1. Statement

This Standard identifies the minimum requirements and responsibilities for fraud control governance, prevention and detection, and the response to suspected fraud and corruption that demonstrates the implementation of the Fraud Control Policy.

2. Scope

This Implementation Standard applies to all employees, contractors and consultants within the Department of Health divisions and commercialised business units.

3. Requirements

3.1 Executive responsibilities

3.1.1 Executives shall ensure all staff are made aware of their fraud and corruption control responsibilities.

3.1.2 Executives will ensure that fraud and corruption control responsibilities are represented where appropriate in their respective performance management frameworks and performance appraisal development plans.

3.1.3 The Chief Risk Officer shall promote and oversee the implementation of an integrated approach to fraud control, communicate the department’s fraud risk profiles and monitor and report on the effectiveness of fraud control implementation.

3.1.4 The Chief Risk Officer shall appoint and maintain a fraud and corruption working group for the purposes of contributing to the effective management and implementation of fraud risk control within the Department.

3.1.5 The Chair of the Audit and Risk Committee shall ensure that the committee provides independent assurance and advice to the Director-General regarding the Department’s risk, control and compliance frameworks and external accountabilities as prescribed in relevant legislation and standard.

3.2 Reporting and Monitoring

3.2.1 The Chief Risk Officer shall establish and maintain a fraud risk profile for the department and identify emerging trends in fraud and corrupt conduct with the assistance of the fraud and corruption working group and Conduct Advisory Services (CAS).

3.2.2 CAS shall ensure all matters amounting to suspected corrupt conduct are referred to the Crime and Corruption Commission (CCC).

3.2.3 The Director Internal Audit Unit shall coordinate the data analysis program and facilitate audits of internal control systems for fraud related risks.
3.3 Financial Internal Controls – Legislative Requirements

3.3.1 Each financial year the Chief Finance Officer of the Department is required to provide the accountable officer (Director-General) with a statement as to whether the financial internal controls of the Department are operating efficiently, effectively and economically (s77 FAA).

3.4 Prevention

3.4.1 Fraud Risk Assessment and Fraud Risk Register
i. The Chief Risk Officer shall ensure there is a centralised fraud risk register for the Department.
ii. The Chief Risk Officer will conduct comprehensive fraud risk reviews where required.
iii. The Chief Risk Officer shall coordinate an annual review of fraud risks of the department through the Fraud and Corruption Control Working Group (FCCWG).
iv. Employees with supervisory or managerial responsibilities shall assess the risk of fraud occurring in their areas of responsibility; implement appropriate control measures; ensure fraud control measures remain appropriate when the environment, organisation and/or systems change; and ensure that staff are aware of their individual responsibilities in identifying and reporting fraud.

3.4.2 Fraud Awareness Training
i. The Chief Risk Officer shall ensure that training in fraud awareness is accessible to all staff within the department.
ii. All staff shall undertake fraud awareness training targeted at preventing, detecting and responding to fraud. Fraud awareness training aligns with and is additional to code of conduct training.

3.4.3 Employment Screening and Criminal History Checking
i. Department of Health employment screening processes are contained in HR Policy B40, Criminal History Checking, with Part 6 of the Public Service Act 2008 providing the legislative basis for criminal history checking provisions.

3.5 Detection

3.5.1 Recognising and Reporting Suspected Fraud or Corruption
i. All staff who form a reasonable suspicion of fraudulent or corrupt conduct shall immediately report it to the most appropriate line manager, or to CAS as per HR Policy E9, Requirements for Reporting Corrupt Conduct.
ii. All staff who report suspected fraudulent or corrupt conduct should take no further action until advised by CAS. For example, staff should not communicate with other employees about the matter. Furthermore, staff should avoid handling any materials (other than to secure the materials) which may be considered as evidence until advised by CAS, the CCC or police.
3.6 Public Interest Disclosure

3.6.1 The Manager CAS shall ensure public interest disclosures are managed in accordance with the Public Interest Disclosure Act 2010 and Public Interest Disclosure HR Policy I5.

3.7 Response

3.7.1 Assessment of Matters

3.7.2 The Manager CAS shall respond to reports of suspected corrupt conduct (including fraud) according to authorised procedures by:

- assessing all matters to determine whether they may amount to corrupt conduct and recommending an appropriate course of action to deal with allegation/s of corrupt conduct
- referring allegations of suspected corrupt conduct to the CCC;
- referring criminal matters to the Queensland Police Service (QPS) where necessary;
- assessing whether the matter may constitute a public interest disclosure (PID) under the Public Interest Disclosure Act 2010 and reporting to the Queensland Ombudsman;
- facilitating, where required, the investigation of alleged corrupt conduct

3.8 Performance Improvement and Disciplinary Action

3.8.1 Where there are allegations of fraud or corruption, the relevant executive, in consultation with the Workplace Services Unit, shall consider performance improvement or disciplinary action against the employee, whether they are convicted of a criminal offence or not. Any such action must be in line with Departmental policies G11 - Performance Improvement, and E10 – Discipline.

