sector Management Act 1994* and the ACT Public Service (ACTPS) Integrity Governance Policy, ACT Government Directorates and Agencies are required to adopt an active preventative strategy towards the control of all breaches of integrity, including fraud and corruption.

The ACTHD has prepared this Fraud and Corruption Control Plan (the FCC Plan) to demonstrate commitment to integrity and professional practices by defining the planned approach to preventing, detecting and reporting suspected fraud and corruption.

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.

The ACTPS Integrity Governance Policy provides a basis for fraud and corruption prevention activity in the ACT Government. The framework for fraud and corruption prevention has further developed and evolved in recent years. These developments included:

- the introduction of new whole-of-government policies, e.g. the Conflict of Interest Policy (2021) and Gifts, Benefits and Hospitality Policy (2021)
- the establishment of the ACT Integrity Commission, which has introduced several changes including a new definition of corruption, mandatory reporting obligations, and a community of practice for SERBIRs and new insights into corruption risks in the ACTPS.

ACTHD has incorporated these new policy requirements into its own governance documentation and processes.

Definition of Terms

Part 2.3 (Fraud and Corruption) of the Public Sector Management Standards 2006 (repealed) defines the key terms of corruption, fraud and integrity as follows:

Fraud – means taking or obtaining by deception, money or another benefit from the government when not entitled to the money or benefit or attempting to do so – this includes evading a liability to government.

Corruption – means that the officer or employee seeks, obtains, or receives any benefit, other than lawful salary and allowances, on the understanding that the officer or employee will do or refrain from doing anything in the course of their duties or will attempt to influence any other officer or employee on behalf of any person.

Integrity – means the exercise of authority in accordance with the stated values and principles of the ACTPS and includes the control of fraud and corruption.

Examples of fraud include:

- obtaining or assisting others to obtain a benefit by false pretences or by false representation
- 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 wrongdoing.

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 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.

Roles and Responsibilities

All staff have an ongoing responsibility to ensure the efficient and effective use of public monies and assets. Specific responsibilities for fraud and corruption control within ACTHD are allocated to a range of roles in the Directorate as detailed below:

Director-General must:

- establish and maintain a Risk Management Framework and FCC Plan for the Directorate
- review the FCC Plan every two years or, more frequently, following significant threats or significant organisational changes such as the replacement of a major business system or major organisational restructure
- pursue opportunities to actively detect fraud and corruption, mindful of privacy laws and cost efficiencies
- assign responsibility to a Senior Executive for the implementation of strategies to promote business integrity, including processes for the detection and investigation of fraud and corruption (SERBIR) and must forward details of the appointment to the ACT Public Service Commissioner
- ensure that cases of detected or notified fraud and corruption are investigated, and that serious or complex cases are reported to the Australian Federal Police

- include details of the implementation of the fraud and corruption prevention plan in the Annual Report to the Minister, making a number of personally issued certifications including:
 - the assessment of risks to the integrity of the Directorate has been conducted according to the Risk Management Standard and ACT Risk Management Policy (and Implementation Guide) 2019
 - treatments for adequately dealing with the integrity risks identified have been addressed in the fraud and corruption prevention plan and are compliant with ACT Government policy
 - for any actual or planned engagement of external service providers the risks to organisational integrity have been assessed and dealt with in the fraud and corruption prevention plan
 - the progress during the reporting year on the implementation of the fraud and corruption prevention plan.

Senior Executive Responsible for Business Integrity Risk (SERBIR) or the alternate SERBIR when the SERBIR is unavailable or there is a perceived conflict due to the SERBIR's position in ACTHD, will:

- regularly report on the Directorate's overall compliance with the ACTPS Integrity Governance Policy to the Director-General and the Audit Risk Management Committee
- establish and maintain a Fraud and Corruption reporting system, recording data on all fraud and corruption incidents, including detections, investigative and disciplinary actions taken, resultant losses (financial and reputational) and resultant changes (procedures and practices)
- provide advice and assistance to the Audit Risk Management Committee and staff in relation to risk management
- act as the primary senior executive point of contact for allegations of fraud and determine how escalated allegations should be handled
- ensure that the FCC Plan is brought to the attention of all staff through training sessions, the intranet or other media
- ensure staff induction includes Fraud and Ethics awareness information and raise awareness of mandatory notification requirements to the ACT Integrity Commission.

Disclosure Officers will:

- receive and deal with reports of conduct from staff or the public which could be considered a public interest disclosure under the *Public Interest Disclosure Act 2012*.

All managers of Divisions and Branches must:

- ensure that the Risk Management Framework and FCC Plan are effectively implemented within their responsible areas, ensuring the control procedures are being followed
- regularly assess their responsible areas for the threat of fraud or corruption and ensure the control procedures remain effective.

