INTEGRITY GOVERNANCE FRAMEWORK AND ASSESSMENT TOOL

October 2023

Disclaimer

The Integrity Framework and Self Assessment Tool is intended as a guide to support health services in identifying integrity vulnerabilities and improving integrity practices. The responsibility for creating an organisational culture of integrity and compliance with best practice in integrity systems remains with the individual and the health service organisation/entity.

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INTEGRITY GOVERNANCE FRAMEWORK

Purpose and background

Integrity governance refers to the integrated systems, processes, leadership and culture that are at the core of ensuring better integrity practice in all organisational operations. It is delivered through a comprehensive and dynamic risk management approach that aims to reduce the likelihood of fraud and corruption in an organisation.

The delivery of public funded healthcare services occurs in a complex political and operational environment. The community rightly expect that publicly funded health services are delivered in a responsible and ethical manner that delivers value for money. The vast majority of people working in the health sector do the right thing, delivering the highest quality health services in the most efficient manner to the communities they serve.

However Independent Broad-Based Anti-Corruption Commission (IBAC) investigations including Operations Liverpool[1] and Meroo[2] have raised concerns over the vulnerability of health services to fraud and corruption in their organisations[3,4].

In response to Operation Liverpool, The Australian Centre for Healthcare Governance has been commissioned by the Department of Health (DH) to develop an Integrity Capability Assessment Tool.

The purpose of this tool is to assist health services to assess their integrity risks and give guidance on the development of appropriate policies and processes to strengthen integrity culture and reduce the likelihood of fraud and corruption within their organisations.

[1] Operation Liverpool: an investigation into the conduct of two officers of Bendigo Health, Adam Hardinge and John Mulder. Independent Broad-based Anti-Corruption Commission, March 2017

[2] Operation Meroo: An investigation into alleged corrupt conduct by a former CEO of a Victorian regional health service, April 2021

[3] Operation Tone: An investigation into allegations that Ambulance Victoria paramedics engaged in serious corrupt conduct, namely the theft, trafficking and use of drugs of dependence, September 2017

[4] Corruption and misconduct risks associated with employment practices in the Victorian public sector, August 2018

Building an evidence based framework

The ACHG Integrity Governance Framework was developed following a literature review and consultation process. A number of key documents were drawn upon in the development of this framework, including:

- The Directors Toolkit Resource for health service boards, DH, December 2017
- Building confidence in our systems and culture: Integrity reform in the Department of Education and Training, DET, 2016
- Safer Care Victoria's Clinical Governance Framework, June 2017
- Victorian Public Sector Commission's Gifts, Benefits and Hospitality Policy Guide, updated July 2018
- VPSC Gifts, Benefits and Hospitality Policy Guide updated June 2022
- Department of Health Fraud, Corruption and Other Losses Policy, May 2022
- VMIA Victorian Government Risk Management Framework Practice Guide, February 2016
- IBAC Corruption risks associated with the public health sector, October 2017

In addition this work was informed by a comprehensive consultation process with Victorian health services.

The health service Integrity Governance Framework

All Victorians expect that publicly funded health services will be managed with integrity, transparency and a respect for public sector values.

Effective integrity governance systems are critical to delivering on these expectations.

Victorian health services come in many different sizes and have different resources and service models. To be effective, governance systems must be developed and implemented in a way that meets the needs of the individual organisation.

Systems must be regularly reviewed, improved and updated to ensure that health services operate on a continuous cycle of risk management and improvement.

The Integrity Governance Framework is a guide to better integrity practice. It is designed to be adapted and scaled to suit the individual needs, maturity and resources of health services large and small. The framework draws on contemporary risk management and integrity practice and adapts these principles to the health service environment.

Risk management is based on identification, assessment and management of the risk. Effective risk management is fundamental to improving performance and achieving outcomes, and an essential component of prevention of fraud and corruption.

The three lines of defence model is used across the public sector as a systematic and practical approach to addressing fraud and corruption vulnerabilities. In this framework, the three lines of defence model has been adapted for application in the health service environment: The three lines of defence overlay key organisational principles that form the foundation for robust and effective integrity practices and systems: These principles, together with the three lines of defence, form the basis of the Integrity Governance Framework and Integrity Capability Assessment Tool developed by the ACHG.

Foundation organisational principles

Culture and code of conduct

The culture of the health service is at the heart of the organisation's ability to build a robust and resilient integrity culture that reduces the likelihood of fraud and corruption. This includes:

- organisational values
- code of conduct
- the leadership team model, and
- the attitudes and behaviours of employees.

Integrity culture is reinforced through organisational policies and procedures that address:

- conflicts of interest
- other declarable interests
- gifts, benefits and hospitality
- bullying and harassment
- privacy and confidentiality.