3.9 Roles and Responsibilities

<table>
<thead>
<tr>
<th>Role/Position/Work Group</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental Management Team</td>
<td>Ensure all staff are made aware of their fraud and corruption control responsibilities&lt;br&gt;Ensure managers within their jurisdiction monitor, control and treat fraud risks they are owners of.&lt;br&gt;Ensure that fraud and corruption control responsibilities are represented where appropriate in their respective performance management frameworks</td>
</tr>
<tr>
<td>Chair, Audit and Risk Committee</td>
<td>Ensure that the committee provides independent assurance and advice to the Director-General regarding the Department’s risk, control and compliance framework and external accountability responsibilities as prescribed in the relevant legislation</td>
</tr>
<tr>
<td>Chief Risk Officer</td>
<td>Appoint and maintain a fraud and corruption working group&lt;br&gt;Promote and oversee the implementation of an integrated approach to fraud control&lt;br&gt;Establish and maintain a fraud risk profile&lt;br&gt;Develop and maintain a centralised fraud risk register&lt;br&gt;Conduct annual review of fraud corruption risks&lt;br&gt;Implement Fraud Awareness Training</td>
</tr>
<tr>
<td>Chief Finance Officer</td>
<td>Provide Director-General with an assurance statement on financial internal controls</td>
</tr>
<tr>
<td>Role/Position/Work Group</td>
<td>Responsibilities</td>
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</tbody>
</table>
| Manager, Conduct Advisory Services | Refer matters amounting to suspected corrupt conduct to the Crime and Corruption Commission  
Implement a mix of targeted and general corrupt conduct, public interest disclosure and ethical awareness training  
Ensure complaints and disclosures are managed in accordance with HR Policy I5, Public Interest Disclosures and Public Interest Disclosure Act 2010.  
Respond to reports of suspected fraud and corruption  
Respond to advice from the Crime and Corruption Commission. |
| Fraud Risk Owners | Manage, monitor, update and report on respective fraud risks |
| Managers | Manage the risk of fraud occurring in their areas of responsibility |
| Staff/Employees | Participate in fraud awareness training  
Report suspicions of fraud and corruption to the most appropriate line manager or to CAS. |
| Chairs of Selection Panels, Delegates for Appointments, Recruitment Managers, HR Managers | Ensure criminal history check completed prior to appointment as appropriate |
| Crime and Corruption Commission (CCC) | The CCC is the Queensland public sector’s integrity oversight agency. All allegations of suspected Corrupt Conduct must be referred to the CCC. In most cases the CCC will refer allegations back to the unit of public administration for them to deal with as they see fit, with outcome advice provided to the CCC once the matter is finalised. For serious allegations, the CCC may elect to investigate the matter themselves, or direct the unit of public administration to investigate under close monitoring by the CCC. |
| Queensland Audit Office (QAO) | Independent audit services to Queensland Parliament and all state public sector entities and local governments. If the alleged offence is under the Criminal Code, the agency shall contact QAO. |
| Queensland Police Service (QPS) | Enforcement of law and order in Queensland. Responsible for detecting offenders and bringing them to justice. If the alleged offence is under the Criminal Code the agency may notify the QPS. This can be coordinated through the department’s Police Liaison Unit within Conduct Advisory Services. |
| Queensland Ombudsman | Investigates the administrative actions and decisions of public sector agencies and their employees. Not commonly involved in fraud and corruption cases. |

4. Legislation

- Department of Health Fraud Control Policy
- Ambulance Service Act 1991
- Crime and Corruption Act 2001
- Criminal Code Act 1899
- Criminal Proceeds Confiscation Act 2002
- Financial Accountability Act 2009
- Financial and Performance Management Standard 2009
- Hospital and Health Boards Act 2011
- Public Interest Disclosure Act 2010
- Public Sector Ethics Act 1994
- Public Service Act 2008
- Australian Standard Fraud and Corruption Control AS 8001-2008
- Code of Conduct for the Queensland Public Service 2011
- Queensland Ombudsman : Public Interest Disclosure Standard No.1 2013
- Public Service Commission: Discipline Guidelines 01/13
- Public Service Commission: Directive 22/09 Gifts and Benefits
- Public Service Commission: Guidelines Gifts and Benefits 2010
- Queensland Procurement Policy

5. Supporting documents
- Department of Health Fraud Control Guideline (The Plan)
- Workplace Conduct and Ethics HR Policy E1 (QH-POL-113)
- Control Framework for Expenditure (2014)
- Criminal History Checking HR Policy B40 (QH-POL-122)
- Discipline HR Policy E10 (QH-POL-124)
- Corruption in Focus (Crime and Corruption Commission)
- Financial Management Practice Manual (FMPM)
- Risk Management Policy (QH-POL-070)
- Queensland Procurement Policy
- Public Interest Disclosures HR Policy I5 (QH-POL-202)
- Recruitment and Selection Policy HR Policy B1 (QH-POL-212)
- Requirements for Reporting Corrupt Conduct HR Policy E9 (QH-POL-218)
### 6. Definitions

