



**FRAUD AND CORRUPTION PREVENTION POLICY**

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Relevant Document Reference	<ul style="list-style-type: none"> <li>• Code of Conduct for Board Members (D12/1640[v5])</li> <li>• Code of Conduct for Employees (D14/5685[v6])</li> <li>• Risk and Opportunity Management Policy (D15/5720[v6])</li> <li>• Public Interest Disclosure Procedure (D20/11480)</li> <li>• Internal Control Register (D15/6787[v10])</li> </ul>
Applicable Legislation	<ul style="list-style-type: none"> <li>• Section 132A of the <i>Local Government Act 1999</i></li> <li>• <i>Independent Commissioner Against Corruption Act 2012</i></li> <li>• <i>Public Interest Disclosure Act 2018</i></li> <li>• <i>Ombudsman Act 1972</i></li> <li>• <i>Criminal Law Consolidation Act 1935</i></li> </ul>

**1. Purpose**

Eastern Health Authority (EHA) recognises that Fraud and Corruption has the potential to cause significant financial and non-financial harm, and that the prevention and control of Fraud and Corruption should feature predominantly within the systems and procedures of a responsible organisation.

The purpose of the Fraud and Corruption Prevention Policy (the “Policy”) is to clearly define EHA’s commitment to preventing fraud and corruption, and to outline the methodology in place to minimise fraud and corruption threats.

## 2. Scope

This Policy is intended to complement and be implemented in conjunction with other EHA policies, including:

- Code of Conduct for Board Members;
- Code of Conduct for Employees;
- Risk Management Policy;
- Internal Control Register; and
- Public Interest Disclosure Procedures

This Policy applies to all disclosures that relate to the actual or suspected occurrence of fraud and corruption within EHA by Public Officers.

## 3. Definitions

For the purposes of this Policy the following definitions apply:

A person makes an **appropriate disclosure of environmental and health information** if the person:

- (a) believes on reasonable grounds that the information is true; or
- (b) is not in a position to form a belief on reasonable grounds about the truth of the information, but believes on reasonable grounds that the information may be true and is of sufficient significance to justify its disclosure so that its truth may be investigated; and
- (c) the disclosure is made to a relevant authority.

A person makes an **appropriate disclosure of public administration information** if the person:

- (a) is a public officer; and
- (b) reasonably suspects that the information raises a potential issue of corruption, misconduct or maladministration in public administration; and
- (c) the disclosure is made to a relevant authority.

Upon receipt of an appropriate disclosure of public interest information, it will be dealt with in accordance with the processes described in EHA's Public Interest Disclosure Procedure.

**Corruption** is dishonest activity in which a Public Officer acts contrary to the interests of the organisation and abuses his/her position of trust in order to achieve some personal gain or advantage for him or herself or for another person or entity.

**Corruption** in public administration means:

- a) an offence against Part 7 Division 4 (Offences relating to public officers) of the *Criminal Law Consolidation Act 1935*, which includes the following offences:

- (i) bribery or Corruption of public officers;
  - (ii) threats or reprisals against public officers;
  - (iii) abuse of public office;
  - (iv) demanding or requiring benefit on basis of public office;
  - (v) offences relating to appointment to public office.
- b) an offence against the *Public Sector (Honest and Accountability) Act 1995* or the *Public Corporations Act 1993*, or an attempt to commit such an offence; or
- c) an offence against the *Lobbyist Act 2015*, or an attempt to commit such an offence; or
- d) any of the following in relation to an offence referred to in a preceding paragraph:
- (i) aiding, abetting, counselling or procuring the commission of the offence;
  - (ii) inducing, whether by threats or promises or otherwise, the commission of the offence;
  - (iii) being in any way, directly or indirectly, knowingly concerned in, or party to, the commission of the offence;
  - (iv) conspiring with others to affect the commission of the offence.

**Deception** means deceiving another person to obtain a benefit or to cause detriment to a person.

**Employee** means any person who is employed by EHA, whether they are working in a full-time, part-time or casual capacity, but also includes any contractors, volunteers and consultants undertaking work for, or on behalf of EHA.

