

Health Service Executive



Framework for the Corporate and Financial Governance of the Health Service Executive

Policy Statement on Fraud *Information and Guidelines for Staff*

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1. Foreword

The HSE requires all employees at all times to act honestly and with integrity and to safeguard the public resources for which the HSE is responsible.

Fraud is an ever-present threat to these resources and hence must be a concern to all employees and persons employed in a similar capacity. Fraud may occur internally or externally and may be perpetrated by staff, patients, service users, suppliers, contractors or development partners, individually or in collusion with others.

The purpose of this document is to set out employees' responsibilities with regard to fraud prevention, what to do if fraud is suspected and the action that will be taken by management.

This Policy is part of a suite of policies and should be read in conjunction with:

- **Code of Standards and Behaviour**
- **Policy on Good Faith Reporting**

This Framework for the Corporate and Financial Governance of the HSE was first approved by the HSE Board at its meeting held on 7th September 2006 and version 2 was approved at the Board meeting held on 1st November 2007. The Framework was approved by the Minister for Health and Children on 26th March 2008.

The Policy will be reviewed annually by Human Resources and the HSE Audit Committee will approve any amendments as required.

2. Policy

The HSE through its Corporate Governance regime endeavours to achieve openness, transparency and accountability by establishing best practice by carrying out risk management reviews and regular monitoring of activities and functions thus creating an environment that deters fraud. All cases of fraud or suspected fraud will be investigated immediately. Recovery of losses arising from fraud will be pursued. Disciplinary action will be taken against employees involved in fraud and action may also be taken against employees whose negligence through lack of supervision and control may have facilitated the event.

The HSE considers that the exposure and prosecution of persons wilfully defaulting or attempting to default with public monies or property is essential in the public interest as a deterrent and will report all such cases to the Gardai when discovered.

The HSE is determined that the culture and tone of the organisation will continue to be one of honesty and opposed to fraud and corruption.

3. Definitions of Fraud

The term fraud is used to describe such acts as deception, bribery, forgery, extortion, corruption, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts and collusion.

For practical purposes fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party. The criminal act is the attempt to deceive and attempted fraud is, therefore, treated as seriously as accomplished fraud.

Computer fraud is where information technology equipment has been used to manipulate programs or data dishonestly (for example, by altering, substituting or destroying records, or creating spurious records), or where the use of an IT system was a material factor in the perpetration of fraud. Theft or fraudulent use of computer time and resources is included in this definition. These issues are dealt with in the HSE Information Security policy.

4. HSE Responsibilities

The HSE is committed to the highest standards of openness and accountability in all processes. The role of management in developing and monitoring a risk managed framework in the organisation which would reduce the likelihood of fraud is crucial to the effectiveness of the framework that will be put in place.

It is the responsibility of the HSE to:

- ensure it has suitable policies and practices in place to safeguard itself against fraud and theft;
- ensure that it communicates its policy on fraud to employees in a formal policy statement;
- ensure that an annual report on fraud and theft is prepared for the consideration of the Audit Committee and the board;
- carry out vigorous and prompt investigations if fraud occurs;
- take appropriate legal and/or disciplinary action against perpetrators of fraud; and
- take disciplinary action against managers and supervisors where their failures have contributed to the commissioning of fraud.

The Chief Executive Officer of the HSE carries overall responsibility for the prevention of fraud, and is liable to be called to account by the board and the Oireachtas (via the Public Accounts Committee) for specific failures. However, the above responsibilities fall directly on line management and may involve **all HSE employees**.

5. Line Managers' Responsibilities

Line managers are expected to set example by complying fully with procedures and controls.

The day to day responsibility for the prevention and detection of fraud rests with line managers who are responsible for:

- identifying the risks to which systems, operations and procedures are exposed;
- developing and maintaining effective controls to prevent and detect fraud;
- ensuring that controls are being complied with;
- providing induction and regular training for employees involved in internal control systems to ensure that their responsibilities are regularly highlighted and reinforced; and
- ensuring the rotation of employees where possible and necessary.

All reports of fraud or suspected fraud must be taken seriously. Where a member of staff alerts a line manager to possible fraud the following steps should be taken by the line manager:

- Act quickly to minimise any losses.
- Bear in mind that it is only an allegation until outcome of investigation is known.
- Preserve any evidence and move it to a safe location where practicable.
- Notify the National Director of Internal Audit and National Director of Finance.
- Carry out a vigorous and prompt investigation and report findings immediately to the National Director of Internal Audit and the National Director of Finance.
- Inform, if possible, the person who made the initial report of what is happening.
- Notification to the Gardai should be carried out by the line manager following consultation with an executive of the HSE at National Director level.

