

Fraud and corruption control

Department of Health Standard

QH-IMP-295-1:2015

1. Statement

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

2. Scope

This Implementation Standard applies to all employees, contractors and consultants (“employees”) within the Department of Health Divisions (divisions) and Business Units (BUs). The Queensland Ambulance Service’s local Fraud and Corruption Control framework is aligned to this Standard.

3. Requirements

3.1 Ethical Culture

The *Code of Conduct for the Queensland Public Service (the Code)* applies to all employees of the Department of Health (the department). The Code reflects the principles of integrity and impartially promoting the public good, commitment to the system of government, accountability and transparency. All employees have a responsibility to comply with the requirements of the Code.

3.2 Prevention

3.2.1 Fraud Risk Assessment and Fraud Risk Register

- i) The Risk, Assurance and Information Management (RAIM) Branch will ensure that an online system (RiskMan) is available to record the fraud risks. A centralised fraud risk register covering corporate level risks for the department will be maintained which encompasses all divisions and BUs. The QAS will maintain fraud risks within their Strategic risk register and individual portfolio risk registers.
- ii) All divisions and BUs of the department will conduct comprehensive fraud risk reviews and risk assessment where required and update the relevant risks in the online system.
- iii) An annual review of fraud risks in the Fraud Risk Register will be coordinated by the RAIM Branch.
- iv) Employees with supervisory or managerial responsibilities shall assess the risk of fraud and corruption occurring in their areas of responsibility; implement appropriate control measures; ensure fraud and corruption control measures remain appropriate when the environment, organisation and/or systems change; and ensure that employees are aware of their individual responsibilities in identifying, updating the fraud risks in the online system and reporting fraud and corruption. Divisions and BUs should review and maintain their relevant fraud risks in the fraud risk register.

3.2.2 Fraud Awareness Training

- i) The mandatory training requirements for the department are contained in the Orientation, Induction and mandatory training HR policy G6.
- ii) All employees shall undertake fraud awareness training within 90 days of commencement and a refresher training every two years thereafter or earlier where deemed required targeted at preventing, detecting and responding to fraud and corruption. Fraud awareness training aligns with and is in addition to the Ethics, Integrity and Accountability training.
- iii) The RAIM and HR Branch is responsible for review and update of the Fraud Awareness training materials.
- iv) All Divisions and BUs must monitor the training completion rates including timeliness and encourage relevant employees to complete fraud awareness and other related mandatory training (ethics, public interest disclosure etc).
- v) The overall fraud awareness training completion percentage will be reported to the Audit and Risk Committee through the Fraud Control Assurance Plan reporting.

3.2.3 Employment Screening and Criminal History Checking

The employment screening processes are contained in Employment screening HR policy B40, including criminal history checking, with Chapter 5 of Part 6 of the *Public Service Act 2008* providing the legislative basis for criminal history checking provisions.

3.2.4 Supplier Due Diligence

The division/BU undertaking procurement of goods and services should perform supplier due diligence as per the requirements outlined in the [Supplier Due Diligence](#) Guide.

3.2.5 Conflicts of Interest Disclosure

The *Code* includes a 'Manage conflict of interest' section which outlines the responsibilities of employees and managers. The department's conflict of interest processes are contained in the Conflicts of Interest Guideline (QH-GDL-113-1:2017). The guideline is a reference tool for employees and managers to identify conflicts of interest, recognise their responsibilities and the process for reporting and managing conflicts of interest. In addition, the Financial Management Practice Manual (FMPM) includes conflict of interest policy (Risk Management: FMPM-2.3).

3.4 Detection

3.4.1 Continuous Monitoring

Continuous monitoring activities are implemented by management to ensure that key controls and business processes are operating as intended. It involves use of automated tools and data analytics to identify, measure, report and manage exceptions above the acceptable tolerance level. The Working Group will drive consistency, visibility and monitoring of continuous monitoring activity across the department and look for efficiency in the use of technology for continuous monitoring activities.

3.4.2 Recognising and Reporting Suspected Fraud and Corruption

- i) All employees shall proactively identify and manage risks and opportunities within their area of responsibility in accordance with the Risk Management Framework.
- ii) All employees who form a reasonable suspicion of fraudulent and corrupt conduct shall immediately report it to the most appropriate line manager, another Senior Executive or to the

Ethical Standards Unit (ESU) in accordance with the Requirements for reporting suspected corrupt conduct as per HR Policy E9 and the Employee complaints HR policy E12 and related procedures.