A **False Disclosure** is a disclosure of information involving actual or suspected fraud or corruption that is made by a person who knows the information to be false or, who is reckless as to whether it is false.

**Fraud** means dishonest activity causing actual or potential financial loss to any person or entity including theft of moneys or other property by a Public Officer and where deception is used at the time, immediately before or immediately following the activity. It can also include the deliberate falsification, concealment, destruction or use of falsified documentation used or intended for use for a normal business purpose, or the improper use of information or position for personal financial benefit.

The theft of property belonging to EHA by a person or persons elected, working or volunteering for EHA but where deception is not used is also considered "fraud" for the purposes of this definition.

For the purposes of this Policy, Fraud will include an intentional dishonest act or omission done with the purpose of deceiving.

Note: unlike 'Corruption' there is no statutory definition of 'Fraud'. Fraud is a style of offending. The offences addressed under Part 5 and Part 6 of the *Criminal Law Consolidation Act 1935* are considered to constitute Fraud offences.

**ICAC Act** means the *Independent Commission Against Corruption Act 2012*<sup>1</sup>.

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<sup>1</sup> ICAC no longer investigates misconduct/maladministration directly

D15/15273[v5]

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**Maladministration in public administration** is defined in the Ombudsman Act and

- a) means:
  - i) conduct of a public officer, or a practice, policy or procedure of a public authority, that results in an irregular and unauthorised use of public money or substantial mismanagement of public resources; or
  - ii) conduct of a public officer involving substantial mismanagement in or in relation to the performance of official functions; and
- b) includes conduct resulting from improperly, incompetence or negligence; and
- c) is to be assessed having regard to relevant statutory provisions and administrative instructions and directions.

**Misconduct in public administration** is defined in the Ombudsman Act and means an intentional and serious contravention of a code of conduct by a public officer while acting in their capacity as a public officer that constitutes a ground for disciplinary action against the officer.

**Ombudsman Act** means the *Ombudsman Act 1972*.

**OPI Directions and Guidelines** refer to the document titled as such and available on the website [www.publicintegrity.sa.gov.au](http://www.publicintegrity.sa.gov.au).

**OPI (Office for Public Integrity)** is the office established under the *ICAC Act 2012* that has the function to:

- a) receive and assess complaints about public administration from members of the public;
- b) receive and assess reports about corruption, misconduct and maladministration in public administration from the inquiry agencies, public authorities and public officers;
- c) refer complaints and reports to inquiry agencies, public authorities and public officers or to determine to take no action in accordance with the *ICAC Act*.

**Team Leader** means any Employee of EHA who is responsible for the direct supervision of other Employees, and/or, for the management of a EHA Department.

**PID Act** means the *Public Interest Disclosure Act 2018 (as amended from time-to-time)*.

**Public administration** defined at section 4 of the *ICAC Act 2012* means without limiting the acts that may comprise public administration, an administrative act within the meaning of the *Ombudsman Act* will be taken to be carried out in the course of public administration.

**Public Officer** has the same meaning as in the *ICAC Act 2012* and includes (but is not limited to):

- a Board Member of EHA;
- an Independent Member of an EHA Committee; or
- an Employee of EHA.

A **Responsible Officer** is a person designated by EHA as a Responsible Officer under section 12 of the PID Act. The Chief Executive Officer is the Responsible Officer under the PID Act.