6. Employees Responsibilities

Every employee has a responsibility to:

- Ensure that public funds/assets that are entrusted to them are safeguarded.
- Comply with rules of conduct and behaviour as set from time to time by the HSE.
- Inform line manager of any gifts/hospitality offered (see Code of Standards and Behaviour).
- Inform line manager of any outside interests that may conflict or impinge on their duties.
- Alert line manager to weaknesses in the control system.
- Alert line manager and/or the National Director of Internal Audit to fraud or suspected fraud.
- Assist in any investigation that may arise in respect of fraud or suspected fraud.

If for any reason it is not possible or appropriate to inform your line manager, the Internal Audit Department should be contacted directly or the Fraud, Corruption and Waste Hotline (01-6626984) should be used.

7. Internal Auditor's Responsibilities

Internal audit provides reasonable assurance to management that the organisation's significant risks are being appropriately managed with an emphasis on internal controls and governance processes by:

- Promoting procedure manuals which identify controls which should be in place
- Providing clear recommendations where control weaknesses have been identified
- Ensuring risk management and systems of controls are continually being monitored by departments in response to a constantly changing environment
- Ensuring audit work takes account of the possibility of fraud

The reviews undertaken by Internal Audit will be prioritised to reflect the levels of potential risks to the organisation and the frequency of reviews will be dependent on resources available to the audit unit.

8. Human Resources Responsibilities

A key preventative measure to deter fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the previous record of potential employees in terms of their propriety and integrity.

Human Resources responsibilities are as follows:

- To undertake security vetting of staff.
- To request confirmation from line managers of satisfactory completion of probationary periods for their staff
- To issue appropriate rules of conduct on appointment
- To develop written disciplinary procedures that address fraudulent and corrupt acts
- To ensure employment policies, including those regarding fraud and guidance on acceptable internet and email usage, are included in induction programmes for employees at all levels
- To monitor turnover and leave patterns of employees
- To provide updates on this and other relevant employment policies, including codes of conduct

Human Resources will ensure that, on an annual basis, all employees of the HSE:

- Are updated on this and other related policies, including the policies on Code of Standards & Behaviour and Good Faith Reporting
- And will specifically re-enforce the requirement for compliance with the HSE's confidentiality procedures.

9. Employee Support

It is not uncommon for an employee, who works closely with the suspected perpetrator to feel a sense of responsibility for what happened and suffer stress as a result. Often there is a feeling of shock and disappointment that a person in whom trust was placed has deceived those around him/her.

In these circumstances, the HSE's area/local staff welfare service provides a confidential service offering help, advice and support. The Staff Welfare services can be contacted through the area/local Human resources section/Department.

10. DOs & DON'Ts

DO	DON'T
Make a note of your concerns	Be afraid of raising your concerns
<ul style="list-style-type: none"> • Record all relevant details, such as the nature of your concern, the names of parties you believe to be involved, details of any telephone or other conversations with names dates and times and any witnesses. • Notes do not need to be overly formal, but should be timed, signed and dated. • Timeliness is most important. The longer you delay writing up, the greater the chances of recollections becoming distorted and the case being weakened. 	<ul style="list-style-type: none"> • The Law provides protection for staff who raise reasonably held concerns through the appropriate channels. • You will be positively applauded as a result of following these procedures and the matter will be treated sensitively and confidentially.
Retain any evidence you may have	Convey your concerns to anyone other than authorised persons
<ul style="list-style-type: none"> • The quality of evidence is crucial and the more direct and tangible the evidence, the better the chances of an effective investigation. 	<ul style="list-style-type: none"> • There may be a perfectly reasonable explanation for the events that give rise to your suspicion. Spreading unsubstantiated concerns may harm innocent persons.
Report your suspicions promptly	Approach the person you suspect or try to investigate the matter yourself
<ul style="list-style-type: none"> • In the first instance, report your suspicions to your line manager or appropriate senior manager. If this action would be inappropriate, report your concerns to Internal Audit/Head of Quality and Risk. 	<ul style="list-style-type: none"> • There are special rules relating to the gathering of evidence for use in criminal cases. Any attempt to gather evidence by persons who are unfamiliar with these rules may destroy the case.

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