The values and expected behaviours of the health service should be articulated and discussed regularly at all levels of the organisation. The values should influence and support ethical and responsible decision-making and a culture where all employees behave with integrity and respond appropriately if any behaviour (at any level within an organisation) falls short of expectations.

Delegations of authority

Clear delegations of authority need to be agreed, documented and implemented within the health service. These should specify accountabilities and decision-making authority across the organisation for functions including:

- recruitment and management of employees
- development and review of policies and procedures
- financial expenditure
- contract approval and procurement.

Delegations need to be set at the appropriate level to support the efficient operation of the organisation whilst maintaining appropriate controls and oversight that reinforce accountability at all levels of the process.

Reporting, disclosure and resolution processes

In order to support and safeguard appropriate behaviours and integrity practices there must be suitable channels for raising concerns about the behaviour and of other employees and a process to report material breaches of policy or procedure and suspected episodes of fraud or corruption.

These disclosure and reporting processes need to ensure confidentiality, utilise effective investigation and escalation mechanisms and include a range of actions to address fraudulent, corrupt or other unacceptable employee behaviours.

Furthermore, reporting and disclosure practices must meet the mandatory requirements to report material issues to the relevant departmental authority and IBAC.

There is a statutory obligation on relevant principal officers (which includes health service CEOs) to report matters which are suspected on reasonable grounds of involving corrupt conduct.

Underpinning these principles are four pillars or domains that drive effective integrity risk management:

- employment principles and personnel
- procurement contract/project management
- finance
- governance

The three lines of defence risk model outlines the key requirements for effective integrity management across the four pillars using a risk mitigation approach. The self-assessment and action plan provide a process for organisations to assess their capability in each of the pillars and suggests a better practice approach for health services to strengthen these principles to more effectively manage integrity based risk.

The three lines of defence model

The three lines of defence model provides a simple and effective way to structure integrity governance and risk management by clarifying roles and responsibilities across the organisation. It is also a valuable tool for identifying where controls or responses are needed to address vulnerabilities. By ensuring appropriate controls and practices are present at all levels of a health service, the three lines of defence model strengthens the ownership, accountabilities and processes that govern integrity.

THREE LINES OF DEFENCE

FIRST LINE Functions that own and *manage* risks

SECOND LINE Functions that *oversee* and support the management of risks

THIRD LINE Functions that provide independent *assurance* over the management of risk

Figure 1 – Three Lines of Defence Risk Model

FIRST LINE | PEOPLE AND PRACTICES

Priorities

- Effective policies and procedures in place and correctly utilised
- Awareness and understanding of policies and procedures at all levels
- Organisational values support a culture of integrity and underpin all activity
- Behaviours and values form a key part of the recruitment process
- Effective induction and ongoing training
- Right people in the right places

Who owns this?

Everyone

SECOND LINE | OVERSIGHT

Setting the rules and monitoring compliance

Priorities

- Setting and reviewing organisational frameworks, policies and procedures in line with local, state and federal requirements
- Ensuring compliance through internal controls
- Identifying and managing risk
- Monitoring and oversight of the people and practices

Who owns this?

Management and Executive

THIRD LINE | ASSURANCE

Assuring the process

Priorities

- Understanding the first and second lines of defence
- Reviewing control measures for effectiveness
- Providing a final check
- Interrogation of issues and concerns
- Oversight of third party review and input

Who owns this?

Board and Executive

FIRST LINE OF DEFENCE | PEOPLE AND PRACTICES

All staff are responsible for maintaining and protecting the integrity of the organisation by adhering to the organisational values and expected behaviours and using organisation policies and processes to guide their practice and reduce the risk of fraud and corruption. Processes and procedures should be developed and implemented to ensure frontline practice meets required integrity standards, is consistent with the goals and objectives of the organisation and reflects the values and behaviours of the health service, the health sector in general and expectations of government in the delivery of public services. It is the responsibility of all operational managers to ensure that these systems encompass the identification, assessment, control and mitigation of risk and include a process for the escalation of rising risk and of breaches of practice.

Systems must be in place to ensure:

- Staff recruitment and employment strategies are aligned with public sector employment principles and include appropriate background checks, verification of qualifications, employment history and discipline and criminal histories

- All staff are aware of and understand the application of organisational values and behaviours

- Potential fit with the organisational values, behaviour and code of conduct is included in the recruitment process

- The Victorian Public Sector and organisational codes of conduct are the foundation for all policies and procedures

- Policies and procedures provide guidance to staff to be confident to make decisions and perform their duties

- Staff receive appropriate training in the application of values, behaviours and the implementation of the relevant policies and procedures in their area of work

- Staff in high risk areas such as procurement, finance and contract management receive specialised training and support to ensure compliance with public sector values, expectations and industry and legislative requirements

- Staff understand how to report integrity concerns and feel confident to do so

- A clear escalation and reporting process ensures effective and responsive reporting and investigations are initiated when there is a suspected breach in integrity