- iii) Employees can also make anonymous disclosures under the *Public Interest Disclosure Act 2010* or report the matter to the external proper authorities like the Crime and Corruption Commission (CCC), Queensland Ombudsman etc.
- iv) A member of public can disclose the information to any department officer, another proper authority with the power to investigate or remedy the matter or a Member of the Legislative Assembly.
- v) All employees who report suspected fraudulent or corrupt conduct should take no further action until advised by ESU. For example, employees should not communicate with other employees about the matter. Furthermore, employees should avoid handling any materials (other than to secure the materials) which may be considered as evidence until advised by representatives of the ESU, the CCC or Queensland Police Service (QPS).
- vi) The employee making a complaint will be protected from retaliation for disclosure of fraud and corruption in accordance with the Public Interest Disclosure standards and HR Policy I5 Public Interest Disclosure

3.4.3 Internal Audit

Internal Audit will conduct audits and provide independent assurance on the efficiency and effectiveness of the internal controls.

3.5 Public Interest Disclosure

The Director ESU shall ensure public interest disclosures (PID) are managed in accordance with the *Public Interest Disclosure Act 2010*, Public Interest Disclosure standards (1/2019, 2/2019 and 3/2019) and HR Policy I5 Public Interest Disclosure.

3.6 Response

A report of suspected corrupt conduct (including fraud) will be handled by the ESU according to their local 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 QPS where necessary;
- Assessing whether the matter may constitute a PID under the *Public Interest Disclosure Act 2010* and reporting to the Queensland Ombudsman;
- Facilitating, where required, the investigation of alleged fraud or corrupt conduct.
- Advise the division/BU on the changes required to the internal controls or processes due to an incident.

3.7 Performance Improvement and Disciplinary Action

Where there are allegations of fraud or corruption, the relevant delegate shall consider what action needs to be taken against an employee. Any such action must be in line with the department's Human Resources (HR) Delegations manual, the Performance improvement HR policy G11-QH-POL-190 and Discipline HR Policy E10- QH-POL-124.

3.8 Reporting

3.8.1 Fraud Risk Profile

- i) A fraud risk profile will be maintained for the department by ED RAIM and emerging trends in fraud and corrupt conduct will be identified with the assistance of the risk owners, responsible working group, ESU and fraud control officers.
- ii) The status of fraud risks and update on the Fraud Control Assurance Plan will be reported to the Audit and Risk Committee on at least an annual basis. The Fraud Control Assurance Plan includes various fraud control objectives, metrics and annual targets for fraud prevention, detection and response.
- iii) The ESU will provide an update to the RAIM Branch and/or Working Group on the categories of reported fraud and/or corruption for consideration within the fraud risk profile.

3.8.2 Fraud Incidents

- i) The department's Strategic Communications Branch is the business area responsible for managing the media communications on behalf of the department in relation to potential or actual fraud and corruption incidents.
- ii) The ESU will advise the Director-General and develop briefs for communication with the Minister of Health and Minister for Ambulance Services about potential or actual fraud and corruption incidents.

3.9 Recovery of Losses

The department will take all efforts to recover losses incurred from a fraud and corruption incident including Queensland Government Insurance Fund, civil or criminal proceedings to maximise the recovery.

3.10 Roles and Responsibilities

The roles and responsibilities table provides the responsibilities of key roles and how the individual responsibilities are linked to the key elements of fraud and corruption control.

Role/Position/ Work Group	Responsibilities	Ethical Culture	Prevention	Detection	Response
Departmental Leadership Team	<ul style="list-style-type: none"> • Ensure all employees are made aware of their fraud and corruption control responsibilities. • Ensure all employees complete the required mandatory training. • Ensure managers within their jurisdiction identify, control, monitor and treat fraud risks within their area of responsibility. Managers can seek assistance and guidance from the RAIM Branch. • Ensure that fraud and corruption control responsibilities are represented where appropriate in their respective performance management frameworks. 	<p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p>