All staff must:

- familiarise themselves with the Directorate's Risk Management Framework and FCC Plan
- identify, analyse, assess and treat significant business risks in relation to their activities
- conduct and document risk management activities in accordance with the Directorate's Risk Management Framework and the ACT Government's Risk Management Policy
- ensure that they comply with the Directorate's FCC Plan and report any suspicious activities to the SERBIR, their manager or the Director-General
- report any maladministration, corruption or fraudulent conduct by a public servant or public sector member of which they have become aware, to the Disclosure Officer, the Head of Service, or where more appropriate, the Director-General or the Integrity Commission
- ensure their personal conduct is always of the highest order, including declaring any personal conflicts of interest, thereby safeguarding the integrity of the ACT public sector.

Audit and Risk Management Committee will:

- review and give independent advice on the appropriateness of ACTHD's system of risk oversight and management including whether the process for developing and implementing ACTHD's fraud control and corruption prevention plan is sound and ACTHD has appropriate processes and systems in place to detect, capture and effectively respond to fraud and corruption risks including reporting from SERBIR.

Governance and Risk Branch will:

- partner with the Divisions to support their risk assessments
- assist the SERBIR ensure the FCC Plan is up to date and operating effectively within the Directorate
- conduct internal audits and spot checks in accordance with the internal audit program
- partner with People Strategy Branch to ensure the Director-General and SERBIR are supported in fulfilling their responsibilities in relation to staff and associated issues in dealing with integrity matters.

Planned Approach

ACTHD's approach to fraud and corruption control is based on mitigation, detection, reporting and investigation.

Mitigation

The Director-General visibly endorses fraud control activities and promotes a culture of staff reporting fraud.

Executive Group Managers should ensure that all business processes, particularly those assessed as having a higher predisposition to the risks of fraud and corruption, are subject to a rigorous system of internal controls that are well documented, updated regularly and understood by all staff.

Corporate Led Controls

ACTHD Corporate and Governance Division's range of fraud controls include:

- The FCC plan and associated fraud risk assessments are reviewed every two years.
- The fraud control message is repeated and reinforced using a variety of communication channels, including the regular information from the SERBIR.
- The ACTPS Employment Portal and the ACTPS Managers Toolkit is regularly promoted and links are provided on the Directorate's Intranet.
- The ACTHD Policy Register is in place and is routinely maintained to ensure compliance with Whole of Government policy and required legislation. Regular compliance audits are undertaken and reported to the Audit and Risk Management Committee.
- The ACTHD Financial Delegations Register is routinely maintained.
- The ACTHD Human Resources Delegation Manual is reviewed annually or whenever there is a notified change of employment conditions or delegations from the Head of Service.
- Facilitation of the annual ACT Audit Office financial statements review and identified Performance audits are supported and management of this process is conducted.

Management Led Controls

Managers are required to assess the risk of fraud or corruption occurring in their areas and implement appropriate controls. They should ensure that fraud and corruption measures are updated as workplaces change, and that staff understand their individual responsibilities in preventing fraud and corruption.

Testing of Controls and Review of Fraud Risk Assessments

Controls specified in the fraud risk assessments are reviewed annually including progress/adoption of proposed future risk treatments as noted in the assessments, by the Governance and Risk Branch (Audit, Procurement and Risk team) and reported to the SERBIR and the Audit and Risk Management Committee (Reporting and Compliance team).

Staff Awareness and Training

The most effective tool to prevent fraud is a well-informed and engaged workforce, prepared to disclose corrupt behaviour. It is the responsibility of all staff to always act honestly and with integrity and to be vigilant in detecting possible incidents of fraud and corruption.

ACTHD is committed to providing up to date awareness training on fraud, corruption and integrity to all staff within the Directorate. An ACTHD specific training program includes

targeted fraud and ethics awareness training for committees and divisions that have a higher exposure to fraud and corruption risks or have recently experienced a fraud or corruption incident.

ACTHD Fraud Risk Assessment

A fraud risk assessment measures the vulnerability of an organisation to fraud and is essential for fraud mitigation and control. As part of their regular assessment of risk, each Division's fraud and corruption risks are identified and captured in the ACTHD Risk Register. Key fraud risks identified in the current ACTHD assessment (reviewed in June 2022) are:

Fraud Risk Category		Fraud Risk Description	Risk Rating
1.	Information security and management	Unauthorised use, disclosure, manipulation or destruction of information	Medium
2.	Staff selection / recruitment processes	Biased merit-based selection process (including nepotism)	Medium
3.	Staff timesheets and leave	Staff manipulating attendance and leave records	Low
4.	Salaries and allowances	Staff fraudulently gain entitlement to salary and allowances	Low
5.	Gifts and hospitality	Staff accept or donate gifts and hospitality for an improper purpose	Medium
6.	Theft of money	Theft or misappropriation of public monies (cash)	Low
7.	Accounts payable	Supplier or third party receives payment they are not entitled to	Medium
8.	Accounts receivable	ACTHD payments are diverted, or debts not pursued	Low
9.	Card payments	Misuse or unauthorised use of ACT Gov credit cards, fuel cards or account cards	Low
10.	Procurement and contract management	Inappropriate or unauthorised purchases of goods or services	Medium
11.	Tender process	Integrity / Probity of Tender Process is intentionally breached	Medium
12.	Asset management	Inappropriate use, theft or unethical disposal of ACT Gov assets	Medium
13.	Travel: Government motor vehicles	Unauthorised use of ACT Gov motor vehicles	Low
14.	Travel: CabCharge & MyWay cards	Unauthorised or inappropriate use of CabCharge and MyWay	Low
15.	Regulation and compliance	Licenses / permits are issued or maintained without proper assessment and approval	Low
16.	Decision-making	Business and, or policy decisions are inappropriately influenced	Low
17.	Fraudulent insurance claims	False insurance claims leading to loss of revenue / incorrect payments	Low
18.	Grants and Associated Funding Checks	Misappropriation of grant payments/funding of grants to ineligible submissions	Medium

Low or Medium priority risks may be accepted with minimal further treatment subject to ongoing monitoring and review to ensure they remain tolerable. The important outcome of a fraud and corruption risk assessment process is the development of an effective anti-fraud and corruption treatment program that specifically addresses the risks faced by the entity. Treatments are therefore reviewed regularly and are measured for effectiveness over time.

More detailed information in relation to the identified fraud risks noted above are contained in the ACTHD Risk Register.

Key corporate controls are currently in place which include but not limited to:

- Fraud and ethics training is provided as mandatory e-learning for new staff and is available for existing staff.
- An 'Integrity' page has been created on the Intranet with centralised links to integrity related matters such as conflict of interest, gifts and benefits policies as well as staff reporting obligations and details of SERBIRs.
- Regular all staff messaging is sent out via Director-General on integrity matters such as SERBIRs and how and when to reach them.
- Integrity training by the ACT Integrity Commission has been provided for the Executive Board and to all staff via the Director-General staff forum.
- Internal and external audits are regularly conducted and reported to the relevant committees.
- Appropriate policies and procedures are in place and systematically reviewed.
- Delegations for authorisation of payments and other integrity matters are in place and appropriately maintained.
- Key financial decisions require multiple levels of approval (e.g. payments over \$1M require Director-General approval and the Director-General is briefed on key decision rationale).

Supplier Controls

In some circumstances, the provision of services to the ACTPS is most appropriately provided by the private sector.

ACTHD communicates and enforces its expectations, relating to fraud and corruption control via contractual agreements with private sector providers.

ACTHD also ensures (where relevant on a contract-by-contract basis) that the contractual arrangements include provisions for:

- Staff of the external service provider to meet the necessary security requirements of the Directorate.
- The external service provider is made aware of the legislation, standards and procedures relevant to the ACTPS Integrity Framework.

- The external service provider participates, in consultation with the Directorate, in an ongoing process of assessing integrity risks to the program and dealing with those risks.
- Procedures are in place to receive, record and investigate any allegations of fraud and corruption involving the staff of the external service provider.
- All contracts have the requirement for suppliers and contractors to adhere to confidentiality and declare any conflict of interest.

Associated Policies and Procedures

To support fraud and corruption awareness and mitigation, ACTHD staff have access to comprehensive policies and procedures via internet and intranet including:

- ACTPS Integrity Framework
- ACTPS Integrity Governance Policy
- ACTPS Code of Conduct
- ACTPS Decision Makers Handbook
- ACTPS Conflict of Interest Policy and Gifts, Benefits and Hospitality Policy
- ACTHD Conflict of Interest Procedure and Gifts, Benefits and Hospitality Procedure
- Director-General's Instructions (DGI)
- ACTPS ICT Resources – Acceptable Use Policy
- ACTHD Procurement and Contract Management Policy and Guide
- ACTHD Protective Security Policy
- ACTPS Second Jobs and Volunteering Policy
- ACTPS Recruitment Policy and Guidelines
- ACTPS Public Interest Disclosure (PID) Guidelines

Detection

Fraud can be detected by establishing effective accounting and system controls and by recognising variations from standard practice.

ACTHD employees are well placed to detect fraud because of their detailed knowledge of work practices and accountabilities. Staff cooperation, observations and initiative are important in preventing and detecting fraud in the workplace.

Fraud Signals

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

- 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 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
- duplicates only of invoices.

Financial Reporting and Data Analysis

ACTHD undertakes internal monthly financial management reporting including budget monitoring to track spending and aims to identify any inconsistencies as soon as possible. The monthly reports are provided to the Executive Board, Corporate Governance and Finance Committee and all divisional executives.

