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| Fraud, Corruption and Other Losses Policy |
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Contents

[1. Introduction 2](#_Toc185348507)

[1.1 Purpose 2](#_Toc185348508)

[1.2 Scope 2](#_Toc185348509)

[1.3 Definitions 3](#_Toc185348510)

[1.4 Related documents 4](#_Toc185348511)

[1.5 Roles and responsibilities 4](#_Toc185348512)

[2. Prevent 5](#_Toc185348513)

[2.1 Integrity training 5](#_Toc185348514)

[2.2 Fraud and corruption risk management 6](#_Toc185348515)

[3. Detect 9](#_Toc185348516)

[3.1 Speak up 9](#_Toc185348517)

[3.2 How to report 9](#_Toc185348518)

[3.3 Complaints management 11](#_Toc185348519)

[3.4 Data monitoring 12](#_Toc185348520)

[4. Respond 12](#_Toc185348521)

[4.1 Listen up and follow up 12](#_Toc185348522)

[4.2 Assessment and investigation 13](#_Toc185348523)

[4.3 Disciplinary and legal consequences 14](#_Toc185348524)

[4.4 Post-incident review and reporting 14](#_Toc185348525)

[4.5 Responding to other losses 15](#_Toc185348526)

[4.6 Insurance 15](#_Toc185348527)

[5. Recordkeeping and reporting 15](#_Toc185348528)

[5.1 Fraud, corruption and other losses register 15](#_Toc185348529)

[5.2 Reporting significant or systemic incidents 15](#_Toc185348530)

[5.3 Organisational reporting 16](#_Toc185348531)

[6. Policy review 16](#_Toc185348532)

# Introduction

The Department of Health’s (the department) vision is that Victorians are the healthiest people in the world. To make this happen, we must always act with integrity and in the public interest. We must safeguard public resources and prevent fraud and corruption.

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| **The department does not tolerate fraud or corruption.** |

This policy is part of the department’s Integrity Framework, which is built upon the Victorian Public Sector (VPS) values and [Code of Conduct](https://vpsc.vic.gov.au/ethics-behaviours-culture/codes-of-conduct/) <https://vpsc.vic.gov.au/ethics-behaviours-culture/codes-of-conduct/>.[[1]](#footnote-2)



Figure 1. Department of Health Integrity Framework

## Purpose

This policy sets out what the department and staff must do to prevent, detect and respond to fraud, corruption and other losses. It also describes the department’s systems and processes for reducing the risk of fraud and corruption.

## Scope

**Who does this policy apply to?**

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| **This policy applies to you and everyone else who works  at the department and Safer Care Victoria.** |

This includes all Victorian Public Service staff members, and:

* executives
* contractors and consultants working in the department
* any other workplace participants.[[2]](#footnote-3)

Unless otherwise specified, this policy does not apply to:

* statutory agencies in the department’s portfolio
* outside organisations that receive funding from the department to deliver goods or services, or that perform a function for the department.

These organisations are responsible for maintaining their own fraud and corruption control systems. If you are unsure whether the policy applies, please contact the [Integrity Unit](mailto:integrity@health.vic.gov.au) directly for advice.

## Definitions

### Integrity

Integrity at the department means that every day at work we:

* are honest, impartial and accountable
* use our powers and resources responsibly
* avoid and manage conflicts of interest
* speak up when something is wrong
* put the public interest first.

### Fraud and corruption

Fraud and corruption are both forms of dishonest activity.[[3]](#footnote-4) Both fraud and corruption constitute ‘corrupt conduct’ and ‘improper conduct’ for the purposes of reporting to the Independent Broad-based Anti-corruption Commission (IBAC).

**Fraud** is dishonest activity that causes (or could cause) a loss to the department. It includes financial and property theft by people who work here or by people outside the department. Fraud often involves deception.

Examples include stealing money or property from the department, or falsifying documents such as an invoice or medical certificate.

**Corruption** is an abuse of power and trust. It occurs when someone at the department misuses their position for their own or someone else’s advantage/detriment.

Examples include taking a bribe, awarding a contract to a preferred tenderer for personal gain, or using official information for improper purposes.

### Other loss

This occurs when someone does something—deliberately or accidentally—that causes a loss. It includes theft, vandalism and arson.