Role/Position/ Work Group	Responsibilities	Ethical Culture	Prevention	Detection	Response
	<ul style="list-style-type: none"> Ensure mitigations/ treatment plans are implemented within agreed time frames and the internal controls are operating effectively. Ensure corrective actions are implemented as advised by ESU or external agencies. 		✓	✓	✓ ✓
Chair, Audit and Risk Committee	<ul style="list-style-type: none"> Ensure that the committee considers and provides independent advice to the Director-General regarding the department's risk, control, compliance framework and external accountabilities/ responsibilities as prescribed in the relevant legislation. 	✓	✓	✓	✓
Executive Director RAIM Branch	<ul style="list-style-type: none"> Promote and oversee the implementation of an integrated approach to fraud and corruption control. Maintain a consultative mechanism for effective management and implementation of the fraud risk controls within the department. Review, update and communicate the fraud risk profile. Appoint and maintain a Working Group that contributes to the effective risk management and implementation of fraud and corruption control and drives consistency and visibility of continuous monitoring activities. Report biannually to the Audit and Risk Committee on fraud and corruption control awareness, training and fraud risk profile. Oversee and monitor the fraud and corruption risk register to ensure the risk owners are regularly reviewing, updating and managing their relevant fraud and corruption risks. Maintain the Fraud Awareness Training and have an annual communications and awareness program. 	✓ ✓	✓ ✓ ✓ ✓ ✓ ✓ ✓	✓ ✓ ✓ ✓ ✓ ✓	✓ ✓ ✓

Role/Position/ Work Group	Responsibilities	Ethical Culture	Prevention	Detection	Response
	<ul style="list-style-type: none"> Monitor compliance with the overall framework. The above responsibilities are supported by Fraud Control Officers within the RAIM Branch. 	✓	✓	✓	✓
Chief Finance Officer	<ul style="list-style-type: none"> Ensure the adequacy of the internal controls for the financial processes. Provide the Director-General with an assurance statement on the efficiency and effectiveness of the financial internal controls (s77 of the <i>Financial Accountability Act 2009</i>). 		✓	✓ ✓	✓ ✓
Finance Branch	<ul style="list-style-type: none"> The Insurance Services Team within Finance Branch should notify the Queensland Government Insurance Fund of any potential or actual claim should a fraud and corruption incident occur. Allocate the actual losses to the relevant division/BUs cost centres. Maximise the recovery of losses incurred due to an incident. Ensure the periodic reporting and publication of gifts and benefits received by employees within the department Ensure that a centralised material losses register is maintained and reportable losses are sent to the QAO quarterly and the Minister, CCC and QPS where appropriate. Report to the QAO all material losses resulting from an offence or corrupt conduct. 		✓	✓ ✓	✓ ✓ ✓ ✓ ✓
Director, Ethical Standards Unit	<ul style="list-style-type: none"> Refer matters amounting to suspected/actual corrupt conduct to the CCC. 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 	✓	✓	✓ ✓	✓ ✓

Role/Position/ Work Group	Responsibilities	Ethical Culture	Prevention	Detection	Response
	<p>the <i>Public Interest Disclosure Act 2010</i>.</p> <ul style="list-style-type: none"> Respond to reports of fraud and corruption or provide appropriate assistance and/or guidance to the relevant business unit on the management of the incident. Respond to advice from the Crime and Corruption Commission. Advise business areas on the actions or additional internal controls required and monitor the implementation status of the actions. Conduct or assist in investigations of fraud and corruption. Communicate with the relevant division/Branch and Director-General regarding potential or actual incidents. Provide update on a quarterly basis to the Working Group on the categories of fraud and/or corruption incidents. 			<p>✓</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>
Fraud Risk Owners/ Risk Owners	<ul style="list-style-type: none"> Identify, assess, and implement internal controls; manage, monitor, update and report on respective fraud risks. 		✓	✓	✓
Strategic Communications Branch	<ul style="list-style-type: none"> Manage media and external communications on behalf of the department. 		✓	✓	✓
Managers/Team Leaders/Supervisors	<ul style="list-style-type: none"> Manage the risk of fraud occurring in their areas of responsibility. Ensure employees are aware of internal controls relevant to their area of operation. Ensure audit findings and recommendations relevant to their areas of responsibility are responded to promptly. Take appropriate action once a suspected fraud is reported by employees. 		<p>✓</p> <p>✓</p> <p>✓</p>	<p>✓</p> <p>✓</p>	<p>✓</p>
Employees	<ul style="list-style-type: none"> Complete mandatory fraud awareness training. Report suspicions of fraud and/or corruption to the most appropriate line manager or to ESU. 	✓	✓	<p>✓</p>	<p>✓</p>