<table>
<thead>
<tr>
<th>Term</th>
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<tbody>
<tr>
<td>Collusion</td>
<td>Secret or illegal cooperation or conspiracy in order to deceive others; Law collusion between ostensible opponents in a lawsuit</td>
</tr>
<tr>
<td>Confidential Information</td>
<td>Pursuant to s139 of the Hospital and Health Boards Act 2011 confidential information means information, acquired by a person in the person’s capacity as a designated person, from which a person who is receiving or has received a public sector health service could be identified.</td>
</tr>
<tr>
<td>Corrupt Conduct</td>
<td>Corrupt conduct is the conduct of a person, regardless of whether the person holds or held an appointment, that - adversely affects, or could adversely affect, directly or indirectly, the performance of functions or the exercise of powers of a unit of administration or a person holding an appointment; and is not honest or impartial; or involves a breach of trust (knowingly or recklessly); or involves a misuse of information; and provides a benefit to the person or another person or causes a detriment to another person; and would, if proved, be a criminal offence or a disciplinary breach providing reasonable grounds for termination of the person’s services. For the full definition, please refer to the Crime and Corruption Act 2001.</td>
</tr>
<tr>
<td>Formal Investigation</td>
<td>Pursuant to s190 of the Hospital and Health Boards Act 2011, a ‘formal’ investigation process involves the appointment or engagement of an investigator by the Director-General, or delegate. The investigation is a focused and detailed examination or inquiry, for which an investigator(s) is appointed to uncover facts and determine the truth of an allegation. This may include collecting, processing, analysing, storing, and evaluating evidence and providing findings and recommendations. The final product of a formal investigation is an investigation report. After considering the report, the Director-General, or delegate, may take the action he or she considers appropriate in relation to the matters identified in the report.</td>
</tr>
<tr>
<td>Fraud</td>
<td>A Criminal Offence defined in the Criminal Code Act 1899 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. This also includes the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose or the improper use of information or position for personal financial benefit For example: false claims on a CV, using a cab voucher for personal travel, falsely making a claim on a timesheet, false invoicing, unauthorised use of credit cards, theft of intellectual property or other confidential information, falsifying time-sheets to claim overtime not worked.</td>
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Fraud Control Standard
Governance and Risk
Chief Risk Officer
17 June 2015

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<th>Term</th>
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<tbody>
<tr>
<td>Fraud Risk</td>
<td>The effect of possible fraud on the objectives of the department, division and/or business unit.</td>
</tr>
</tbody>
</table>
| Maladministration                         | An administrative action that—  
(a) was taken contrary to law; or  
(b) was unreasonable, unjust, oppressive, or improperly discriminatory; or  
(c) was in accordance with a rule of law or a provision of an Act or a practice that is or may be unreasonable, unjust, oppressive, or improperly discriminatory in the particular circumstances; or  
(d) was taken—  
(i) for an improper purpose; or  
(ii) on irrelevant grounds; or  
(iii) having regard to irrelevant considerations; or  
(e) was an action for which reasons should have been given, but were not given; or  
(f) was based wholly or partly on a mistake of law or fact; or  
(g) was wrong |
| Misconduct                                | Inappropriate or improper conduct in an official capacity; or in a private capacity that reflects seriously and adversely on the public service.                                                        |
| Natural Justice                           | Natural justice is an administrative law principle that provides for fairness in decision-making. It is concerned with ensuring that an objective decision maker reaches a procedurally fair decision.  
Natural justice has two rules:  
Rule against bias: decision-makers are to be objective, free of bias, and have no personal interest in the matter being decided.  
Hearing rule: an individual is to be informed of the substance of an allegation/s against them and have the opportunity to present their case prior to a decision being made. |
| Public interest disclosure (PID)          | A public interest disclosure is a disclosure under Chapter 11 of the Public Interest Disclosure Act and includes all information and help given by the discloser to a proper authority for the disclosure. |
| Staff/Employees (including contractors and consultants) | For the purposes of this policy the term 'staff' refers to all Department of Health employees, and all individuals acting as its agents. |
| Stealing / Theft                          | Theft is dealt with under Sections 391 of the Criminal Code  
*For example: an employee steals a laptop belonging to Department of Health without consent and with the intention of not returning the laptop.* |
## Version Control

<table>
<thead>
<tr>
<th>Version</th>
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<th>Comments</th>
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<tbody>
<tr>
<td>Version 1.</td>
<td>March 2015</td>
<td>Scheduled review by Risk and Governance Unit</td>
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