## Related documents

This policy is consistent with the Australian Standard 8001:2021 Fraud and Corruption Control (the Standard).

There are direct links in this policy to other key documents. Visit the [Integrity Resources](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/integrity-guides-forms-policies-procedures.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/integrity-guides-forms-policies-procedures.aspx> page on the intranet for a full list of related legislation and guidelines, plans, policies and procedures.

## Roles and responsibilities

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| **Everyone plays a part in the  prevention and detection of fraud and corruption.** |

### What do I need to do?

All staff must:

* demonstrate the VPS values and uphold the Code of Conduct
* complete the mandatory integrity training
* be able to identify the ‘red flags’ (or warning signs) of fraud and corruption
* speak up and report any suspected fraud or corruption
* comply with recordkeeping and reporting requirements
* keep property and information secure.

Table 1 below identifies the roles and work areas that have additional integrity responsibilities.

Table 1. Additional integrity responsibilities

| ****Role**** | **Responsibility** |
| --- | --- |
| Executive Board | * Ensure the department takes all reasonable steps to minimise and manage the risk of fraud, corruption and other losses * Establish, maintain and promote a strong integrity environment. * Establish this policy and monitor its implementation |
| Secretary | * **Overall responsibility** to minimise the risk of fraud, corruption and other losses * Comply with the recordkeeping and reporting requirements in the Standing Directions 2018 under the Financial Management Act 1994 (the Standing Directions) * Notify the IBAC of suspected corrupt conduct in accordance with the Independent Broad-based Anti-corruption Commission Act 2011 (IBAC Act) |
| All executives and managers (including the Secretary) | * Foster a culture of integrity by:   + modelling behaviourin accordance with the Code of Conduct and the department’s integrity policies   + supporting team members to comply with the Code of Conduct and the department’s integrity policies   + regularly discussing integrity issues   + providing a safe environment for people to speak up and report integrity concerns * Manage fraud and corruption risks * Take appropriate actions in response to reports of integrity concerns, including notifying potential fraud and corruption to the Integrity Unit, and other losses to Finance |
| Integrity Unit | * **Develop, implement and maintain the department’s** Integrity Framework **and** related policies (including this policy), procedures and guidance * **Support the department to prevent, detect and respond to fraud and corruption** * Liaise with external integrity agencies * Provide advice on responses to reports of fraud and corruption * **Report to the Executive Board** and Audit and Risk Management Committee (ARMC) * Maintain records of internal fraud and corruption matters. |
| Audit, Risk and Resilience | * Identify, monitor and report integrity risks * Test the effectiveness of controls |
| Audit and Risk Management Committee (ARMC) | * Oversee the department’s approach to managing fraud and corruption risks * Provide advice to the Secretary regarding the department’s responsibilities * Review de-identified information on fraud and corruption investigations, excluding investigations under the *Public Interest Disclosures Act 2012* and IBAC Act * Receive reports of significant and systemic fraud, corruption and other losses |
| Finance | * **Maintain reporting obligations under the Standing Directions**, the fixed asset register and the Fraud, Corruption and Other Losses Register |
| People | * Embedintegrity in performance development processes for all staff members * **Maintain workforce screening and excess annual leave** policies and processes * Maintain the department’s Conflict of Interest Policy and related procedures and guidance (includes Declaration and Management of Private Interests) * Assist the Integrity Unit to respond to alleged fraud or corruption involving employees |

# Prevent



## Integrity training

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| **Integrity training is mandatory.** |

You must complete the Code of Conduct and Integrity eLearning modules as part of your induction and as part of the department’s ongoing compliance program. The Code of Conduct module covers the values and the standards of behaviour that the department expects from you. The Integrity module covers what you need to do to prevent, detect and respond to fraud and corruption. It also includes how to make a report if you suspect something is wrong.

There is specialist training and support for specific roles, such as people leaders and executives. The Integrity Unit is responsible for implementing a range of integrity awareness and capability building activities.

## Fraud and corruption risk management

Fraud and corruption is a department-wide risk that can negatively affect our operations and reputation.

