



National Policy National Procedure National Protocol National Guideline
National Clinical Guideline

HSE Policy on Fraud and Corruption

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Topic: Prevention and management of fraud and corruption in the HSE
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Short summary: The HSE 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 does not tolerate fraud and corruption in the way that it conducts its business. All employees are expected to share this commitment and not engage in or by associated with fraudulent or unlawful behaviour. The HSE encourages all employees who have reasonable suspicions of fraud or corruption to report them in accordance with the guidance set out in this policy.
Description: The objective of this policy is to promote a culture of honesty and integrity that deters fraudulent activity. The purpose is also to facilitate the prevention and detection of fraud and the development of procedures which will aid in the investigation of fraud and related offences, such as false accounting, 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.

³ Records details when a document is reviewed, even if no changes are made.

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HSE POLICY ON FRAUD AND CORRUPTION

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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 vast 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 employees, 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:
 - National Financial Regulations;
 - Department of Health Code of Conduct for Health and Social Services Providers May 2018;
 - Protected Disclosures of Information by Employees and Workers: Whistleblowing.
- 1.4 The Policy will be reviewed every 3 years, or sooner if necessary. The HSE Audit and Risk Committee will approve any amendments as required.

2. Policy statement

- 2.1 The HSE 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 does not tolerate fraud and corruption in the way that it conducts its business. All employees are expected to share this commitment and not engage in or be associated with fraudulent or unlawful behaviour. The HSE encourages all employees who have reasonable suspicions of fraud or corruption to report them in accordance with the guidance set out in this policy.
- 2.2 All appropriate sanctions will be sought in relation to those found to have committed fraud or corruption, including criminal, civil and disciplinary sanctions. Breaches of the Policy on Fraud and Corruption will be treated as serious misconduct and addressed in accordance with the Disciplinary Procedure for the HSE. The principles of fair procedures and natural justice will apply.

3. Purpose

- 3.1 The objective of this policy is to promote a culture of honesty and integrity which deters fraudulent activity. The purpose is also to facilitate the prevention and detection of fraud and the development of procedures which will aid in the investigation of suspected fraud and related offences (such as false accounting) to establish a prima facie case to support suspected fraud or otherwise 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 safely and 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:
 - formal complaint to Gardai which may result in a criminal investigation;
 - civil prosecution, including recovery of losses;
 - referral to regulatory bodies; and
 - disciplinary action.

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 will not penalise or threaten penalisation against an employee for reporting suspicions in which they have a reasonable belief. Complaints which are found to have been made maliciously or vexatiously may lead to 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;
- co-operating with investigations; and
- complying with this policy.

4. Scope

4.1 This policy applies to all employees of the Health Service Executive.

4.2 Section 38 organisations shall have a Code of Governance and Policy on Fraud in place that is consistent with the HSE Code of Governance and this Policy.

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. The Criminal Justice (Theft and Fraud Offences) (Amendment) Act 2021 sets out a definition of fraud⁵.

⁵ A person who dishonestly, with the intention of making a gain for himself or herself or another, or of causing loss to another, by any **deception** induces another to do or refrain from doing an **act** is guilty of an offence.

- 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. An example of corruption would be a supplier attempting to influence a purchasing decision by offering gifts or hospitality.
- 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 (eg hacking systems or utilising computer resources for purposes not authorised by the owner) 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 HSE Board

- 6.1.1 The Board is the governing body of the HSE and is accountable to the Minister for Health for the performance of its functions. The Board has responsibility for ensuring appropriate systems, procedures and practices are in place for the internal performance management and accountability of the Executive.

6.2 HSE Audit and Risk Committee

- 6.2.1 In accordance with the Health Act 2004 (as amended) the HSE has in place an Audit and Risk Committee (ARC) and as per the Code of Practice for the Governance of State Bodies, this Committee will consider the effectiveness and adequacy of the HSE's Policy on Fraud and Corruption.

6.3 Chief Executive Officer

- 6.3.1 The Chief Executive Officer (CEO) is appointed by the Board to carry on and manage, and control the administration and business of the Executive. The CEO is required to report to the ARC any suspicion that a material misappropriation of the Executive's money, or any fraudulent conversion or misapplication of the Executive's property, may have taken place.

6.4 Managers

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

6.4.2 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.

6.4.3 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 Department of Health Code of Conduct for Health and Social Services Providers as part of their induction process (and any relevant Codes issued by the Department of Children, Equality, Disability, Integration and Youth);
- inform HSE employees of any other policies relevant to the performance of their duties, including National Financial Regulations;
- ensure that all employees for whom they are accountable are made aware of the requirements of this policy;
- assess the types of possible fraud and corruption 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, staff rotation, and separation of duties so that more than one person is required to complete a relevant task;
- ensure that controls are being complied with in their areas of responsibility;
- ensure that 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 open, honest and transparent culture within their teams which fosters an anti-fraud and corruption ethos among staff.

