



Theft, Fraud and Corruption

5.5.4P

Policies are directing required organizational practice/behaviour



Purpose:

To establish a process and assignment of responsibility within Island Health for the reporting, escalation, investigation and follow-up of specific allegations of theft, fraud or corruption.

Scope:

This Policy applies to all individuals and others associated with Island Health (collectively referred to as “**Individuals**”) including:

- Employees of Island Health, including the Executive Team, all management and supervisory employees and employees on contract;
- Students;
- The Board of Directors;
- Volunteers;
- All Medical Staff, including practitioners on contract, residents and clinical trainees; and,
- Providers of goods and services to Island Health including vendors, contractors, and sub- contractors.

Indications:

Any matter where there are indications of theft, fraud or corruption involving Island Health assets or operations.

Exceptions:

Matters for which there are other established processes for reporting and investigating alleged wrongdoing, including:

- Grievances under an existing collective agreement;
- Reporting of safety hazards and unsafe conditions made in accordance with the provisions of the [WorkSafeBC](#) Occupational Health and Safety Regulations;
- Misconduct related to behaviours identified in Island Health’s [Human Resources](#) policies, Respectful Workplace policy, and any other policies and procedures which would be dealt with through those internal mechanisms;
- Privacy breaches or unauthorized access to, collection, use or disclosure of personal information, which are to be addressed through the [Information Stewardship and Access to Privacy Office](#);
- Patient safety or quality of care issues which are to be addressed by the Island Health [Patient Care Quality Office](#) and the [Patient Care Quality Review Board](#);
- Medical Staff matters which are to be addressed under the Medical Staff Bylaws, Rules and Island Health Medical Staff policies;
- Matters under the authority or jurisdiction of [Human Rights](#) and [Ombudsperson](#) legislation and processes;
- Litigation or other proceedings addressed through the Courts or other administrative bodies established by statute; and
- Matters to be addressed externally through professional regulatory bodies.

This policy does not cover the private and personal activities of Individuals, provided that no Island Health assets or operations are implicated in the actual or suspected theft, fraud or corruption. Such activities will be addressed through other processes.

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Policy

Island Health is committed to fostering integrity in our workplace and to minimizing opportunities for theft, fraud and corruption. Island Health expects its employees to act honestly, with integrity, in good faith, and to safeguard the Island Health resources for which they are responsible.

Island Health has established internal controls and processes that are intended to prevent or detect improper activities, but even the best systems and controls cannot provide absolute safeguards. Individual vigilance and cooperation are key ingredients of a successful prevention and detection strategy.

1.0 Reporting

Island Health is committed to receiving and assessing reported Irregularities and to conducting an appropriate, objective and impartial investigation, where warranted, in a timely manner.

1.1 Reporting Irregularities

Island Health expects all Individuals to report real or suspected Irregularities, as defined in this policy, to their supervisor, manager, director or, if appropriate, directly to a member of the Executive Team (collectively referred to as the "Management Team").

In situations where an individual has reason to believe that reporting real or suspected Irregularities to the Management Team would not be appropriate, he or she may make a report under the Safe Reporting Policy (5.5.12P).

1.2 Good Faith

All reporting under this Policy must be done in good faith and based on grounds and information believed to be true and accurate and shall not be intentionally false, misleading or malicious.

Where a review or an investigation determines that an Individual's report was made in bad faith, falsely or with malicious intent, Island Health will take corrective action as appropriate.

1.3 Protection from Retaliatory Action

Individuals making a report of an Irregularity in good faith under this Policy and anyone else involved in the assessment or investigation process will be protected from direct or indirect retaliation arising from the reporting of an Irregularity.

Any retaliation by an Individual or other person will be considered a serious breach of the Safe Reporting Policy (5.5.12P).

1.4 Confidentiality

All information collected during the course of an assessment or an investigation will be treated as confidential except as is necessary to conduct the assessment or investigation, to take corrective or remedial action, and in accordance with applicable law.

Island Health may take action against any Individual or other person who fails to protect the confidential nature of the investigation process including those who make the report, respondents to the allegation(s) or witnesses. If appropriate, disciplinary proceedings up to and including termination of employment, medical privileges or contractual relationship with Island Health may result.

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1.5 Response to Theft, Fraud or Corruption

Where an investigation substantiates theft, fraud or corruption, Island Health will take corrective action as promptly as possible.

The specific action taken in any particular case will depend on the nature and gravity of the issue. Where appropriate, the person responsible will be disciplined, up to and including the termination of employment or the Individual's relationship with Island Health. Findings may be reported to law enforcement or to a professional regulatory body, where appropriate.

Island Health will seek restitution for misappropriated resources on a cost-efficient basis.

2.0 **Roles and Responsibilities**

2.1 Individuals

- Understand the risks of theft, fraud and corruption associated within the scope of their responsibilities, the controls that have been put in place to eliminate or mitigate these risks and their role in implementing and maintaining such controls.
- Report any real or suspected Irregularities to the appropriate management channels, including those described in the Exceptions to the Scope of this Policy.
- If required, fully cooperate with any investigation under this Policy.

2.2 Executive and Management

- Establish, maintain, review and update as necessary, an effective internal control system, including controls to prevent and detect Irregularities.
- Ensure that individuals are trained and coached regarding the specific Irregularity risks and controls relating to their responsibilities.
- Receive reports of Irregularities, conduct a preliminary assessment of the allegations and, as necessary, engage the appropriate department as set out in the Procedure.
- When required, support and fully cooperate with any investigations under this Policy.