The department manages fraud and corruptions risks according to its [Risk Management Policy](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Risk-management.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Risk-management.aspx> and the relevant standards and legislation. The department applies the risk management principles outlined in ‘AS ISO 31000:2018 Risk Management—Guidelines’.

The Integrity Unit reports periodically to the ARMC and the Executive Board on the department’s fraud and corruption risk management activities. It also meets quarterly with the Audit, Risk and Resilience team to review fraud and corruption risks, controls and incidents.

### Key controls

A control is a business rule, system or process that makes a risk less likely to happen or reduces the impact if that risk does happen. Controls that are working well will:

* ensure effective and efficient operations and processes
* safeguard the department’s assets
* ensure the integrity of department data
* promote compliance with applicable laws, regulations and standards.

Key controls are essential for effective risk management. If you identify a risk or control gap, contact the [Integrity Unit](mailto:integrity@health.vic.gov.au) <mailto:integrity@health.vic.gov.au> or [Audit, Risk and Resilience](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Risk-management.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Risk-management.aspx> team.

Table 2 lists the department’s key controls for minimising fraud and corruption risks.

Table 2. Key controls

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| ****Control**** | Description |
| Conflict of Interest Policy | **All employees must comply with the  Conflict of Interest Policy and associated procedures.** |
|  | A conflict of interest happens when you have a private interest that could influence how you do your job at the department. A conflict of interest can be actual, potential or perceived and it can have a serious effect on public trust.  You must declare any conflict of interest so that your line manager can work with you to manage it properly. Refer to the [Conflict of Interest](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Conflict-of-interest.aspx?web=1) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Conflict-of-interest.aspx?web=1> page on the intranet. |
| Conflict of Interest Policy— private interests | If you are an executive or have certain financial responsibilities,[[4]](#footnote-5) you must also complete a Declaration and Management of Private Interests form. This means declaring and clearly documenting any private interest that could influence you in your role. It also includes any private interest that the public could perceive to influence you.  You can get [guidance](https://dhhsvicgovau.sharepoint.com/:w:/r/sites/health/Forms/Conflicts-of-interest-(COIs)/COI%20and%20Declaration%20and%20Management%20of%20Private%20Interest%20Guidance%20.docx?d=wf7850f6c8b674cf3978dbc42249247d7&csf=1&web=1&e=hgHzXB) about how to declare private interests on the intranet. |
| Gifts, Benefits and Hospitality Policy | **All employees must comply with the  Gifts, Benefits and Hospitality Policy and associated procedures.** |
|  | The department’s default position in relation to an offer of a gift, benefit or hospitality is ‘thanks is enough’.  There are few situations where you can accept an offer, and you should always obtain approval before you accept. There are some offers that you cannot accept, such as cash or gift vouchers. You must also never solicit gifts, benefits or hospitality.  If you receive an offer and it is worth $50 or more, you must declare the offer—even if you do not accept it. Refer to the [Gifts, Benefits and Hospitality Policy](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/gifts-benefits-hospitality.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/gifts-benefits-hospitality.aspx>. |
| Pre-employment screening | The department screens all potential new staff members. This is to ensure we employ people who will act with integrity and uphold the department’s values.  Safety screening includes identity checks, police checks and the requirement to disclose past misconduct matters. Some roles have additional checks.  Our screening policies and procedures are consistent with the [Victorian Public Sector Pre-employment Screening Policy](https://vpsc.vic.gov.au/workforce-capability-leadership-and-management/recruitment-in-the-public-sector/pre-employment-and-misconduct-screening/) <https://vpsc.vic.gov.au/workforce-capability-leadership-and-management/recruitment-in-the-public-sector/pre-employment-and-misconduct-screening/>. For further information, refer to the [Pre-employment Safety Screening Policy](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Pre-employment-safety-screening.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Pre-employment-safety-screening.aspx>. |
| Annual Leave Policy and monitoring | Excessive annual leave can be a red flag for possible fraudulent activity. It also has a negative impact on health and safety. For further information about managing excess annual leave, refer to the [Annual Leave Policy](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Applying-for-Leave.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Applying-for-Leave.aspx>. |
| Separation of roles and delegations | We require employees to hold official delegations to take part in key processes. We also use separation of roles to ensure that no single person has end-to-end control or authority over the processes. These controls apply to:   * spending and receipt of public monies * entering or administering contracts * employment and remuneration of employees. |