A **Relevant Authority** that receives disclosure of public interest information includes:

- Office for Public Integrity;
- a Minister of the Crown;
- a member of the South Australian Police Force - where the information relates to an illegal activity;
- the Auditor-General – where the information relates to the irregular or unauthorised use of public money or substantial mismanagement of public resources;
- the Ombudsman – where the information relates to EHA;
- in relation to a public officer who is an employee or officer of EHA:
  - a person who is, in accordance with any PID Guidelines, designated as a person who is taken to be responsible for the management or supervision of the public officer; or
  - a person who is, in fact, responsible for the management or supervision of the public officer, including the Chief Executive Officer of EHA; or
  - where the information relates to a public officer who is an elected member, employee or officer of a Constituent Council:
    - a person who is, in accordance with any PID Guidelines, designated as a person who is taken to be responsible for the management or supervision of the public officer or to the responsible officer of the relevant Constituent Council; or
    - a person who is, in fact, responsible for the management or supervision of the public officer or to the responsible officer of the relevant Constituent Council; or
- where the information relates to a location within the area of a Constituent Council - a member, officer or employee of the relevant Constituent Council; or
- where the information relates to a risk to the environment - the Environment Protection Authority.

**SAPOL** means the South Australian Police Force.

For the purposes of this Policy misconduct or maladministration in public administration will be taken to be **serious or systemic** if the misconduct or maladministration:

- a) is of such a significant nature that it would undermine public confidence in the relevant public authority, or in public administration generally; and
- b) has significant implications for the relevant public authority or for public administration generally (rather than just for the individual public officer concerned).

**Waste** refers to the waste of public resources (including public money), which occurs as a result of the substantial mismanagement, irregular or, unauthorised use of public resources.

#### 4. Principles

EHA is committed to acting in the best interest of the community and to upholding the principles of honesty, integrity and transparency, which are all key components of good governance.

EHA will not tolerate fraudulent or corrupt activity and is committed to control and prevention of such activities by:

- establishing and maintaining an effective system of internal controls and enforcing compliance with those controls;
- regularly undertaking and reviewing risk assessments to identify circumstances in which fraud and corruption could potentially occur;
- implementing fraud and corruption prevention and mitigation strategies in its day to day operations;
- establishing formal procedures for the investigation of allegations relating to fraudulent and/or corrupt activity;
- taking appropriate action in response to allegations of fraudulent and/or corrupt activity including, reporting allegations through appropriate channels and where allegations are substantiated, taking disciplinary action in accordance with EHA's Codes of Conduct or other relevant processes;
- ensuring all Board Members and Employees are aware of their obligations in regard to the prevention of fraud and corruption within EHA; and
- fostering an ethical environment in which dishonest and fraudulent behavior is actively discouraged.

## 5. Policy

### 5.1 Prevention

EHA recognises that:

- the occurrence of fraud and corruption will prevail in an administrative environment where opportunities exist for abuse and maladministration; and
- the most effective way to prevent the occurrence of fraud and corruption is to promote an ethical workplace in which internal control mechanisms have been implemented.

EHA expects that Public Officers will assist in preventing fraud and corruption within EHA by:

- understanding the responsibilities of their position;
- familiarising themselves with EHA's procedures and adhering to them;
- understanding what behavior constitutes fraudulent and/or corrupt conduct;
- maintaining an awareness of the strategies that have been implemented by EHA to minimise fraud and corruption;
- being continuously vigilant to the potential for fraud and/or corruption to occur; and
- reporting suspected or actual occurrences of fraud or corruption in accordance with part 5.4 of this Policy.

## 5.2 Responsibilities

### 5.2.1 Board Members are responsible for ensuring that EHA:

- supports the Chief Executive Officer in the implementation of adequate security for the prevention of fraud, corruption, misconduct and maladministration including the provision of secure facilities for storage of assets, and procedures to deter fraudulent or corrupt activity from occurring; and
- makes reports in accordance with part 5.4 of this Policy and facilitates cooperation with any investigation undertaken by an external authority (such as SAPOL or the Commissioner Independent Commissioner Against Corruption).

### 5.2.2 The Chief Executive Officer is responsible for:

- making reports in accordance with part 5.4 of this Policy and facilitates cooperation with any investigation undertaken by an external authority (such as SAPOL or the Commissioner Independent Commissioner Against Corruption);
- providing adequate security for the prevention of fraud corruption, misconduct and maladministration including the provision of secure facilities for storage of assets and procedures to deter fraudulent or corrupt activity from occurring;
- promoting EHA's commitment to the prevention of fraud and corruption to the Community on relevant occasions;
- providing mechanisms for receiving allegations of fraud or corruption, including ensuring that Responsible Officers and Employees receive appropriate training;
- promoting a workplace culture and environment in which fraud and corruption is actively discouraged and is readily reported should it occur; and
- undertaking and reviewing a fraud and corruption risk assessment on a regular basis.