Role/Position/ Work Group	Responsibilities	Ethical Culture	Prevention	Detection	Response
Internal Audit	<ul style="list-style-type: none"> To regularly review processes in accordance with the Internal Audit Plan, provide recommendations for improved systems and review opportunities for fraud and corruption. Conduct follow-up to ensure that agreed audit recommendations and actions are implemented by management. 		✓	✓	
Chairs of Selection Panels, Delegates for Appointments, Recruitment Managers, HR Managers	<ul style="list-style-type: none"> Ensure required employment screening including criminal history checks are completed prior to appointment as per the HR policy requirements. 		✓		
Chief Human Resources Officer	<ul style="list-style-type: none"> Ensure the relevant HR policies are in place, reviewed and updated. Advise the delegates on recruitment, performance and discipline policy requirements. 	✓	✓	✓	✓
Crime and Corruption Commission (CCC)	<ul style="list-style-type: none"> The CCC is the Queensland public sector's integrity oversight agency. The ESU will assess all allegations of suspected corrupt conduct to determine if they are reportable and will refer relevant matters 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. The CCC also develop an Audit Plan and undertake audits to ensure agencies are dealing with corrupt conduct appropriately. 		✓	✓	✓
Queensland Police Service (QPS)	<ul style="list-style-type: none"> If an alleged offence is under the Criminal Code, the ESU will notify the QPS. QPS is responsible for enforcement of law and order in Queensland and for finding the offenders and bringing them to natural justice. 			✓	✓

Role/Position/ Work Group	Responsibilities	Ethical Culture	Prevention	Detection	Response
Queensland Ombudsman	<ul style="list-style-type: none"> The Queensland Ombudsman is the oversight agency in relation to public interest disclosures. Investigates the administrative actions and decisions of public sector agencies and their employees. 				<ul style="list-style-type: none"> ✓ ✓

4 Legislation

- *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*

5 Supporting documents

External Publications

- Australian Standard Fraud and Corruption Control AS 8001-2008
- Code of Conduct for the Queensland Public Service 2011
- Crime and Corruption Commission, Queensland Ombudsman, and Public Service Commission “Managing a Public Interest Disclosure Program. A guide for public sector organisations 2011”
- Crime and Corruption Commission Fraud and Corruption Control- Best Practice Guide March 2018
- Public Service Commission: Discipline Guidelines 01/17
- Public Service Commission: Directive 22/09 Gifts and Benefits
- Public Service Commission: Guidelines Gifts and Benefits 2010
- Queensland Ombudsman: Public Interest Disclosure Standard 2019
- Queensland Procurement Policy

Internal policy

- Conflicts of Interest Guideline (QH-GDL-113-1:2017)
- Department of Health Continuous Monitoring Framework
- Department of Health Fraud and Corruption Control Policy
- Department of Health Fraud and Corruption Control Guideline
- Detection of financial transaction fraud or fraud threat – Response protocol
- Department of Health Risk Management Framework
- Discipline HR Policy E10 (QH-POL-124)
- Employment screening HR Policy B40 (QH-POL-122)
- Employee complaints HR Policy E12 (QH-POL-140)
- Employee Complaints HR policy E12
- Financial Management Practice Manual
- Orientation, induction and mandatory training HR Policy G6 (QH-POL-183)
- Performance improvement HR Policy G11 (QH-POL-190)
- Public interest disclosure HR Policy I5 (QH-POL-202)
- Requirements for reporting suspected corrupt conduct HR Policy E9 (QH-POL-218)

6 Definitions

Term	Definition
Confidential Information	<p>Confidential information means all information that is:</p> <ul style="list-style-type: none">a) by its nature confidential to Queensland Health;b) is designated or described as being confidential;c) an employee, contractor or consultant knows or ought to know is confidential to Queensland Health <p>and includes:</p> <ul style="list-style-type: none">d) information which relates to Intellectual Property Rights of Queensland Health and its Personnel;e) information concerning clinical processes, policies, commercial operations, financial arrangements, information technology systems and programs or other affairs of Queensland Health;f) information that is defined as ‘confidential information’ by Queensland Health portfolio legislation, including the Hospital and Health Boards Act 2011 (Qld) and Public Health Act 2005 (Qld); andg) information that is defined as ‘personal information’ under the Information Privacy Act 2009 (Qld).

