



Fraud and Corruption Control Policy

1. Purpose

Zero tolerance exists for fraud and corruption in the WA health system. Fraud and corruption are serious risks and will be managed accordingly. Fraud and corruption undermine the public's trust and confidence in the WA health system and may:

- cause financial harm and loss
- damage the culture across the WA health system
- compromise consumer care and patient safety
- compromise the health, safety and wellbeing of staff
- impede the effective delivery of services.

The Department CEO as the System Manager is committed to ensuring robust governance structures and processes are in place to prevent all forms of fraud and corruption. This policy sets the minimum requirements WA health entities must meet to prevent, detect and respond to fraud and corruption.

This policy is a mandatory requirement for health service providers (HSPs) under the Integrity Policy Framework pursuant to section 26(2)(d) and section 34(2)(i) of the Health Services Act 2016.

This policy is also a mandatory requirement for the Department of Health pursuant to section 29 of the Public Sector Management Act 1994.

2. Applicability

This policy is applicable to WA health entities.

The requirements contained within this policy are applicable to the services purchased from contracted health entities where it is explicitly stated in the contract between the contracted health entity and the State of Western Australia or HSP. The State of Western Australia or HSP contract manager is responsible for ensuring that any obligation to comply with this policy by the contracted health entity is accurately reflected in the relevant contract and managed accordingly.

3. Policy Requirements

WA health entities must:

- ensure risks of fraud and corruption are regularly assessed, and identified risks are addressed and managed appropriately
- undertake actions to ensure all Department of Health employees and HSP staff members understand their role in the prevention and detection of fraud and corruption and how to respond if they detect or suspect fraud or corruption

- establish and implement a Fraud and Corruption Control System (FCC System) which is endorsed by their local governing body.

The requirement to establish a FCC System is effective three months from the date of this policy coming into effect.

Fraud and Corruption Control System

WA health entities must ensure the FCC System:

- aligns to the principles of the Fraud and Corruption Control Australian Standard AS 8001:2021
- identifies and effectively manages the entity's internal and external fraud and corruption risks in accordance with [MP 0006/16 Risk Management Policy](#) for HSPs and the [Risk Management Policy](#) for the Department of Health
- documents the entity's fraud and corruption risk controls as they relate to Department of Health employees, HSP staff members, volunteers, students on placement and business associates
- documents the entity's controls for the:
 1. Prevention of fraud and corruption
 2. Detection of fraud and corruption
 3. Response to allegations or the identification of fraud and corruption
- documents the entity's controls as they relate to information security in accordance with [MP 0067/17 Information Security Policy](#)
- includes mechanisms to enable internal and external parties to report suspected fraud and corruption
- includes processes for meeting external reporting requirements, including but not limited to the requirements of [MP 0125/19 Notifiable and Reportable Conduct Policy](#)
- is reviewed and evaluated every 2 years.

The [Fraud and Corruption Control Guide](#) and [Fraud and Corruption Control System Template](#) provide guidance and supporting information regarding fraud and corruption prevention, detection and response.

4. Compliance Monitoring

System-Wide Integrity Service, on behalf of the System Manager, may request from entities a copy of their FCC System for the purpose of evaluating the content of the FCC System against the Fraud and Corruption Control Australian Standard AS 8001:2021.

5. Related Documents

The following documents are mandatory pursuant to this policy:

- N/A

6. Supporting Information

The following information is not mandatory but informs and/or supports the implementation of this policy:

- [Fraud and Corruption Control Guide](#)

- [Fraud and Corruption Control System Template.](#)

7. Definitions

The following definition(s) are relevant to this policy.

Term	Definition
Business associate	<p>An external party with whom a WA health entity has, or plans to establish, some form of business relationship. A business associate includes, but is not limited to:</p> <ul style="list-style-type: none"> • contractors • consultants • participants in work experience • persons delivering training or education • public private partnerships • recruitment agencies • researchers • sub-contractors • suppliers • universities and TAFE colleges.
Corruption	<p>Corruption is defined by Australian Standard AS 8001:2021 as: “<i>Dishonest activity in which a person associated with an organisation (e.g. director, executive, manager, employee or contractor) acts contrary to the interests of the organisation and abuses their position of trust in order to achieve personal advantage or advantage for another person or organisation</i>”.</p> <p>Corruption is any conduct that is improper, immoral or fraudulent and may, under certain circumstances include but is not limited to:</p> <ul style="list-style-type: none"> • serious conflict of interest • dishonestly using influence • manipulation of procurement process • acceptance of gifts and hospitality • acceptance of a bribe • misuse of information systems, internet or email • unauthorised release of confidential, private information or intellectual property. <p>Corruption is a serious offence as prescribed by s. 80A of the <i>Public Sector Management Act 1994</i>.</p>
Department of Health employee	<p>Under the <i>Public Sector Management Act 1994</i>: a person employed in the Public Sector by or under the Department of Health.</p> <p>Under the <i>Health Services Act 2016</i>: a person employed under s.22.</p>
External fraud	Fraud where no perpetrator is employed or has a close

