

 <p>BAY OF PLENTY DISTRICT HEALTH BOARD HAUORA A TOI</p> <p>FRAUD PROTOCOL</p>	<p>FRAUD – INTERNAL – CONTROL, REPORTING AND INVESTIGATION</p>	<p>Policy 2.4.3 Protocol 1</p>
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STANDARDS TO BE MET

1. General

- 1.1 Any suspected fraud perpetrated against Bay of Plenty District Health Board (BOPDHB) once detected must be reported to the GM Governance and Quality.
- 1.2 All incidents of suspected fraud must be investigated as set out in this protocol.
- 1.3 Management should be familiar with the types of fraud that may occur in their area of responsibility and have systems of internal controls to prevent and detect fraud.
- 1.4 BOPDHB will undertake regular audits of transactions and activities that may be susceptible to fraud.
- 1.5 Every individual suspected of committing fraud will be actively investigated and if there is sufficient evidence, prosecuted.
- 1.6 BOPDHB will gather sufficient reliable evidence to support a prosecution, and refer every case of fraud to the appropriate law enforcement agency with a view to prosecution.
- 1.7 BOPDHB will recover lost money or other property wherever possible or practicable.
- 1.8 BOPDHB will have a clear process for the reporting of suspected fraud.
- 1.9 BOPDHB will comply with all provisions of the Protected Disclosures Act 2000
- 1.10 All information received will be treated confidentially. Those providing information should be assured that they will not be victimised or disadvantaged for providing information about suspected fraud.
- 1.11 Informants, unless anonymous, will be advised of the outcome and kept informed throughout the process of the investigation, as is appropriate.
- 1.12 All external communication regarding fraud should be made by the GM Governance and Quality or GM Corporate Services with approval from the Chief Executive Officer (CEO).
- 1.13 BOPDHB external auditors should be notified by the GM Corporate Services when fraud is discovered.
- 1.14 The GM Corporate Services will notify any relevant insurance brokers of any serious fraud.

2. Examples Of Internal Fraud:

Internal fraud may include but is not limited to:

- 2.1 Forgery or alteration of cheques or other documents.
- 2.2 Misappropriation or theft of funds, supplies or other assets including intellectual property.
- 2.3 Irregularity in the handling or reporting of money.
- 2.4 Manipulation of information or documents.
- 2.5 Omission or fraudulent treatment of accounting records.
- 2.6 Misrepresentation of time sheets and expense claims.
- 2.7 Evasion of a BOPDHB liability.
- 2.8 Trading on confidential or inside information.
- 2.9 Accepting or granting of a kickback or bribe.
- 2.10 Involvement in the rigging of a bid or price fixing.
- 2.11 Hacking or other security breaches.
- 2.12 Information Systems related fraud such as manipulation of data, equipment, programs or substituting records in accordance with BOPDHB Information Systems Security Policy.
- 2.13 Extortion and coercion.
- 2.14 Duplicating billing or attempting to procure payment by sending false invoices.

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<p>Protocol Steward: Team Leader, Audit</p>	<p>Authorised by: GM Governance & Quality</p>	

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2.15 Inappropriate use of BOPDHB assets including motor vehicles.

3. Controls

BOPDHB has established the following controls to minimise the possibility of fraud occurring:

- 3.1 Segregation of duties.
- 3.2 Approval with delegated authority.
- 3.3 Adequate reference checks before employment and a recruitment policy that underpins fraud prevention.
- 3.4 Documentation.
- 3.5 Internal audit functions.
- 3.6 Police checks of key Finance & HR staff as per HR guidelines.
- 3.7 Service Managers are to include fraud risk assessment and mitigation in their risk management processes.
- 3.8 Managers shall immediately implement any CEO endorsed recommendation made as the result of an investigation into fraud.
- 3.9 Fraud Awareness training will be provided as required.

4. Fraud Reporting

- 4.1 Anybody suspecting fraudulent activity should report it immediately to the Team Leader, Internal Audit or GM Governance and Quality or if not appropriate, the CEO.
- 4.2 There is also an option for members of the public or employees to report fraud or any other activities you're concerned about in the health system anonymously through the Health Integrity Line free phone number 0800 424 888. The GM Governance and Quality is currently the person of record for notification made via this Ministry of Health Integrity Line.
- 4.3 The GM Governance and Quality will ensure that the CEO is promptly informed.
- 4.4 If fraud is identified, the CEO will issue reports to appropriate designated personnel. In serious cases, Legal Counsel and External Auditors should be notified.
- 4.5 Persons to be informed may include:
 - a) Chairman of the AFRM Committee
 - b) Chairman of the Board
 - c) GM Corporate Services
 - d) GM Governance and Quality
 - e) Other Executive Managers
 - f) Communications Manager
 - g) Manager of service affected
- 4.6 Decisions to prosecute or refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with CEO and legal counsel.
- 4.7 All suspected ACC fraud must also be reported to the ACC.

5. Fraud Investigation

- 5.1 CEO has the discretion to appoint an appropriate Auditor and/or investigators to examine the suspected fraud. The Auditor and appointed investigators will agree the terms of reference of the investigation with the CEO prior to commencement of the investigation.
- 5.2 Members of any investigation team will have the free and unrestricted access to all BOPDHB records and premises, whether owned or rented.

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- 5.3 Members of the investigation team will have the authority to examine, copy and/or remove all or any portion of the contents of files, desks, cabinets, computers and other storage facilities on DHB controlled premises without prior knowledge or consent of any individual who may use or have custody of any such DHB items or facilities when it is within the scope of their investigation.
- 5.4 If the investigation extends beyond DHB controlled items and facilities then it will be necessary to involve external agencies and the relevant laws will apply.
- 5.5 External sources approved by the CEO may be used for investigation if deemed appropriate.
- 5.6 All individuals coming under investigation shall have their rights respected as afforded them under their Employment Agreement, the BOPDHB Code of Conduct and the Employment Relations Act 2000.
- 5.7 The Investigation should include:
 - a) A plan stating the necessary steps for obtaining securing and safeguarding evidence
 - b) The possible prevention of further fraud
 - c) Timeframe for the investigation
 - d) A review of the relevant systems and procedures and advice on improvements necessary to prevent recurrence of the fraud.
 - e) Report of investigation to the CEO.
 - f) Process documented via the Reportable Events process

6. Remedial Action

- 6.1 If the investigation concludes that the suspected fraud has taken place the CEO must consult with appropriate staff and determine what remedial action is to be taken.
- 6.2 Where an investigation identifies serious misconduct of a current employee, the offender will be managed in accordance with the BOPDHB Disciplinary Process protocol. Action is likely to include instant dismissal and referral to the Police for prosecution.
- 6.3 Recovery of all losses will be sought if financially viable.

ASSOCIATED DOCUMENTS

- Bay of Plenty District Health Board policy 2.4.3 Fraud
- Bay of Plenty District Health Board policy 2.4.3 protocol 2 Fraud - External - Control, Reporting & Investigations
- Bay of Plenty District Health Board policy 3.50.02 protocol 9 Investigation Process
- Bay of Plenty District Health Board policy 3.50.02 protocol 15 Disciplinary Process

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