| Supplier Code of Conduct | All suppliers must adhere to the Victorian Government’s [Supplier Code of Conduct](https://www.buyingfor.vic.gov.au/supplier-code-conduct) <https://www.buyingfor.vic.gov.au/supplier-code-conduct>. The Code describes the minimum expectations suppliers should aspire to meet in the areas of integrity, ethics and conduct.  We expect suppliers to report misconduct, unethical behaviour or suspected corruption, including breaches of the Code of Conduct or the Supplier Code of Conduct. Suppliers can make these reports to the department or a relevant authority, including IBAC. |
| Supplier vetting | Staff involved in contracting external suppliers and vendors through the department’s procurement processes must ensure the good business standing of new and potential suppliers.  This includes:   * review of publicly available information * reference checks * evaluation of past performance.   We monitor performance and respond to any suspicious activity.  Staff should also consider any conflict of interest that a supplier may have.  As part of a procurement process (including tenders) and prior to engagement, suppliers must complete the conflict of interest section in the relevant response schedule.  For further information on [procurement governance](https://dhhsvicgovau.sharepoint.com/sites/dffh/SitePages/Procurement-governance.aspx) <https://dhhsvicgovau.sharepoint.com/sites/dffh/SitePages/Procurement-governance.aspx>, refer to the Intranet. |
| Contract management | The department’s [Contract Management Framework](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Contract-management.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Contract-management.aspx> includes processes and guidance to ensure that contractors meet our requirements and provide value for money. This applies to contract establishment, execution and closure. |
| Prevention of technology-enabled fraud | The department’s Information Security Policy and supporting standards include controls to prevent and detect technology-enabled fraud. The Information Security Policy is consistent with the [Victorian Protective Data Security Standards](https://ovic.vic.gov.au/information-security/standards/) <https://ovic.vic.gov.au/information-security/standards/> issued under the Privacy and Data Protection Act 2014. Refer to [Information Security](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Information-security.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Information-security.aspx> on the intranet for more information. |
| Protecting information | Our employees must protect official information under the [Code of Conduct](https://vpsc.vic.gov.au/ethics-behaviours-culture/codes-of-conduct/) <https://vpsc.vic.gov.au/ethics-behaviours-culture/codes-of-conduct/>, privacy laws and the department’s [Information Security Policy](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Information-security.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Information-security.aspx>. This is supported by information security standards that require:   * use of ‘protective markings’ on records under the [Victorian Protective Data Security Standards](https://ovic.vic.gov.au/information-security/standards/) <https://ovic.vic.gov.au/information-security/standards/> * system controls that limit access to information on a ‘need to know’ basis * privacy and confidentiality clauses in supplier and service agreements. |
| Asset management | The department protects against the misuse of assets and resources in line with the Department of Treasury and Finance’s [Asset Management Accountability Framework](https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework) <https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>.[[5]](#footnote-6)  The Finance team manages the department’s fixed asset register. The department manages its financial assets according to the [Managing Financial Assets Policy](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Financial-delegate.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Financial-delegate.aspx>. |
| Record-keeping | The Records Management Policy requires employees to create, capture and manage records relating to their work. This ensures we have the records we need to protect, detect and respond to fraud, corruption and losses. |

### Environment scanning

The department regularly scans and monitors the internal and external environment to identify emerging risks. These risks may be political, economic, social, technological or legal. The Integrity Unit meets with relevant business units and monitors media reports, legal developments and IBAC matters to inform its integrity work.

### Audit and assurance

The department uses both internal and external audits to identify fraud and corruption risks. Our external auditor is the [Victorian Auditor-General’s Office](https://www.audit.vic.gov.au/) <https://www.audit.vic.gov.au/> (VAGO).

VAGO conducts both performance audits and financial audits.

Performance audits provide reasonable assurance that the department is:

* meeting its performance objectives
* using resources economically
* complying with legislation.

Financial audits seek to understand fraud and corruption risks and assess the department’s internal control environment.

Our internal audit function provides independent and objective assurance on the department’s risk management, control and governance processes. As part of its annual work program, Internal Audit may target business processes or units likely to be vulnerable to fraud, corruption and other losses.

