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| Integrity Governance Framework and Assessment Tool |
| Factsheet 2019 |

# Background

This Factsheet details the Department of Health and Human Services (the department) expectations for public health services, public hospitals and multi-purpose services to self-assess and prevent integrity, fraud and corruption risks by using the Integrity Governance Framework and Assessment tool.

The community expects that publicly funded health services will use resources in a responsible and ethical manner that deliver value for money. The framework is therefore aimed at health service leaders of all levels including team leaders, managers, executive management and the board, emphasising the important role leadership plays in managing integrity risks and that risks can occur at any level of an organisation.

# Context and Purpose

In March 2017, the Independent Broad-based Anti-Corruption Commission (IBAC) tabled the report titled ‘Operation Liverpool’ in Parliament. The report recommended:

“That the Department of Health and Human Services consider the issues raised in Operation Liverpool and whether similar vulnerabilities could exist in other Victorian health services”.

The department subsequently committed to developing an Integrity Governance Framework and Assessment tool to assist health services of all sizes to mitigate integrity, fraud and corruption risks.

The purpose of the Integrity Governance Framework and Assessment tool is:

1. To promote a consistent approach to managing integrity, fraud and corruption risks
2. Assist health services in assessing their integrity, fraud and corruption risks
3. Provide guidance on the development of appropriate policies and process to strengthen integrity culture
4. Reduce the likelihood of fraud and corruption within Victorian health services

# Integrity Governance Framework and Assessment Tool

The Department commissioned the Australian Centre for Healthcare Governance (ACHG) to develop the framework in collaboration with health services and the department. In developing the framework, the ACHG also undertook an extensive review of evidence-based literature.

The framework is available from the [Integrity governance framework and assessment tool](https://www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability/integrity-governance-framework) <https://www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability/integrity-governance-framework> page on the Health.vic website.

Every health service has its own unique structure, systems, processes, leadership and culture. These organisational features are core to ensuring better integrity practice in an entity’s operations and in setting strategy. The framework draws on these core components through a risk management approach to assess business and service delivery and ultimately aims to reduce the likelihood of fraud and corruption.

The framework has three main components:

1. The Integrity Governance Framework; which is based on the three lines of defence risk model;
2. The self-assessment tool; and
3. An action plan.

The framework allows health services to assess integrity management practice against the core organisational functional areas of: employment principles, procurement, finance and governance.

# Using the framework and tool

The framework is to be used as a guide for health services to inform better practice. Importantly, health services have an existing obligation to comply with the Standing Directions of the Minister for Finance 2016 to establish processes to safeguard against the risk of fraud and corruption.

The assessment tool is a simple spot check at a single point in time. It provides health services with the ability to identify weaknesses and vulnerabilities that can be transferred to the action plan template to facilitate a response to identified risk areas. In addition, it provides baseline measures to assess progress against the areas identified as gaps.

It is recommended that the tool is used by both board and management to provide assurance that integrity risk is regularly assessed, and that policy and practice improvements are regularly made. The department recommends the tool be completed annually by executive level staff in collaboration with other managers and team leaders.

# Reporting and implementation

Ensuring sound integrity governance requires ongoing attention as the health service environment is fast paced, complex and ever changing. Health services are expected to complete the tool annually or more regularly if specific vulnerabilities have been identified by the health service or the department.

There are times when a health service is at higher risk of an integrity breach. Health services are encouraged to complete the self-assessment in these instances including, but not limited to times of:

* Transitions in management structure
* Significant turnover of personnel or longstanding personnel, particularly in leadership roles such as the CEO or executive
* Material changes in legislation, policy or community expectations
* Significant organisation changes or activity
* Major capital works
* IT upgrades or system and infrastructure change
  + Rapid growth or service expansion

Whilst these are all examples of higher risks, health services are reminded that integrity breaches are able to occur at any time.

Annual submission of the self-assessment to the department is not required, however all health services will be required to demonstrate they have appropriate governance practices in place to manage integrity risk, with integrity governance to form part of the ongoing performance management of all health services.

The department will require:

* Integrity risks and key areas of vulnerability or deficiency to be tabled and discussed annually at quarter 3 performance meetings; and
* Attestation in annual reports by CEOs and Board Chairs that sufficient assessment and mitigation strategies have been implemented in the previous financial year

The department will work with and guide health services to ensure application of the tool remains consistent with the policy and funding environment as it changes over time. This includes working with Board’s of Directors to ensure they are aware of the framework and their individual requirements as Directors. The department will post support tools on the [Integrity governance framework and assessment tool](https://www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability/integrity-governance-framework) <https://www2.health.vic.gov.au/hospitals-and-health-services/funding-performance-accountability/integrity-governance-framework> page on the Health.vic website Any queries can also be directed to your Regional Manager at the department.



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| Integrity Governance Framework and Assessment Tool |
| Frequently Asked Questions |

### Why do we need an integrity governance framework?

The community rightly expect that publicly funded health services are delivered in a responsible and ethical manner that delivers value for money. While the clear majority of the more than 106,000 Victorian’s currently employed in the health sector do the right thing, there have been some instances where individuals have been able to exploit vulnerabilities which have resulted in health services being exposed to instances of fraud and corruption.

