# FRAUD AND CORRUPTION CONTROL PLAN TEMPLATE

## Executive Summary

* 1. **Introduction**
  2. **Definition of Fraud**

Fraud is defined by Australian Standard AS8001-2008 as: “*Dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by employees or persons external to the entity and where deception is used at the time, immediately before or immediately following the activity*”.

Fraud includes any practice that involves deceit or other dishonest means by which a benefit is obtained. The benefits may be obtained by:

* Staff Members (known as ‘internal’ or ‘workplace’ fraud). Staff Member includes trainees, students, researchers participants in work experiences, contractors for services (including all visiting health professionals and agency staff), persons delivering training or education.
* Persons external to the <INSERT HSP NAME>, either with or without assistance from departmental Staff Members (known as ‘external’ or ‘customer’ or ‘client’ fraud).

Fraud can take many forms, including (but not limited to):

* theft or obtaining property, financial advantage or any other benefit by deception;
* 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; and
* manipulating expenses or salaries.

Fraud is a serious criminal offence, punishable by a term of imprisonment and is defined within section 409 of the *Criminal Code* of Western Australia.

* 1. **Definition of Corruption**

Corruption is defined by Australian Standard AS8001-2008 as: “*Dishonest activity in which a director, executive, manager, employee or contractor of an entity acts contrary to the interests of the entity and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity*”.

Corruption is any conduct that is improper, immoral or fraudulent and may include (but not limited to):

* conflict of interest;
* dishonestly using influence;
* blackmail;
* acceptance of gifts and hospitality;
* acceptance of a bribe;
* misuse of information systems, internet or email; and
* un-authorised release of confidential, private information or intellectual property.

Corruption is a serious criminal offence, punishable by a term of imprisonment and is defined within Chapters XII and XIII of the *Criminal Code* of Western Australia.

* 1. **Statement of <INSERT HSP NAME>’s attitude to fraud and corruption**

The <INSERT HSP NAME> has a zero tolerance to fraud and corruption. Fraud and corruption are serious criminal offences and the <INSERT HSP NAME> will treat them accordingly.

The <INSERT HSP NAME> is committed to integrity and accountability through the effective management of fraud and corruption risks.

The <INSERT HSP NAME> has a responsibility to ensure that all necessary measures are taken to ensure Staff Members and contractors act ethically and with integrity and are held accountable for their actions.

All <INSERT HSP NAME> Staff Members are responsible for assessing the risk of fraud and corruption in their business area, identify and report suspected fraud or corruption, and promote a culture of integrity in the workplace.

* 1. **Code of Conduct**

State how the HSP implements and promotes the WA Health System Code of Conduct

* 1. **Relationship with the <INSERT HSP NAME>’s other plans**

For example: Financial Management, Audit and Risk, Integrity and Ethical Governance Framework