# Detect

## Speak up

The department welcomes people speaking up about integrity concerns. Finding out that fraud or corruption is happening is the first step towards being able to address it.

Most cases of fraud and corruption are detected because someone says something.

### What do I need to do?

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| **If you suspect fraud or corruption,  you must speak up and report it.** |

This is a requirement of all our roles as public servants.

It might seem stressful or difficult to make a report. You can always contact the [Integrity Unit](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/IPDU-integrity-prevention-detection-unit.aspx#integrity-unit-contacts) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/IPDU-integrity-prevention-detection-unit.aspx#integrity-unit-contacts> or IBAC to access information, advice and support on all integrity-related matters.

## How to report

You have options for how you speak up and make a report. A report could be:

* a conversation that you have
* a phone call that you make
* an email that you send
* a form that you complete.

You can make a report within the department or directly to an external agency.

### Reports can be anonymous

You are welcome to make an anonymous report. The department treats anonymous reports in the same way as any other report.

If you want to make an anonymous report, consider setting up an email address for making your report. Otherwise, it can be difficult for the department to ask for, and for you to provide, further information. The department is better able to provide support and feedback when it can contact you in some way.

### Public interest disclosures

A public interest disclosure is a specific type of report which involves improper conduct or detrimental action by public bodies or public officers. The *Public Interest Disclosures Act 2012* offers legal protections to those who make a disclosure.

The department has systems in place for receiving and notifying public interest disclosures, including providing welfare support and other protections to disclosers. Further information is available in the [Quick Guide](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/public-interest-disclosures-whisteblowing.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/public-interest-disclosures-whisteblowing.aspx>.

Several staff members in the Integrity Unit are also Public Interest Disclosure Coordinators. Their contact details are set out in the table below.

### Keep it confidential

It is in everyone’s best interest that reports about suspected fraud and corruption are made confidentially. Keeping the matter confidential will protect the parties involved and protect the integrity of any action that may be taken, including investigations.

### Make an internal report

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| **You can report your concern to any manager or executive, or directly to the Integrity Unit.** |

Table 3: Reporting suspected fraud or corruption internally

| Who to contact | Details |
| --- | --- |
| Integrity Unit | **Email** the [Integrity Unit](mailto:integrity@dffh.vic.gov.au) **<**mailto:integrity@dffh.vic.gov.au>  **Integrity Hotline**: 1300 024 324  You can also speak to someone from the Integrity Unit for advice—you can do this in person or online. [Integrity Unit staff details](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/IPDU-integrity-prevention-detection-unit.aspx#integrity-unit-contacts) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/IPDU-integrity-prevention-detection-unit.aspx#integrity-unit-contacts> are available on the intranet. |
| Management | You can make a report about the department or any of its employees and/or officers **to any person in management**, including:   * the Secretary * a manager or supervisor of the person who is the subject of your concern * your manager or supervisor. |

### Make an external report

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| **You can also report suspected fraud and corruption directly  to organisations outside the department.** |

Table 4: External reporting

| Organisation | Details |
| --- | --- |
| IBAC | IBAC is Victoria’s anti-corruption agency and is the most relevant external agency to deal with reports of fraud or corruption involving public officers.  **Online form:** [IBAC online complaint form](https://www.ibac.vic.gov.au/reporting-corruption) <https://www.ibac.vic.gov.au/reporting-corruption>  **Phone:** 1300 735 135 |
| Victoria Police | For criminal matters only  **Phone:** 000 in an emergency or 13 1444 for non-emergency matters  **In person:** at [your local police station](https://www.police.vic.gov.au/homepage) <https://www.police.vic.gov.au/homepage> |

Further information about how to make a report is in the [Quick Guide](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/public-interest-disclosures-whisteblowing.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/public-interest-disclosures-whisteblowing.aspx>. There is also information about what happens after you make a report in section 4 of this policy.