An integrity governance framework helps guide health services in better practice to improve the integrity governance culture and systems for individual organisations.

There are currently 86 health services across Victoria that vary greatly in size and complexity, as such effective management of integrity risk can be quite variable. A framework assists health services implement risk management practices that are appropriate to the individual health service and provides a basis on which organisations can measure their existing practice, identify potential vulnerabilities and address these accordingly.

Effective integrity governance requires the development of effective systems, processes, leadership and culture across all levels of an organisation.

### What is the Integrity Governance Framework and Assessment Tool?

The Integrity Governance Framework is a guide to better integrity practice. It is designed to be adapted and scaled to suit the individual needs, maturity and resources of health services large and small. The framework draws on contemporary risk management and integrity practice and adapts these principles to the health service environment.

The framework draws on a risk management approach to assess business and service delivery across three lines of defence and ultimately aims to reduce the likelihood of fraud and corruption.

The framework has three main components:

1. The Integrity Governance Framework;
2. The Better Practice Assessment and Reporting Tool (the self-assessment Tool); and
3. an action plan.

The framework allows health services to assess integrity management practice against the core organisational functional areas of: employment principles, procurement, finance and governance.

The self-assessment tool can be used by both board and management to provide assurance that integrity risk is regularly assessed, and that policy and practice improvements are regularly made.

### How has the framework and tool been developed?

In developing the framework and tool, the ACHG undertook a literature review of existing legislative and policy requirements for Victorian health services. This review was supplemented by extensive consultation with health services that included surveys, face-to-face meetings and a small number of “deep dive” sessions to better understand how existing policies are being applied in action. The tool also considers the findings of recent Independent Broad-based Anti-Corruption Commission’s (IBAC) reports Operation Liverpool, Operation Tone and the report into Corruption risks associated with the public health sector.

The Self Assessment Tool is designed to be used by health services to guide better integrity practice through a simple self-assessment process that also provides direction on suggested practice. The tool focuses on four key practice domains or ‘pillars’ at risk of integrity breach within a health service: employment principles and personnel, procurement, contract and project management, finance and governance.

### What is Operation Liverpool?

On 9 March 2017 the Independent Broad-based Anti-Corruption Commission’s (IBAC) report titled Operation Liverpool was tabled in Parliament. The report examines the conduct of two officers of Bendigo Health. Operation Liverpool found instances of individuals obtaining Bendigo Health property without authorisation, abusing positions of authority and circumventing procurement controls for personal benefit in place.

The department responded to the findings of the Operation Liverpool report in September 2017. The full response is available from the [Operation Liverpool special report March 2017](file:///C:\Users\slus1011\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\LRWMX06J\%20https\www.ibac.vic.gov.au\publications-and-resources\article\liverpool-special-report) <https://www.ibac.vic.gov.au/publications-and-resources/article/liverpool-special-report> page on the Independent Broad-based Anti-Corruption Commission website.

### What is Operation Tone?

On 19 September 2017 the IBAC report titled Operation Tone was tabled in Parliament. The report examines the conduct of a number of Ambulance Victoria paramedics engaged in serious corrupt conduct, namely the theft, trafficking and use of drugs of dependence, and misappropriation of Ambulance Victoria equipment. Whilst it was noted that many paramedics are exemplars of their profession, Operation Tone identified a culture of illicit drug use and misappropriation of Ambulance Victoria equipment by individuals and among certain groups.

The department responded to the findings of the Operation Tone report in October 2018. The full response is available from the [Operation Tone special report September 2017](https://www.ibac.vic.gov.au/publications-and-resources/article/operation-tone) <https://www.ibac.vic.gov.au/publications-and-resources/article/operation-tone> page on the Independent Broad-based Anti-Corruption Commission website.

### What should a health service do if they suspect there is suspected fraud or corruption within their organisation?

There are a number of ways that suspected fraud or corruption can be reported;

* DHHS Corporate Integrity Team; either by phone (03 9096 8529), [email Corporate Integrity](mailto:corporate.integrity@dhhs.vic.gov.au) <corporate.integrity@dhhs.vic.gov.au> or mail (GPO Box 4057 Melbourne VIC 3001)
* Protected Disclosures: either by phone (1300 131 431), [email Protected Disclosures](mailto:protected.disclosure@dhhs.vic.gov.au) (protected.disclosure@dhhs.vic.gov.au) or mail (Protected Disclosures, GPO Box 4057, Melbourne VIC 3001)
* Victoria Police; or
* Independent Broad-Based Anti-corruption Commission (IBAC): either by phone (1300 735 135), online via the [Independent Broad-based Anti-Corruption Commission website](https://www.ibac.vic.gov.au/) <www.ibac.vic.gov.au> or mail (Level 1, North Tower, 459 Collins Street, Melbourne VIC 3000)

Under the *Independent Broad-based Anti-corruption Commission Act 2011* (Vic) health services are required to make a mandatory notification to IBAC when there are reasonable grounds to suspect corruption is occurring or has occurred in the workplace. IBAC’s website provides further information on this legislative obligation and how it should be implemented in practice. Health services should assess whether they are required to make reports to IBAC in accordance with mandatory notification obligations.

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