Quarterly Financial Reports are provided to the Audit and Risk Management Committee.

Reports that include financial and budget tracking information at a cost centre level are provided to managers monthly.

Monthly and Quarterly reports are also provided to the ACT Treasury outlining the Directorate's financial performance and position.

The Directorate prepares annual financial statements in accordance with the Financial Management Act 1996' and other relevant accounting standards. The ACT Audit Office conducts a comprehensive review of the Directorate's financial statements. Annual financial statements are presented to the Legislative Assembly.

Internal and External Audit

All areas of ACTHD are expected to comply with Directorate policies and procedures and are subject to review by the Internal Audit team.

ACTHD is also subject to external audits undertaken by the ACT Audit Office.

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 or the SERBIR.

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 the SERBIR.

Further information on the SERBIR is provided on the Intranet. Under the ACTPS Integrity Governance Policy, 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.

Mandatory Reporting Obligations to the ACT Integrity Commission

Under Division 3.1.2 of the *Integrity Commission Act 2018* (the IC Act), Director-General and members of the senior executive service within the Directorate must notify the ACT Integrity Commission about any matter they suspect, on reasonable grounds, to be serious or systemic corrupt conduct.

Where possible and appropriate, senior executive service officers should advise the SERBIR of any reports made to the Integrity Commission.

The link to the ACT Integrity Commission published reporting mechanism is available via the Intranet Integrity page.

Public Interest Disclosures

Staff should be aware that the ACT *Public Interest Disclosure Act 2012* (the PID Act) supports the reporting of wrongdoing, including fraud and corruption. The PID Act encourages and enables anyone witnessing serious wrongdoing that falls within the definition of 'disclosable conduct' to raise concerns. The PID Act sets out the obligations of those raising a potential PID, the protections available for disclosers, how disclosures should be dealt with, and the obligations of staff who manage disclosures and PIDs. Members of the public, as well as current and former ACT public servants, may make a public interest disclosure to any ACT government entity.

The link to the ACTPS PID Guidelines is available via the Intranet Integrity page.

Investigation

Initial investigation into reported fraud will be made by the SERBIR, who will determine whether there is any basis for further action. The SERBIR may appoint an Authorised Officer within the organisation to undertake enquiries or may acquire the services of external experts to assist in the conduct of any inquiry.

If the SERBIR determines that the matter should progress to a SERBIR investigation, the investigation will be undertaken in line with the ACTPS Integrity Governance Policy.

It is noted that the Integrity Commission may be informed about the matter at any time (by the SERBIR or others).

The SERBIR will provide progress reports and the final report as appropriate to the Director-General, the Audit Risk and Management Committee and the ACT Integrity Commission.

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. Line managers must maintain confidentiality and a professional approach, and avoid making any unsubstantiated comments relating to the 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 Committing Fraud

If any staff are to be interviewed by a fraud investigator or feel they are suspected of committing improper behaviour or an offence, they have the right to:

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

For further information about what to expect, refer to the ACTPS Standards for the Conduct of Inquiries and Investigations.

Records Management

All reports of fraud or corruption are recorded by the SERBIR. Records are updated to include information including all instances of fraud and corruption, investigative action taken and outcomes (e.g. disciplinary action, changes to procedures). All records will be handled under a strict 'need to know basis' and will be maintained in line with the *Territory Records Act 2002*, Directorate and ACTPS information security requirements.

Monitoring Fraud and Control Activities

The 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. It is reported in the ACTHD Annual Report.

Evaluation

As per the ACTPS Integrity Governance Policy and the DGI, all directorates must undertake a fraud risk assessment and prepare a Fraud and Corruption Control Plan and the Plan must be reviewed every two years.

Enquiries and Assistance

For further advice or assistance, contact the SERBIR.

Version Control

Version	Date	Comments
3.1	8/11/2022	Noted by the Audit and Risk Management Committee (ARMC) on 11 October 2022. Minor updates made to align wording of ARMC responsibility with ARMC Charter.
3.0	11/08/2022	Bi-annual review conducted, endorsed by the Corporate, Governance and Finance Committee in June 2022 and approved by the Executive Board on 11 August 2022.
2.0	15/07/2020	Revised Version endorsed by the Corporate & Governance Committee 20 July 2020, for consideration of the DLC 27 July 2020
2.0	14/02/2020	Comprehensive two stage review of plan for use in the newly formed Heath Directorate – included seeking assurance from owners of identified fraud risk assessments including written confirmation of controls and process in place to mitigate fraud and corruption risk (considered by SERBIR, CFO).
1.0	22/05/2019	Draft reviewed and approved by Corporate and Governance Committee.
1.0	19/06/2019	ACTHD Fraud and Corruption Control Plan approved by Director-General
1.0	5/07/2019	Minor updates made to links and contacts

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