### 5.2.3 Managers are responsible for:

- the conduct of any Employees whom they supervise and, will be held accountable for such;
- any property under their control and, will be held accountable for such;
- reporting in accordance with part 5.4 of this Policy;
- creating an environment in which fraud, corruption and maladministration is discouraged and readily reported by Employees. Such an environment shall be fostered by the Manager's own attitude to fraud and corruption and, by the accountability and integrity they both display and encourage from other Employees;
- ensuring that new Employees for whom they are responsible are aware of their responsibilities in relation to fraud and corruption and, of the standard of conduct expected from all Employees.
- identifying potential fraud and corruption risks; and
- leading by example to promote ethical behavior.

5.2.4 Employees are responsible for:

- performing their functions and duties with care, diligence, honesty and integrity;
- conducting themselves in a professional manner at all times;
- Adhering to EHA’s Policy and Procedures that have been established to prevent fraud or corruption;
- taking care of EHA’s property which includes avoiding the waste or misuse of EHA’s resources;
- maintaining and enhancing the reputation of EHA;
- remaining scrupulous in their use of EHA’s information, assets, funds, property, goods or services; and
- reporting in accordance with part 5.4 of this Policy.

**5.3 Fraud and Corruption Risk Assessment**

5.3.1 EHA’s main objective is to minimise the occurrence of fraud and corruption within EHA. This objective can generally be achieved by:

- identifying Fraud and Corruption Risks;
- reviewing and monitoring internal controls
- determining strategies to control those risks; and
- defining responsibility for and, the time frame within which the strategies will be implemented.

5.3.2 Managers must be alert to the potential occurrence of fraud and corruption and factors which may leave EHA vulnerable to fraud and corruption, including:

- changes to EHA delegations and sub delegations;
- implementation of cost cutting measures;
- contracting out, outsourcing or services where EHA is generating an income;
- the impact of new technology; and
- changes to risk management practices.

**5.4 Reporting Fraud and Corruption in Public Administration to the OPI**

*5.4.1 Public Officers*

5.4.1.1 A Public Officer must report to the OPI any matter that the Public Officer reasonably suspects involves corruption in public administration unless the public officer knows that the matter has already been reported to the OPI.

5.4.1.2 The Public Officer should adhere to documents as identified at part 2 to the extent possible, when making the report.

5.4.1.3 A report to the OPI by an Employee or Board Member should be made on the online report form available at [www.publicintegrity.sa.gov.au](http://www.publicintegrity.sa.gov.au) in accordance with the ICAC Act and include particulars, as included in the OPI Directions and Guidelines (*current version as at 4 April 2022*).

5.4.1.4 Nothing in this section is intended to prevent a Public Officer from reporting suspected Corruption, Misconduct or Maladministration in EHA or in other public administration to a Relevant Authority, under the PID Act. Such a disclosure may be protected under the PID Act and, if made to a Relevant Authority will be managed in accordance with the EHA's Public Interest Disclosure Policy and Procedures. Public Officers are encouraged to have regard to the EHA Public Interest Disclosure Policy and Procedures when determining where to direct a disclosure.

5.4.1.5 Further information about reporting requirements is available at the OPI website: [www.publicintegrity.sa.gov.au](http://www.publicintegrity.sa.gov.au)

#### 5.4.2 EHA

5.4.2.1 EHA must report to the OPI any matter that EHA reasonably suspects involves corruption in public administration unless EHA knows that the matter has already been reported to the OPI. The Chief Executive Officer is responsible for preparing a report to the OPI on behalf of EHA where EHA directs the Chief Executive Officer accordingly for these purposes (where the matter relates to the Chief Executive Officer the Chair is to make the report). The report must be made immediately upon receiving direction from EHA.

