

 <p>BAY OF PLENTY DISTRICT HEALTH BOARD HAUORA A TOI</p> <p>FRAUD PROTOCOL</p>	<p>FRAUD – EXTERNAL – CONTROL, REPORTING AND INVESTIGATION</p>	<p>Policy 2.4.3 Protocol 2</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 entity 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 BOPDHB external auditors should be notified by the GM Corporate Services when fraud is discovered.
- 1.13 The GM Corporate Services will notify any relevant insurance brokers of any serious fraud

2. Examples Of External Fraud

External fraud may include but is not limited to:

- 2.1 Double invoicing
- 2.2 Invoicing at inflated prices
- 2.3 Invoicing for items not received
- 2.4 False reporting on contract compliance
- 2.5 Invoicing for services not performed
- 2.6 Supply of goods and services not ordered

3. Controls

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

- 3.1 internal audit functions
- 3.2 external audit of service providers, including HealthShare and HealthPAC
- 3.3 delegation system for authorization of payment
- 3.4 checking of invoices against purchase order
- 3.5 monitoring of contract compliance
- 3.6 Service Managers are to include fraud risk assessment and mitigation in their risk management processes.
- 3.7 Managers shall immediately implement any recommendation made as the result of an investigation into fraud.
- 3.8 Fraud Awareness training will be provided as required.

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

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4. Fraud Reporting

- 4.1 Anybody suspecting fraudulent activity by an external provider should report it to their manager.
- 4.2 The manager will conduct an initial investigation and if the suspicion is confirmed the manager will report to the GM Governance and Quality.
- 4.3 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.
- 4.4 GM Governance and Quality will instruct the internal auditors to conduct an in-depth investigation and report situation to the Chief Executive Officer (CEO).
- 4.5 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.
- 4.6 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.
- 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 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 fraud, action is likely to include referral to the Police for prosecution.
- 6.3 Recovery of all losses will be sought if financially viable.

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ASSOCIATED DOCUMENTS

- Bay of Plenty District Health Board policy 2.4.3 Fraud
- Bay of Plenty District Health Board policy 2.4.3 protocol 1 Fraud - Internal - Control, Reporting & Investigations
- 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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