### Make a public interest disclosure

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| **You can make a public interest disclosure to a  Public Interest Disclosure Coordinator or directly to IBAC.** |

Table 5: Public interest disclosure contacts

| Organisation | Details |
| --- | --- |
| **Internal**  Public Interest Disclosure Coordinator | **Email** a [Public Interest Disclosure coordinator](mailto:publicinterestdisclosure@health.vic.gov.au) <mailto:publicinterestdisclosure@health.vic.gov.au>  **Public Interest Disclosure Hotline**: 1300 024 324  **In writing**:  Public Interest Disclosure Coordinator  Integrity Unit  Department of Health  50 Lonsdale Street  Melbourne VIC 3000 |
| **External**  IBAC | **Online form:** [IBAC online complaint form](https://www.ibac.vic.gov.au/reporting-corruption) <https://www.ibac.vic.gov.au/reporting-corruption>  **Phone:** 1300 735 135 |

## Complaints management

The [Health Feedback and Complaints](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Managing-feedback.aspx?web=1) team <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Managing-feedback.aspx?web=1> manages feedback from stakeholders and members of the public. It does this in line with the department’s Feedback Management Policy.

The Health Feedback and Complaints team refers fraud, corruption or integrity-related matters to the Integrity Unit for assessment.

## Data monitoring

The Integrity Unit conducts an annual forensic data analytics (FDA) program of activities to proactively detect and respond to fraud, corruption, misconduct and non-compliance with department policies and guidelines. The program includes regular analysis of department data to identify red flags in relation to:

* finance
* procurement
* recruitment
* unauthorised disclosures of official information
* conflicts of interest.

The FDA program addresses fraud and corruption risks, identifies improvements to controls, and addresses systemic issues.

# Respond

## Listen up and follow up

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| **If you are a manager or executive and receive a report of suspected  fraud or corruption, you must treat that report seriously.** |

Even if the report is anonymous, you must take it seriously. A staff member who speaks up about their concerns is offering valuable information. Their report could save the department from loss of money, reputation and public trust.

You should:

* **recognise** that it can be stressful to speak up and someone making a report may be nervous or worried
* **listen** carefully and focus on what the report is about, even if it makes you uncomfortable
* **thank** the staff member for doing the right thing and offer wellbeing support (for example, [Employee Wellbeing and Support Program](https://dhhsvicgovau.sharepoint.com/sites/StaffHSW-DH/SitePages/Employee-Wellbeing-and-Support-Program.aspx) <https://dhhsvicgovau.sharepoint.com/sites/StaffHSW-DH/SitePages/Employee-Wellbeing-and-Support-Program.aspx>)
* **discuss** whether they want to be involved further in the process.

Finally, you **must** follow up on the report.

If you are a manager or executive and receive a report about suspected fraud or corruption, you are now responsible for following up on it. You must ensure that the report reaches the Integrity Unit (or an external organisation, such as IBAC).

### Confidentiality

Apart from notifying the Integrity Unit (or an external organisation), managers and executives must not share any details about the report. This includes with your own line management. Disclosing information can be a criminal offence.

Maintaining confidentiality protects the integrity of any internal or external investigation(s) that may follow a report. It also protects the wellbeing of staff members who speak up.

### Immediate actions

There are specific circumstances where you may need to immediately act on the information―for example, to protect health and safety, identify parties involved and prevent financial loss. You should always discuss this with the [Integrity Unit](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/IPDU-integrity-prevention-detection-unit.aspx#integrity-unit-contacts) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/IPDU-integrity-prevention-detection-unit.aspx#integrity-unit-contacts> first and maintain confidentiality of the person who made the report.

## Assessment and investigation

### Preliminary enquiries

When responding to an integrity issue, the department may make preliminary enquiries. This involves discreetly seeking and reviewing evidence. The purpose is to determine if:

* the department should notify IBAC and/or Victoria Police (see [Notifications](#_Notifications))
* there is enough evidence to warrant a formal investigation (see [Formal investigation](#_Formal_investigation)).

The department’s Integrity Unit decides who conducts the enquiries. In most cases of external fraud (such as fraud by suppliers or health services), the relevant business area will be responsible for conducting enquiries.

### Notifications

The department must make a report about certain fraud and corruption matters―this is called a mandatory notification. The Integrity Unit assesses all matters to determine whether they meet the threshold for notification.

#### Independent Broad-based Anti-corruption Commission

The department has a legal obligation to report matters IBAC that:

* meet the criteria for a public interest disclosure under the *Public Interest Disclosures Act 2012*
* involve suspected corrupt conduct under the IBAC Act.