2.3 President and CEO

- Where wrongdoing is found, receive the investigation report from the appointed investigator and determine actions to be taken and report to the Board where appropriate.
- Where warranted, and in consultation with the relevant advisory departments (i.e. People Portfolio, Finance, Protection Services, Risk Management, Legal Counsel, Internal Audit Services, Medical Affairs, etc.) make the facts established in an investigation known to the appropriate enforcement agency or regulatory body and institute legal proceedings to seek resolution and remedies.

2.4 Appointed Investigator

- Depending on the nature of the Irregularity and the skill set required to conduct an appropriate and impartial investigation, investigations may be conducted by any one or a combination of Management, Internal Audit Services, Protection Services, People Portfolio or Legal Counsel. Where warranted, Island Health may also engage an independent, external consultant to conduct an investigation. The investigator will:

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- Carry out a thorough, impartial investigation including, as necessary, gathering and analyzing evidence, conducting interviews and producing progress and final investigation reports.
- Quantify the loss suffered by Island Health or another party as a result of substantiated theft, fraud or corruption.
- Identify weaknesses in existing controls and/or supervisory failures that enabled theft, fraud or corruption to occur and make recommendations for remedial action.

2.5 Internal Audit Services

- Investigate or coordinate the investigation of all Irregularities that concern intellectual property, financial records and/or monetary items.
- Investigate or coordinate the investigation of all Irregularities reported by third parties.
- Provide annual aggregate reporting to the Board, including the number and nature of reported Irregularities and action taken in response to them.

2.6 Protection Services

- Investigate or coordinate the investigation of alleged theft or misuse of Island Health property, facilities or services other than intellectual property or monetary items.
- Corroborate and document property theft loss reports filed with law enforcement agencies.
- Assist appointed investigators by coordinating, with Executive approval, the use of appropriate external resources (other than external legal counsel) to complete the investigation.

2.7 People Portfolio

- Provide internal support to any investigations into alleged Irregularities and support management and employees through the process.
- Where Island Health employees are the subject of an investigation, ensure that the investigation is conducted in compliance with any applicable collective agreement(s), terms and conditions of employment, employment standards and legislation.
- Where the investigation of an Irregularity substantiates that theft, fraud or corruption has occurred, advise management regarding the appropriate disciplinary or other measures that may be applied.

2.8 Chief Financial Officer

- CFO pre-approval is required for any restitution arrangement or settlement with an individual as a result of findings made pursuant to an investigation under this Policy.

2.9 Legal Counsel

- Provide or arrange for any necessary legal support for conducting an investigation.

2.10 Risk Management

- Liaise with the appointed investigator and with the Health Care Protection Program, as and when appropriate, to determine whether a loss suffered by Island Health may be insured.

3.0 **Monitoring and Evaluation**

- This policy will be reviewed and evaluated every three years, and updated where necessary.

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4.0 Definitions

Theft: The act of stealing, taking or removing corporate or personal property, including intellectual property, monetary or other physical goods, without appropriate authorization.

Fraud: An intentional deception/misrepresentation for the purpose of attaining an advantage, avoiding an obligation, or causing loss to another party.

Corruption: The offering, giving, soliciting or acceptance of an improper inducement or reward, which may influence the decision, decision-making process, or action of any person.

Loss: The detrimental effect or disadvantage that results from being deprived of a resource or a right to participate in an opportunity that would have otherwise legitimately benefited Island Health.

Irregularity: An allegation of theft or fraud, corruption. Until a formal investigation has been conducted in accordance with this policy, all findings, reports and suspicions will be termed Irregularities. See Appendix A of this Policy for examples of Irregularities.

5.0 Related Island Health Standards

- Theft, Fraud and Corruption Procedure 5.5.4PR (referred to as Procedure, above)
- Safe Reporting Policy 5.5.12 Procedure 5.5.12PR
- Conflict of Interest Policy 5.5.1 and Procedure 5.5.1PR
- Acceptable Use of Assets and Resources Policy 16.4.2.3

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Appendix A: Examples of Irregularities

Examples of Irregularities include, but are not limited to, serious actions that may result in an actual or perceived financial or non-financial loss to our organization as a result of:

- Misuse, theft, or destruction of Island Health equipment or other property;
- The theft of Island Health owned or administered intellectual property or monetary items including currency, cheques, drafts, patients' trust funds, etc.;
- Unauthorized use or theft of property from staff, contractors, patients, residents, clients, visitors or others associated with Island Health;
- Misuse or unauthorized access to Island Health documents, databases, records, intellectual property, computer systems, recorded data or messages, and/or technology;
- The manipulation of accounting records to conceal or alter legitimate financial or operational results;
- Intentional false creation or alteration of documents, contracts, agreements, or any other record;
- An undisclosed financial interest between an employee or contractor of Island Health and another person or entity to which Island Health may, in the course of business, disburse or receive funds or services;
- Intentional misrepresentation of facts, including but not limited to:
 - Falsification of expense claims, hours worked, overtime, sick or special leave;
 - Failure to disclose potential, perceived or actual conflicts of interest;
- An agreement or perceived agreement between two or more persons to commit an act that knowingly circumvents internal controls;
- Unusual compensation, benefits, or rights received by Island Health employees, consultants, or suppliers in exchange for actual or perceived goods, services, advantages or benefits;
- A contravention of a statute, law, or regulation which is not otherwise covered by a separate Island Health policy;
- Any similar or related improper activities; and
- The intentional concealment of, or failure to report Irregularities.

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