* 1. **Roles and accountabilities for fraud control**

|  | Examples |
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| Governing Body   * Confirm and monitors the implementation and application of fraud and corruption controls. * Maintain, model and foster the highest standards of ethical behaviour that reflect the WA Health System Code of Conduct. * Support Staff Member’s understanding and compliance with this framework. |  |
| Chief Executives  Chief Executives have responsibility for the effective and economical use of the <INSERT HSP NAME> resources and for determining appropriate controls in managing fraud and corruption risks. | Demonstrate compliance with *Public Interest Disclosure Act 2003* (PID Act) e.g.   * number of trained, designated and registered PID officers * number of PID investigations by PID Officers * Chief Executive’s must ensure that PID Procedures, are in place in accordance with sections 23(1)(e) and 23(2) of the PID Act.   Executive sponsor for Fraud and Corruption Control  Fraud and Corruption Controls effectively integrated into the <INSERT HSP NAME>’s strategic planning, corporate governance and operational systems.  Implementation of the Fraud and Corruption Control Plan  Establish and maintain Internal Audit function |
| Executives, Senior Managers and Line Managers  Responsible for ensuring that the Fraud and Corruption Control Plan is effectively implemented within their business units, in particular they must:   * provide leadership, guidance and support for all Staff Members in preventing fraud and corruption and modelling ethical behaviour; * setting/enforcing disciplinary standards; * identify high fraud and corruption risk areas; * identify specific sources of fraud or corruption risk; * participate in fraud and corruption risk assessment reviews; * implement remedial action to address issues identified by the fraud and corruption risk assessment reviews; * assess the cost/benefit of introducing anti-fraud and corruption procedures; * develop/modify practices to reduce fraud and corruption risk; * monitor the continued operation of controls to prevent fraud and corruption; * receive reports of suspected fraud or corruption from Staff Members and taking appropriate steps to address the concerns reported; * report suspected fraud and corruption promptly and maintain confidentiality; and ensure the protection of complainants who report fraudulent or corrupt activities |  |
| Staff Members  All <INSERT HSP NAME> Staff Members are responsible for contributing to preventing fraud and corruption by acting with integrity and ethically; complying with controls, policies and procedures, and reporting suspected incidences of fraudulent or corrupt behaviour through their <INSERT HSP NAME>’s internal reporting framework or directly to the Corruption and Crime Commission (CCC).  In accordance with the WA Health System Code of Conduct <INSERT HSP NAME> Staff Members will act to prevent victimisation of persons who report suspected incidences of fraud and corruption. Acts of victimisation by Staff Members will be taken seriously by the <INSERT HSP NAME> and may include disciplinary action.  To be able to actively and positively contribute to fraud and corruption prevention all <INSERT HSP NAME> Staff Members should:   * embrace an ethical workplace culture; * recognise the value and importance of personally contributing to fraud and corruption prevention; * develop an understanding of good work practices, systems and controls; * keep abreast of best practices for preventing fraud and corruption; * become aware of the different types of fraud and corruption that can occur in the workplace and how to detect them; and * report suspected incidences of fraudulent or corrupt conduct in accordance with the relevant policies and procedures. | May need to be evidenced by:   * Percentage of Staff Members completing mandatory training e.g. ADEM, Records Awareness Training * Education and promotion activities * Number of reports of potential suspected misconduct * Specific requirements by the HSP to review integrity related training delivered * Staff Members involved in contract management, procurement, finance, payment of invoices, audit, risk management |
| Integrity Area   * Ensuring comprehensive investigations are undertaken with regard to fraud or corruption. * Ongoing oversight of misconduct and disciplinary matters concerning fraud and corruption. * Ensuring reporting of allegations of misconduct are managed in a timely manner. * Undertaking assessments of all reported allegations of fraud and corruption to determine if matters should be considered as either serious or minor misconduct. * Ensuring appropriate reporting to either the CCC or the Public Sector Commission. * Providing advice and support to the Chief Executive, Area Executive Group, Managers and Staff Members relating to integrity and ethical governance issues. * Fraud and corruption awareness/education/prevention programs. |  |
| Internal Audit   * Investigators who are formally qualified in Government Investigation and Government Fraud Control. * Internal auditors must consider potential fraud risk and have sufficient knowledge to evaluate the risk of fraud and the manner in which this is managed by the organisation. |  |
| Audit and Risk Committee   * The Audit and Risk Committee is responsible for undertaking regular Fraud and Corruption Risk Assessments and Resistance Health Checks. |  |
| Human Resources and Industrial Relations   * Undertake a key role in the supporting discipline processes and fraud and corruption awareness/education programs |  |

## Planning and Resourcing

|  | Examples |
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| * 1. Program for fraud and corruption control planning and review |  |
| * 1. Appointment of dedicated fraud and corruption control resources |  |
| * 1. External assistance |  |
| * 1. Fraud and corruption control responsibilities |  |
| * 1. Internal audit activity in fraud and corruption control |  |

## Fraud and Corruption Prevention

|  | Examples |
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| * 1. Implementing and maintaining an integrity framework |  |
| * 1. Ensuring senior management commitment to controlling the risk of fraud and corruption |  |
| * 1. Line management accountability for controlling fraud and corruption within their business unit |  |
| * 1. Maintaining a strong internal control system and internal control culture |  |
| * 1. Fraud and corruption risk assessment |  |
| * 1. Communication and awareness of fraud and corruption |  |
| * 1. Employment screening (pre-employment and internal promotion or transfer) |  |
| * 1. Policy for managing leave and job rotation | May need to be evidenced by   * Adherence to System-wide management of leave and relevant industrial instrument to manage leave * Leave management reports |
| * 1. Supplier and customer vetting |  |
| * 1. Specific initiatives aimed at controlling the risk of corruption |  |

## Fraud and Corruption Detection

|  | Examples |
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| * 1. Fraud and corruption detection program |  |
| * 1. Defining the external auditor’s role in the detection of fraud and corruption |  |
| * 1. Mechanisms for reporting suspected fraud and corruption incidents |  |
| * 1. Implementing PID Act |  |

## Responding to Detected Fraud and Corruption Incidents

|  | Examples |
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| * 1. Procedures for the investigation of detected or suspected incidents |  |
| * 1. Internal reporting and escalation |  |
| * 1. Disciplinary procedures |  |
| * 1. External reporting |  |
| * 1. Policy or processes for civil proceedings to recover the proceeds of fraud or corruption |  |
| * 1. Internal control review following the discovery of fraud or corruption |  |
| * 1. Maintaining and monitoring adequacy of insurance dealing with fraudulent, corrupt or improper conduct |  |