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

6.4.4 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 appropriate level of management:

- act quickly to minimise any losses;
- bear in mind that it is only an allegation until the outcome of an investigation is known;
- preserve any evidence⁶ and move it to a safe location where practicable;
- securely store any relevant electronic devices (computers, mobile/smart phones, laptops) and do not turn them on or off;
- notify the Chief Internal Auditor (CIA) and Chief Financial Officer (CFO) who will advise on the most appropriate course of action and investigative process;

⁶ Evidence must be removed from a place where it is at risk of contamination, damage or destruction. It should be stored securely and away from those who do not have a valid reason to access it

- ensure that a manager at an appropriate level assigns a suitable investigator to carry out a thorough and expeditious investigation to establish a prima facie case to support suspected fraud or otherwise and that the findings are reported immediately to the CIA (chief.internalauditor@hse.ie) and the CFO (cfo@hse.ie). A suitable investigator must be independent and objective and may need adequate knowledge of the subject matter (eg a particular financial system or type of service);
- following consultation with the relevant National Director or Regional Executive Officer, notify the Gardaí;
- if appropriate, advise the person who raised the concern of progress on the matter (without divulging confidential information).

6.5 Employees

6.5.1 Every employee has a responsibility to:

- carry out their duties with due regard for relevant legislation, the HSE's policies and procedures, and 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 excess of a nominal value⁷ in accordance with the National Financial Regulations and Department of Health Code of Conduct for Health and Social Services Providers;
- inform line manager of any outside interests that may conflict or impinge on their duties in accordance with the Department of Health Code of Conduct for Health and Social Services Providers (and/or any relevant Codes issued by the Department of Children, Equality, Disability, Integration and Youth);
- alert line manager to weaknesses in the control system;
- alert line manager and/or the Finance or Internal Audit Divisions where they have a reasonable suspicion 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 Protected Disclosures of Information by Employees and Workers: Whistleblowing;
- co-operate with any investigation that may arise in respect of fraud or corruption or suspected fraud or corruption.

6.6 Internal Audit

6.6.1 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 Executive and the frequency of audits will be dependent on the resources available to the Audit Division.

⁷ Nominal value means a small monetary value that would not be expected to compromise the recipient's independence or objectivity.

6.6.2 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 Executive.

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

6.7 Human Resources

6.7.1 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.

6.7.2 Human Resources will:

- ensure that appropriate pre-employment screening of staff is completed;
- 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

7.1 Employees may feel distressed or upset while assisting or co-operating with matters such as investigations of fraud or corruption at work. The [Employee Assistance Programme](#) (EAP) provides a confidential counselling service for all employees, for personal and/or work-related issues. EAP is a confidential independent service. No information about the employee will be shared without their written consent. The service is 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. The EAP service may be contacted by telephoning the EAP National Phoneline, 0818 327327 or email eap.service@hse.ie.

7.2 The majority of employees self-refer to EAP. Employees do not need to contact HR or their line manager to use the service. Employees can phone or email the EAP contact for their area to arrange a consultation with a counsellor. This is known as self-referral.

7.3 The service is free and available to all HSE employees.

8. Summary guide for employees

8.1 A guide for employees on what to do and what not to do when they discover a potential fraud or irregularity is produced at Appendix A to this policy. The guidance also includes a list of red flags or indicators of possible fraud for which employees should be on alert.

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 local Human Resources Departments and Internal Audit (chief.internalauditor@hse.ie).

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 Chief People Officer, in conjunction with the CIA, is responsible for the revision and updating of this document.

Contact details for further information

National Employee Relations

Human Resources

Health Service Executive

63-64 Adelaide Road

Dublin 2

Telephone: 01-662 6966

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Summary Guide for Employees

Allegations or suspicions of fraud should be treated confidentially from the outset and only shared where necessary, including to:

- (a) allow effective investigation of the matters raised;
- (b) prevent serious risk to the security of the State, public health, public safety or the environment;
- (c) prevent crime or the prosecution of a criminal offence.