Term	Definition
Corruption	Dishonest activity in which an employee of an organisation acts contrary to the interest of the organisation, in order to achieve some gain or advantage, or to avoid loss or disadvantage, for the employee or for another person or entity. Corruption can include, but is not limited to, behaviour such as fraud, deception, misuse of position or authority (Australian Standard 8001:2008 <i>Fraud and Corruption Control</i>)
Corrupt Conduct	<p>As per Section 15(1) of the <i>Crime and Corruption Act 2001</i>, corrupt conduct is conduct that:</p> <ul style="list-style-type: none"> • adversely affects, or could adversely affect, 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 • would, if proven, be a criminal offence or a disciplinary breach providing reasonable grounds for termination of the person's employment. <p>As per Section 15(2) of the <i>Crime and Corruption Act 2001</i>, corrupt conduct is conduct that:</p> <ul style="list-style-type: none"> • impairs, or could impair, public confidence in public administration; and • involves, or could involve: <ul style="list-style-type: none"> ▪ collusive tendering; ▪ fraud relating to an application for a licence, permit or other authority under an Act with a purpose of protecting health or safety of persons, protecting the environment, or protecting or managing the use of the State's natural, cultural, mining or energy resources; ▪ dishonestly obtaining, or helping someone to dishonestly obtain, a benefit from the payment or application of public funds or the disposition of State assets; ▪ evading a State tax, levy or duty or otherwise fraudulently causing a loss of State revenue; ▪ fraudulently obtaining or retaining an appointment; and ▪ would, if proven be a criminal offence or a disciplinary breach providing reasonable grounds for termination of the person's services, if the person is or were the holder of an appointment. <p>For the full definition, please refer to section 15 of the <i>Crime and Corruption Act 2001</i>.</p>

Term	Definition
Formal Investigation	<p>Pursuant to s190 of the <i>Hospital and Health Boards Act 2011</i>, a 'formal' investigation process involves the appointment or engagement of an investigator by the Director-General, or delegate.</p> <p>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.</p> <p>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.</p>
Fraud	<p>Dishonest activity causing actual or potential 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 (from Australian Standard 8001:2008 <i>Fraud and Corruption Control</i>).</p> <p>A Criminal Offence as defined in Section 408C of the <i>Criminal Code Act 1899</i>.</p> <p><i>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.</i></p>
Fraud Risk	<p>The effect of possible fraud on the objectives of the department, division and/or business unit.</p>
Fraud Risk Owner/Risk Owner	<p>A person with the accountability and authority to manage a risk</p> <p>A position with the most responsibility for the risk</p> <p><u>Most responsible</u> means able to coordinate risk treatments and engage with other business areas that may have some responsibility for an aspect of the risk and/or delegation to support risk treatment.</p> <p>As a matter of principle, each risk has only one Risk Owner.</p>

Term	Definition
Natural Justice	<p>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:</p> <ul style="list-style-type: none"> • 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 Section 12 and Section 13 of the <i>Public Interest Disclosure Act</i> and includes all information and help given by the discloser to a proper authority for the disclosure.
Employees (including contractors and consultants)	For the purposes of this policy the term 'employees' refers to all Department of Health employees, and all individuals acting as its agents or consultants.
Working Group	Working Group contributes to the effective risk management, implementation of fraud and corruption control and drive consistency and visibility of continuous monitoring activities. The Working Group reports the results to the Department Leadership team and the Audit and Risk Committee via the Executive Director RAIM

Version Control

Version	Date	Comments
Version 1.0	March 2015	Scheduled review by Risk and Governance Unit
Version 1.1	17 June 2015	Policy Rationalisation Project- Minor editorial changes. Migration of content
Version 2.0	21 August 2019	Scheduled review by Risk, Assurance and Information Management Branch - clarification of roles and responsibilities, change to corrupt conduct definition and inclusion of Ethical culture and Recovery of loss section.