The Integrity Unit coordinates notifications and consults IBAC throughout this process.

#### Victoria Police

Fraud and corruption may involve potential criminal conduct which must be reported to Victoria Police.

The business area where the conduct occurred is responsible for notifying and liaising with Victoria Police. The Integrity Unit may take this on in some cases—for example, where the incident affects many business areas across the department.

External agencies, suppliers and funded entities are responsible for notifying Victoria Police of allegations about their own officers and employees.

### Formal investigation

The Integrity Unit is responsible for managing formal investigations involving suspected fraud or corruption. A formal investigation may involve a range of activities including interviewing witnesses, reviewing documentary evidence, undertaking forensic examination of computer or department systems, examining telephone records and department-issued telephones and conducting enquiries with third parties.

The Integrity Unit considers the following when deciding whether a formal investigation is required:

* any concurrent investigations or inquiries by another integrity or law enforcement agency—the department will consult prior to taking action to ensure the department does not prejudice their investigations
* whether it is more appropriate to apply disciplinary or contract management processes (see [Disciplinary and legal consequences](#_Disciplinary_and_legal))
* the proportional risk(s) the alleged conduct poses to the department and other parties
* the amount and quality of evidence available.

The department uses appropriately skilled and experienced investigators. These investigators are independent of the business area in which the matter occurred and free from any conflicts of interest. The business area in which the matter occurred bears the cost of any external investigation.

Investigations shall be conducted in a manner that:

* affords human rights and natural justice to all parties
* protects the privacy of the person who made the allegation and any witnesses
* gathers evidence in a timely and legally admissible manner
* does not circumvent or compromise established misconduct processes (see [[Disciplinary and legal consequences](#_Disciplinary_and_legal)](#_Disciplinary_action_1)).

#### Referral to integrity or law enforcement bodies during an investigation

The department may identify evidence of criminal, corrupt or other misconduct during an investigation. If this occurs, the Integrity Unit will consider referring the matter to the relevant authority or body.

## Disciplinary and legal consequences

Where the department finds evidence of fraud or corruption, it will consider any necessary action. This could include:

* disciplinary action against an employee*.*
* reconsideration of contractual arrangements with suppliers or outside parties
* legal action to recover funds or assets
* referral to integrity or law enforcement bodies
* civil proceedings to recover losses.

## Post-incident review and reporting

The department must review all incidents of fraud or corruption to prevent similar future events. Review activities may include:

* risk assessment
* examination of internal systems, processes and controls
* internal audit.

The Integrity Unit will report fraud and corruption incidents and any recommendations to the relevant business areas and executives.

External integrity agencies can also make recommendations after an incident. The Integrity Unit oversees the department’s response to external recommendations involving fraud and corruption. Relevant business areas are responsible for implementing recommendations and assisting the Integrity Unit.

## Responding to other losses

Business areas that identify other losses such as theft must report them to the department’s Finance team using the [reporting form](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Loss-and-theft-reporting.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Loss-and-theft-reporting.aspx> on the intranet.

The Finance team will support the business area to:

* consider disciplinary or contractual action, action for civil recovery and referral to Victoria Police
* review internal controls to prevent future losses.

## Insurance

The department regularly assesses its insurance coverages, including for losses incurred by fraud and theft. The department’s Finance team manages the department’s insurance policies.

# Recordkeeping and reporting



## Fraud, corruption and other losses register

Under the Standing Directions, the Secretary must keep a Fraud, Corruption and Other Losses Register. The Integrity Unit and Finance support the Secretary to do this.

The Register records details of all actual and suspected incidents of fraud, corruption and other losses.

The Secretary provides a copy of the Register to the responsible minister and ARMC on request.

## Reporting significant or systemic incidents

### What is ‘significant’?

Fraud, corruption or other loss is ‘significant’ if it involves more than:

* $1,000 in purchasing and prepaid debit cards
* $5,000 in money
* $50,000 in other property.

### What is ‘systemic’?

A matter is systemic if it has a significant impact on the department or the State. Systemic fraud, corruption or other loss could affect reputation, financial position or financial management.