5.4.2.2 A report to the OPI by the Chief Executive Officer on behalf of EHA must be made on the online report form available at [www.publicintegrity.sa.gov.au](http://www.publicintegrity.sa.gov.au) in accordance with the ICAC Act.

#### 5.4.3 The Report to the OPI

5.4.3.1 The report must be made in accordance with the Directions and Guidelines.

### 5.5 Reporting Fraud

5.5.1 Any Employee or Board Member that has or acquires knowledge of actual or suspected Fraud that:

5.5.1.1 does not constitute corruption in public administration; and

5.5.1.2 impacts or causes detriment (or has the potential to impact or cause detriment) to EHA must report such information to the Responsible Officer, the Ombudsman (if it constitutes misconduct or maladministration under the Ombudsman Act), or otherwise to SAPOL.

5.5.2 A report made under part 5.5.1 may be protected under the PID Act and will be managed in accordance with EHA's Public Interest Disclosure Policy and Procedures.

**5.6 Confidentiality and Publication Prohibitions**

5.6.1 The provisions in the ICAC Act, Ombudsman Act and PID Act apply in relation to the disclosure and publication of information as set out in that legislation.

**5.7 Action by the Chief Executive Officer**

5.7.1 Unless otherwise directed by OPI, ICAC, the Ombudsman or SAPOL, the Chief Executive Officer will investigate how the alleged Corruption, Fraud, Misconduct or Maladministration occurred to determine the cause for the breakdown in controls and identify, if any, recommendations as to changes in policies, procedures or internal controls that should be made by EHA. The investigation should:

- occur as soon as practicable after the alleged incident;
- not impose on or detract from any external investigation being undertaken by the ICAC, Ombudsman or SAPOL and comply with OPI referral requirements; and
- have regard to any recommendations in any report received from the ICAC, Ombudsman or SAPOL on the incident.

5.7.2 The Chief Executive Officer will, in conducting the investigation and deciding whether and how to report on the investigation to EHA, have regard to the provisions of EHA’s Public Interest Disclosure Policy and Procedures, and any confidentiality requirements under the PID Act, the ICAC Act and the Ombudsman Act.

5.7.3 In the event that allegations of Fraud and/or Corruption are substantiated, EHA may take disciplinary action against any Employee who was involved.

5.7.4 Where the allegations have been made against the Chief Executive Officer, the actions listed in this part of the policy will be undertaken by the Chair of EHA.

**5.8 False Disclosure**

5.8.1 A person who makes a statement knowing that it is false or misleading in a complaint or report under the *ICAC Act, Ombudsman Act or PID Act* knowing it to be false or misleading in a material particular, is guilty of an offence.

5.8.2 An Employee who makes a report under the ICAC Act, Ombudsman Act or PID Act knowing it to be false or misleading in a material particular, in addition to being guilty of an offence, may face disciplinary action that may include instant dismissal.

5.8.3 Board Members who make a false disclosure, in addition to being guilty of an offence, may face disciplinary action pursuant to the Code of Conduct for Board Members.

### **5.9 Educating for Awareness**

EHA recognises that the success and credibility of this Policy will largely depend upon how effectively it is communicated throughout the organisation and beyond.

EHA's policies regarding Internal Control and the prevention of fraud and corruption are available on the EHA website.

Employees will make reference to EHA's fraud and corruption initiatives in the Annual Report and facilitate public access to documents within EHA's Fraud and Corruption framework, including those documents identified at part 7.1 of this Policy.

### **5.10 Supporting documentation**

All allegations of fraud and corruption and results of any investigations conducted will be securely maintained in EHA's Records Management System.

## **6. Review & Evaluation**

This policy will be reviewed at least once every two years. However, EHA may revise or review this Policy at any time (but not to affect any process that has already commenced).

## **7. Statement of Adoption**

This Policy was adopted by the Audit Committee of the Eastern Health Authority on 31 August 2022 and subsequently reviewed on 13 August 2025.