

Health Service Executive



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

Policy Statement on Fraud & Corruption *Information and Guidelines for Staff*

Document 2.3

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1. Introduction

- 1.1 One of the basic principles of public sector organisations is the proper use of public funds. The majority of Health Service Executive (HSE) employees are honest and professional and recognise that fraud or corruption committed by a minority is wholly unacceptable as it ultimately leads to a reduction in the resources available for patient/client care. Where resources are wrongfully diverted and not used for the intended purpose the HSE's ability to improve health outcomes for the population is affected.
- 1.2 Fraud or corruption 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.
- 1.3 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
 - Procedures for Protected Disclosures of Information

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.

- 1.4 The Policy will be reviewed biennially or sooner if necessary. The HSE Audit Committee will approve any amendments as required.

2. Policy statement

- 2.1 The Health Service Executive is committed to maintaining high standards in the delivery of its services and the management of the public funds entrusted to it. In adhering to the principles of integrity, objectivity and honesty the HSE is opposed to fraud and corruption in the way that it conducts its business. All members of staff are expected to share this commitment. All appropriate sanctions will be sought against those found to have committed fraud or corruption, including criminal, civil and disciplinary sanctions.

3. Purpose

- 3.1 The objective of this policy is to promote a culture which deters fraudulent activity and to facilitate the prevention and detection of fraud and the development of procedures which will aid in the investigation of fraud and related offences and which will ensure that such cases are dealt with timely and appropriately. This policy is intended to provide direction and assistance to all employees who may identify suspected fraud or corruption. The overall aims of the policy are to:
 - Improve the knowledge and understanding of HSE employees, irrespective of their position, about the risk of fraud and corruption within the organisation and its unacceptability;

- Assist in promoting a climate of openness and a culture and environment where employees feel able to raise concerns responsibly;
 - Set out the HSE's responsibilities in terms of deterrence, prevention, detection and investigation of fraud and corruption;
 - Ensure that appropriate sanctions are considered following an investigation, including any or all of the following:
 - Criminal prosecution;
 - Civil prosecution;
 - Disciplinary action;
 - Civil recovery of any monies lost as a result of fraud.
- 3.2 The policy provides a framework for responding to suspicions of fraud or corruption. All employees must report any suspicion of fraud or corruption as soon as they become aware of them. The HSE (or relevant employer) will not penalise or threaten penalisation against an employee for reporting suspicions in which they have a reasonable belief. An employee who reports suspicions that they know or reasonably ought to know to be false will be subject to investigation and may result in disciplinary action.
- 3.3 All employees must co-operate with the HSE and other bodies to facilitate the elimination of fraud and corruption by:
- Providing information and intelligence
 - Co-operating with investigations, and
 - Complying with this policy.

4. Scope

- 4.1 This policy applies to all employees of the Health Service Executive [and those agencies directly funded by the HSE]

5. Definitions of Fraud and Corruption

- 5.1 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.
- 5.2 For practical purposes fraud is 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, consequently, treated as seriously as accomplished fraud.
- 5.3 Corruption is broadly defined as the offering or acceptance of inducements, gifts, favours, payment or benefit in kind which may influence the action of any person. The corrupt person may not benefit directly from their deeds; however they may be unreasonably using their position to give some advantage to another.
- 5.4 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.

6. Roles and Responsibilities

6.1 Director General

6.1.1 The Director General has overall responsibility for the funds entrusted to the HSE. The Director General will ensure that adequate policies and procedures are in place to protect the HSE from fraud or corruption.

6.1.2 The Director General shall if s/he has reason to suspect that any material misappropriation of the money for which s/he is the Accounting Officer, or any fraudulent conversion or misappropriation of the Executive's property, may have taken place, report the matter to the Audit Committee as soon as practicable.

6.2 Line Managers

6.2.1 All managers are primarily responsible for ensuring that policies, procedures and processes within their work areas are adhered to.

6.2.2 Managers should ensure that all employees within their areas of responsibility are aware of fraud and corruption risks and understand the importance of protecting the HSE against them. They should be alert to the possibility that unusual events or transactions could be symptoms of fraud or corruption.

6.2.3 Line managers at all levels have responsibility to ensure that an adequate system of internal control exists within their areas of responsibility and that controls operate effectively. As part of that responsibility line managers need to:

- inform HSE employees of this policy and the Code of Standards and Behaviour as part of their induction process;
- ensure that all employees for whom they are accountable are made aware of the requirements of this policy;
- assess the risks to which systems, operations and procedures are exposed ;
- develop and maintain effective controls to prevent and detect fraud or corruption. This must include clear roles and responsibilities, supervisory checks, and separation of duties;
- ensure that controls are being complied with in their areas of responsibility;
- ensure that pre-employment screening, induction and regular training for employees involved in internal control systems takes place to ensure that their responsibilities are regularly highlighted and reinforced;
- encourage an anti fraud and corruption culture among staff.

Line managers may seek advice from the Internal Audit Division or the Finance Division for assistance on meeting these responsibilities.