Under the Standing Directions, the Secretary must report all actual or suspected significant or systemic fraud, corruption and other losses to:

* the responsible Minister
* ARMC
* VAGO.

The Secretary must make a report as soon as they can. The report must include information about any response to the incident. The relevant area is responsible for preparing this report to the Secretary with support from the Integrity Unit and Finance.

The Secretary must also keep the responsible Minister, ARMC and VAGO informed about the incident. This includes about the outcome of any investigations.

The Integrity Unit supports the Secretary with matters that are subject to confidentiality restrictions or notices under the *Public Interest Disclosures Act 2012* or IBAC Act. The relevant business area offers support on other matters.

Contact the [Finance](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Finance.aspx?web=1) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Finance.aspx?web=1> team for advice and templates.

## Organisational reporting

Within the department, senior executives and ARMC receive reports about significant and systemic fraud and corruption. These reports observe the confidentiality requirements detailed in section 4.1, particularly in respect of public interest disclosure matters.

Internal reporting should outline the incident and any planned remedial action (see [Post-incident review](#_Control_review) and reporting).

### External communication

The relevant business area is responsible for communication with clients and other people affected by fraud and corruption incidents.

Some incidents may gain media attention. If this is likely, the business area should coordinate a response with the:

* [Media Team](mailto:press@health.vic.gov.au) <mailto:press@health.vic.gov.au>
* [Integrity Unit](mailto:integrity@health.vic.gov.au) <mailto:integrity@health.vic.gov.au>
* Secretary’s Office.

# Policy review

The Integrity Unit will review this policy within two years of the most recent approval date. It may also make minor changes during that time to update names or links.

The review of this policy will align with requirement 2.10.6 of the Standard.

### **Document control**

|  |  |
| --- | --- |
| Document Name | Fraud, Corruption and Other Losses Policy |
| Version Number | 2.0 |
| Date | 23 October 2024 |
| Author | Integrity Unit |
| Authorised By | Deputy Secretary, People, Operations, Legal and Regulation |
| Distribution | [TBC] |

**Change History**

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| --- | --- | --- | --- |
| Version | Issue Date | Author | Reason for change |
| 1.0 | Mar 2022 | Integrity Unit | First publication |
| 2.0 | Oct 2024 | Integrity Unit | Policy review cycle and internal audit recommendations |

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| To receive this document in another format, phone 1300 024 324, using the National Relay Service 13 36 77 if required, or [email](mailto:integrity@health.vic.gov.au) the Integrity Unit <integrity@health.vic.gov.au>.  Authorised and published by the Victorian Government, 1 Treasury Place, Melbourne.  © State of Victoria, Australia, Department of Health, December 2024.  Available at [Fraud and Corruption Control](https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/fraud-corruption-control.aspx) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/fraud-corruption-control.aspx> |

1. Read more about the VPS Values and the Code of Conduct on the [Victorian Public Sector Commission](https://vpsc.vic.gov.au/ethics-behaviours-culture/public-sector-values/) <https://vpsc.vic.gov.au/ethics-behaviours-culture/public-sector-values/> website. [↑](#footnote-ref-2)
2. Workplace participants may include secondees, labour hire staff, sessional staff and any other person whose contract requires them to comply with this policy. [↑](#footnote-ref-3)
3. A full definition of fraud, corruption and other losses is included in the Australian Standard 8001:2021 Fraud and Corruption Control. [↑](#footnote-ref-4)
4. This refers to a financial delegation of more than $50,000. Check the [policy](https://dhhsvicgovau.sharepoint.com/:w:/r/sites/health/_layouts/15/Doc.aspx?sourcedoc=%7B148475DC-3CDF-48BB-BB9B-1CC3D02A0BFD%7D&file=Conflict-of-interest-policy.docx&action=default&mobileredirect=true) <https://dhhsvicgovau.sharepoint.com/sites/health/SitePages/Conflict-of-interest.aspx> on the intranet for the most up-to-date information. [↑](#footnote-ref-5)
5. The Department of Treasury and Finance issues the [Asset Management Accountability Framework](https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework) <https://www.dtf.vic.gov.au/infrastructure-investment/asset-management-accountability-framework>. [↑](#footnote-ref-6)