It should always be remembered that the matter remains an allegation until an investigation proves otherwise, and therefore all parties should remain objective and impartial. On the discovery of a potential fraud/irregularity an employee should alert their line manager, and/or the Finance or Internal Audit Divisions. Where it is not possible or appropriate to alert the line manager employees may also make a Protected Disclosure via confidential helpline helpline 01 635 2202 or secure email, protected.disclosures@hse.ie. On the initial discovery of a potential irregularity employees should consider the following:

- note your concerns, record details such as names, dates, times, details of conversations;
- protect any evidence that might be destroyed or make a note and advise your line manager;
- in relation to I.T equipment which may be relevant to the suspected fraud/irregularity do not turn on/off computers, laptops, smartphones etc;
- report your suspicions to your line manager, the Finance or Internal Audit Divisions or through the Protected Disclosures of Information procedure;
- do not confront the person suspected of wrongdoing or convey your concerns to anyone other than those authorised (e.g do not circulate your suspicions on social media). Never attempt to question a person suspected of wrongdoing yourself – this could alert a fraudster or lead to accusations against an innocent person;
- do not try to investigate or contact the Gardai directly. Never attempt to gather evidence yourself unless it is about to be destroyed. Evidence gathering must take into account legal procedures in order for it to be useful⁸;
- do not be afraid of raising your concerns. Where you have a reasonable suspicion that fraud or corruption may be occurring you have a duty to report it. You will not face any sanctions where you have a reasonable belief of wrongdoing.

The following is a list of indicators or red flags which might suggest potential fraud or irregularity and for which employees should be alert:

- supporting documentation that is photocopied or appears incomplete;
- inappropriate charging for VAT on invoices;
- unwillingness on the part of staff to share duties;
- inappropriate alteration of documents and records;

⁸ Preserving evidence in its original form is key to maintaining its authenticity and usefulness in court. It should be stored in a secure location and should not be altered or shared with anybody outside the investigation team.

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- urgent requests from suppliers to change bank account details;
- extensive use of correction fluid on documents and unusual erasures;
- transactions initiated without the appropriate authority;
- rubber stamp signatures instead of originals;
- supplies purchased in excess of need;
- untidy warehouses, or storage of stock in inaccessible locations;
- frequent returns of stock to suppliers;
- passwords to access IT systems are shared amongst users;
- relationships with suppliers / contractors which is inappropriate or where there may be a potential conflict of interest;
- duplicate payments;
- contracts or specifications which are drawn up in such a way as to favour specific suppliers/contractors;
- vague specifications for contracts;
- splitting of contracts and/ or payments to avoid procurement regulations/ authorisation limits;
- lack of appropriately authorised attendance records; and
- discrepancies between earnings and lifestyle.

APPENDIX B

Glossary of Terms

Integrity, objectivity and honesty	<i>To act or take decisions impartially, fairly and on merit. To avoid placing oneself under any obligation to people or organisations that might try to inappropriately influence them in their work. To be truthful.</i>
Natural justice	<i>Procedural fairness, where-by an individual should not be judged without a fair hearing where they are given the opportunity to respond to evidence presented against them.</i>
Reasonable belief	<i>A belief that a reasonably prudent person would form based on observation and information from a reliable and credible source</i>
Deception	<i>The act of hiding the truth, especially in relation to gaining an advantage.</i>
Inducements	<i>A deceptive act or statement made by one party to another with the intention of persuading the other party to enter into a contract or agreement.</i>
Benefit in kind	<i>Benefits that may not be convertible into cash but have a value.</i>
Hacking systems	<i>Compromising I.T devices and networks through unauthorised access to an account or computer system.</i>
Misappropriation	<i>The act of stealing something you have been asked to take care of and using it for your own means.</i>
Misapplication	<i>Deliberate use of an organisation's funds, assets or property which is not authorised or provided for in contracts, grants or regulations.</i>

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Adequate system of internal control	<i>A process that provides reasonable assurance regarding the achievement of certain objectives, i.e it will reduce the likelihood or impact of a negative event occurring.</i>
Supervisory checks	<i>The oversight of the work of other individuals by someone in a position of authority. Supervisory checks help to ensure that individuals carry out the tasks they are required to and that they perform them adequately.</i>
Employee rotation	<i>Employees rotate through different roles within a department or function. This reduces the risk that an employee may use their knowledge to commit fraud as this will be discovered by the next employee assigned to the role.</i>
Separation of duties	<i>Where the responsibilities in a key process are shared amongst more than one person or department.</i>
Open, honest and transparent culture	<i>Clear, open and truthful communication channels which encourage employee input and feedback, which in turn builds trust.</i>
Reasonable suspicion	<i>An objectively justifiable suspicion that is based on specific facts or circumstances, more than just a mere hunch.</i>
Forensic	<i>An analysis of financial records and accounts, I.T records and systems, and other documentation in order to locate evidence to support or otherwise a potential irregularity.</i>
Systemic risk	<i>Where the risk identified in one part of the organisation may be replicated or have consequences for other parts or the entire organisation.</i>
Propriety	<i>The human quality of conforming to socially acceptable standards of behaviour.</i>

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Pre- employment screening

The process of undertaking relevant background checks on prospective employees to verify qualifications, employment history, references and any convictions if relevant.

Codes of Conduct

A set of guidelines and principles which sets out how an employer expects its employees to behave and interact while at work.