6.2.4 All reports of fraud or corruption or suspected fraud or corruption must be taken seriously. Where a member of staff alerts a line manager to possible fraud or corruption 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 Chief Financial Officer (CFO), who will advise on the most appropriate course of action and investigative process.
- ensure that a vigorous and prompt investigation is carried out and report findings immediately to the National Director of Internal Audit and the CFO.
- following consultation with the relevant National Director, notify the Gardaí.
- if appropriate, advise the person who raised the concern of progress with the matter.

6.3 Employees

6.3.1 Every employee has a responsibility to:

- Carry out their duties with due regard for relevant legislation, the HSE's policies and procedures, and the National Financial Regulations;
- Be aware of fraud and corruption risks and understand the importance of protecting the HSE against them;
- Ensure that public funds/assets that are entrusted to them are safeguarded.
- Be alert to the possibility that unusual events or transactions may be indicators of fraud or corruption.
- Inform line manager of any gifts/hospitality offered in accordance with the HSE's Code of Standards and Behaviour
- Inform line manager of any outside interests that may conflict or impinge on their duties in accordance with the HSE's Code of Standards and Behaviour.
- Alert line manager to weaknesses in the control system.
- Alert line manager and/or the Finance or Internal Audit Divisions where they suspect that fraud or corruption has occurred or is about to occur. Where it is not possible or appropriate to alert the line manager of such suspicions employees may also refer to the procedures within the HSE's Good Faith Reporting Policy (or telephone the helpline 01 662 6984).
- Co-operate with any investigation that may arise in respect of fraud or corruption or suspected fraud or corruption.

6.4 Internal Audit

6.4.1 Internal Audit carries out a risk-based programme of audits to provide independent assurance on the adequacy of the systems of internal controls established by management, including controls for the prevention and detection of fraud and corruption. Audit programmes take account of the possibility of fraud and corruption but cannot guarantee that they are always detected. The audits carried out by Internal Audit are prioritised to reflect the levels of potential risk to the Organisation and the frequency of audits will be dependent on the resources available to the Audit Division.

6.4.2 Where fraud or corruption are suspected or detected by management, Internal Audit can:

- Advise management on the conduct of investigations;
- Provide specialist forensic and IT resources where required in more complex cases;

- Evaluate whether fraud or corruption identified in specific cases poses systemic risk to the Organisation.

6.4.3 Internal Audit reports to the Audit Committee on the occurrence of fraud and corruption, and provides guidance to management on control issues to mitigate the risks.

6.5 Human Resources

6.5.1 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.

6.5.2 Human Resources will:

- undertake security vetting of staff.
- request confirmation from line managers of satisfactory completion of probationary periods for their staff.
- issue appropriate rules of conduct on appointment.
- assist line managers in implementation, and operation, of the HSE Disciplinary Procedure when necessary.
- ensure employment policies, including those regarding fraud/corruption and guidance on appropriate information technology use, are included in induction programmes for employees at all levels.
- provide updates on this and other relevant employment policies, including codes of conduct.

7. Employee Support

It is not uncommon for employees to feel distressed or upset while facilitating or co-operating with difficult matters such as suspicion of fraud or corruption at work. The Employee Assistance Programme provides a confidential counselling support and referral service for all staff with personal or work-related difficulties. This is a confidential service provided by trained and experienced counsellors who are professionally qualified and bound by the codes of conduct of the professional bodies to which they belong. Contact details for the Programme in each area are available from the relevant Human Resources Department.

8. Summary guide for employees

DO	DO NOT
<p>Note your concerns: record details such as your concerns, names, dates, times, details of conversations and possible witnesses.</p> <p>Retain evidence: retain any evidence that may be destroyed, or make a note and advise your line manager.</p>	<p>Confront the suspect or convey concerns to anyone other than those authorised. Never attempt to question a suspect yourself – this could alert a fraudster or accuse an innocent person.</p> <p>Try to investigate or contact the Gardaí directly. Never attempt to gather evidence yourself unless it is about to be</p>

<p>Report your suspicion: to your line manager, the Finance or Internal Audit Divisions or through the Good Faith Reporting Policy (helpline number 01-662 6984)</p>	<p>destroyed. Evidence gathering must take into account legal procedures in order for it to be useful.</p> <p>Be afraid of raising your concerns. Where you have a genuine suspicion that fraud or corruption is occurring you have a duty to report it.</p>
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9. Implementation Plan

- 9.1 This document will be made available to all employees via distribution of an HR Circular to senior managers.
- 9.2 This document will be made to available to all employees via the HSE's internet site (www.hse.ie).
- 9.3 A global broadcast will be sent to all employees notifying them of the release of this document.
- 9.4 A link to this document will be provided from the Finance, Internal Audit and Human Resources intranet sites.
- 9.5 Guidance on this document is available from the Human Resources and Internal Audit Divisions.

10. Monitoring

- 10.1 Awareness of and compliance with the procedures laid down in this document will be monitored by Human Resources, together with independent reviews by Internal Audit on a periodic basis.
- 10.2 The National Director of Human Resources, in conjunction with the National Director of Internal Audit, is responsible for the revision and updating of this document.

Contact details for further information

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