	<p>association with the entity, including:</p> <ul style="list-style-type: none"> external fraud and corruption against the entity and its operations fraud and corruption by persons purporting to act on behalf of and in the interest of the entity fraud and corruption by business associates.
Fraud	<p>Fraud is defined by Australian Standard AS 8001:2021 as <i>“dishonest activity causing actual or potential gain or loss to any person or organisation including theft of moneys or other property by persons internal and/or external to the organisation and/or where deception is used at the time, immediately before or immediately following the activity”</i>.</p> <p>Fraud can take many forms, examples of situations which, in certain circumstances, may include fraud are:</p> <ul style="list-style-type: none"> theft or obtaining property, financial advantage or any other benefit by deception unauthorised use of credit / purchasing card false timesheets, sick or annual leave claims providing false or misleading information, or failing to provide information where there is an obligation to do so causing a loss, or avoiding or creating a liability by deception making, using or possessing forged or falsified documents unlawful use of computer systems, vehicles, telephones and other property or services manipulating expenses or salaries. <p>Fraud is a serious offence as prescribed by s. 80A of the <i>Public Sector Management Act 1994</i>.</p>
Fraud and Corruption Control System	<p>A Fraud and Corruption Control System is defined by Australian Standard AS 8001:2021 as a <i>“a framework for controlling the risks of fraud and corruption against or by an organisation”</i>.</p>
Integrity	<p>The expected standards of behaviour and actions of Department of Health employees and health service provider staff members which reflect honesty, accountability, transparency, impartiality, and acting with care and diligence.</p>
Internal fraud	<p>Fraud where at least one perpetrator is employed or has a close association with the entity, including:</p> <ul style="list-style-type: none"> internal fraud and corruption against the entity and its operations fraud and corruption involving persons internal to the entity in collaboration with persons external to the entity

	<ul style="list-style-type: none"> • fraud and corruption by the entity.
Serious offence	<p>Has the same meaning as section 80A of the <i>Public Sector Management Act 1994</i>.</p> <p>Serious Offence means:</p> <ol style="list-style-type: none"> an indictable offence against a law of the State (whether or not the offence is or may be dealt with summarily), another State or a Territory of the Commonwealth or the Commonwealth an offence against the law of another State or a Territory of the Commonwealth that would be an indictable offence against a law of this State if committed in this State (whether or not the offence could be dealt with summarily if committed in this jurisdiction) an offence against the law of a foreign country that would be an indictable offence against a law of the Commonwealth or this State if committed in this State (whether or not the offence could be dealt with summarily if committed in this jurisdiction) an offence, or an offence of a class, prescribed under section 108 (see Offences Prescribed). <p>As prescribed in the <i>Public Sector Management (General) Regulations 1994</i> r. 15 Offences prescribed (Act s. 80A serious offence):</p> <p>For the purposes of paragraph (d) of the definition of serious offence in section 80A of the Act, the following offences are prescribed —</p> <ol style="list-style-type: none"> offences which involve — <ol style="list-style-type: none"> fraud or dishonesty; or wilful damage to or destruction of, the property of others; offences which are committed against the persons of others; offences which are punishable on conviction by imprisonment for 2 years or more.
Staff member	<p>Pursuant to section 6 of the <i>Health Services Act 2016</i>, a staff member of a Health Service Provider means:</p> <ol style="list-style-type: none"> an employee in the health service provider a person engaged under a contract for services by the health service provider.
WA health entities	<p>WA health entities include:</p> <ol style="list-style-type: none"> health service providers as established by an order made under section 32 (1)(b) of the <i>Health Services Act 2016</i>. Department of Health as an administrative division of the State of Western Australia pursuant to section 35 of the <i>Public Sector Management Act 1994</i>.

WA health system	The WA health system is comprised of: <ul style="list-style-type: none"> (i) the Department; (ii) Health Service Providers (North Metropolitan Health Service, South Metropolitan Health Service, Child and Adolescent Health Service, WA Country Health Service, East Metropolitan Health Service, PathWest Laboratory Medicine WA, Quadriplegic Centre and Health Support Services); and (iii) contracted health entities, to the extent they provide health services to the State.
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8. Policy Contact

Enquiries relating to this policy may be directed to:

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9. Document Control

Version	Published date	Effective from	Review date	Amendment(s)
MP 0105/19	27 March 2019	27 March 2019	March 2022	Original version
MP 0105/19 v1.1	5 August 2021	5 August 2021	March 2022	Minor amendment as listed below.
Amended broken hyperlink in Supporting Information-Section 5 and corrected email address in Section 8.				
MP 0105/19 2.0	18 May 2023	18 May 2023	May 2026	Policy review and amendments as detailed below.
<ul style="list-style-type: none"> • Amended applicability to WA health entities to include Department of Health and Health Service Providers. • Restructured and refined the policy requirements section to improve quality and updated policy requirements to reflect the new Fraud and Corruption Control Australian Standard AS 8001:2021 (AS 8001:2021) • Updated compliance monitoring statement to reflect mandatory policy requirements. • Updated supporting information document: Fraud and Corruption Control Guide. • Removed supporting information: Fraud and Corruption Control Plan Template. • Inclusion of Supporting information document: Fraud and Corruption Control System Template. • Updated definitions table. 				
MP 0105/19 v.2.1	5 December 2023	5 December 2023	May 2026	Minor amendment as listed below.
<ul style="list-style-type: none"> • Supporting information: 'Fraud and Corruption Control Guide' pages 24 and 25 updated to include reference to sections of the WA Health Financial Management Manual. 				

10. Approval

Approval by	Dr David Russell-Weisz, Director General, Department of Health
Approval date	31 January 2019

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