



## HSE POLICY ON FRAUD AND CORRUPTION

<b>Document developed by</b>		National Employee Relations, National Human Resources Division	
<b>Revision number</b>	5	<b>Document approved by</b>	National Director of Human Resources, HSE Audit and Risk Committee, HSE Board
<b>Approval date</b>	12 March 2021	<b>Responsibility for implementation</b>	All line managers
<b>Revision date</b>	March 2023	<b>Responsibility for review and audit</b>	National Director of Human Resources National Director of Internal Audit

**Health Service Executive  
Policy on Fraud & Corruption (Version 5)**

---

Table of Contents

1.	Introduction	3
2.	Policy Statement	3
3.	Purpose	3
4.	Scope	4
5.	Definitions of Fraud and Corruption	4
6.	Roles and Responsibilities	5
	6.1 HSE Board	5
	6.2 Audit and Risk Committee	5
	6.3 Chief Executive Officer	5
	6.4 Managers	5
	6.5 Employees	6
	6.6 Internal Audit	7
	6.7 Human Resources	7
7.	Employee Support	8
8.	Summary Guide for Employees	8
9.	Implementation Plan	8
10.	Monitoring	9
	Appendix A	10

## **1. Introduction**

- 1.1 One of the basic principles of public sector organisations is the proper use of public funds. The 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 staff, 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:
  - Department of Health Code of Conduct for Health and Social Services Providers May 2018;
  - Procedures for Protected Disclosures of Information in the Workplace.
- 1.4 The Policy will be reviewed biennially, or sooner if necessary. The HSE Audit and Risk Committee will approve any amendments as required.

## **2. Policy statement**

- 2.1 The Health Service Executive 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 members of staff are expected to share this commitment. The HSE encourages all staff 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.

## **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 fraud and related offences 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; 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 (or relevant employer) will not penalise or threaten penalisation against an employee for reporting suspicions in which they have a reasonable belief. An employee who reports suspicions that they know or reasonably ought to know to be false will be subject to investigation and may result in 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 and intelligence;
  - 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) Act 2001 sets out a definition of fraud<sup>1</sup>.
- 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

---

<sup>1</sup> 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.

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 and as per the Code of Practice for 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 generally, the administration and business of the Executive. The CEO is required to report to the Audit and Risk Committee 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;
- 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 wherever possible so that no one individual is vested with control over a key function;
- 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 outcome of investigation is known;
- preserve any evidence 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 National Director of Internal Audit and Chief Financial Officer (CFO) who will advise on the most appropriate course of action and investigative process;
- ensure that a manager at an appropriate level assigns a suitable investigator to carry out a vigorous and prompt investigation and that the findings are reported immediately to the National Director of Internal Audit and the CFO;
- following consultation with the relevant National Director, notify the Gardaí;
- if appropriate, advise the person who raised the concern of progress on the matter.

## **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 the 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 value in accordance with the 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;
- 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 the [Procedures for Protected Disclosure of Information in the Workplace](#);
- 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 Organisation and the frequency of audits will be dependent on the resources available to the Audit Division.

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 Organisation.

6.6.3 Internal Audit reports to the Audit and Risk Committee on the occurrence of fraud and corruption, and provides guidance to management on control issues to mitigate the 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 facilitating or co-operating with difficult matters such as suspicion of fraud or corruption at work. The [Employee Assistance Programme](#) provides a confidential counselling support and referral service for all staff with personal or work-related issues. No information about the employee's issue will be given to anyone 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. Contact details for EAP in each area are available online or from the relevant Human Resources Department.
- 7.2 However, 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 which employees should be on alert for.

## **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](http://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 the Human Resources and Internal Audit Divisions.

## **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 National Director of Human Resources, in conjunction with the National Director of Internal Audit, is responsible for the revision and updating of this document.
- 

### **Contact details for further information**

National Employee Relations Services

Human Resources Division

Health Service Executive

63-64 Adelaide Road

Dublin 2

Telephone: 01-662 6966

Email: [info.t@hse.ie](mailto:info.t@hse.ie)

## **Summary Guide for Employees**

Allegations or suspicions of fraud should be treated confidentially from the outset and not widely shared. 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 (helpline 071 983 4651). 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 accuse 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 useful;
- 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 for:-

- 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;
- 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;

**Health Service Executive  
Policy on Fraud & Corruption (Version 5)**

---

- 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.
-