Signs of an effective first line of defence:

- Organisational values, expected behaviours and the code of conduct are included in the orientation/induction process for all new staff

- Integrity issues are identified and dealt with in a timely, just and transparent manner with the view to improving systems and mitigating risk

- Staff speak up when they detect a breach of integrity and are satisfied that issues have been appropriately addressed

- Staff engagement surveys indicate high awareness of, and confidence in, organisational values and behavioural standards

- Demonstration of the organisational values, behaviours and code of conduct are considered in the staff performance review process

- Conversations regarding appropriate integrity practice occur regularly

CONDUCT TEST

Use this self-assessment tool to determine if your decision or action is aligned with the Victorian Public Sector Code of Conduct.

VALUES TEST Does this fit with the values of the organisation and public sector?

SAFETY TEST Could it directly or indirectly create a risk to physical or psychological health wellbeing and safety?

LAW TEST Is it legal and in line with policies and standards?

IMPACT TEST Would you still make this decision if it were your own business, time or money?

MEDIA TEST If the story appeared in a newspaper or social media would you feel comfortable with the decision?

FAMILY TEST Is it what you would tell your partner, child or family member to do?

FEEL TEST What is your intuition or gut feel? If it feels wrong or bad then it probably is.

SECOND LINE OF DEFENCE I OVERSIGHT

Management is responsible for ensuring that the systems and processes operationalised as the first line of defence are implemented and effective. This responsibility incorporates a risk management and compliance approach whereby the implementation of policies and processes at an operational level are regularly monitored and assessed for their effectiveness in supporting efficient delivery and mitigating the risk of an integrity breach. All leaders and managers must understand their responsibilities and accountabilities in relation to the organisation's integrity systems including the requirement to model appropriate behaviours and standards ensuring staff are compliant with processes and practices and to address, report and correct integrity breaches or issues as they arise.

Typically these functions include:

- Effective risk management practices that identify and assess potential risk exposure, implement controls to mitigate potential risks and monitor the effectiveness of these practices in reducing the likelihood of fraud and corruption

- Compliance monitoring of required processes and controls to assure standardised and effective practices and to mitigate risk

- Systems that ensure management oversight and accountability for anti-fraud and anti-corruption practice and culture

Systems must be in place to ensure:

- A governance framework exists within the health service to support effective oversight and accountability for integrity practice across all layers of the organisation and provides mechanisms for communication and escalation of issues

- The organisation has a comprehensive risk management framework that incorporates integrity risks

- The risk management process is dynamic and includes the identification of known and emerging risks and monitors the organisation's risk appetite and efficacy of treatments

- A process exists to monitor and audit operational compliance with policy and processes in areas at higher risk of an integrity breach

- Policies and practice are regularly reviewed to ensure compliance with legislation and statutory requirements

- Policies and procedures that direct operational practice in areas at high risk of an integrity breach incorporate a risk management approach

- High risk areas of practice are regularly reviewed to assess risk status, efficacy and currency of controls and to evaluate new and emerging risks

- A robust and timely reporting and escalation process to management for any material breaches of policy and practice or suspected episodes of fraud or corruption

- A process to review breaches of integrity in a timely, transparent and just manner that ensures corrective action is implemented to prevent further incidents and escalation to the Board and reports to external bodies occur, where required

Signs of an effective second line of defence:

- Documented review of compliance with policies and procedures is reported through the governance framework to executive management and the Board as required

- The organisation risk register includes integrity risk and details appropriate controls and management strategies

- Leaders regularly discuss integrity issues and better practice with operational staff and communicate explicitly the relevance of the organisational values and code of conduct in the workplace

- Staff are encouraged to seek advice about acting with integrity and accountabilities, and feel safe to speak up about poor or risky behaviours

- The organisation has nominated integrity champions who are the key contacts for integrity matters and provide advice and support to address issues and concerns

INTEGRITY MOMENTS

Integrity Moments are a simple and practical way for all staff to talk about integrity, ethical behaviours and 'how we do things around here'

Each of us has a personal view on what we mean when we talk about integrity but how do we know we mean the same thing when we come together in the workplace? For example, do you and your colleagues mean the same thing when you talk about:

- Treating patients, colleagues and the community with integrity and respect

- If it's ok to accept a gift from a supplier of services to the health service or a family member of a patient?

- What you might do if a family member applies for a job in your workplace?

- Is it okay to take left-overs from patient meals to avoid waste?

See Appendix 1 Integrity Moments

THIRD LINE OF DEFENCE I ASSURANCE

Robust systems and mechanisms must be in place to support oversight by, and assurance to, the governing bodies of a health service that integrity systems are in place and are effective in mitigating the likelihood of fraudulent or corrupt practices and behaviour. Governing bodies include the health service Executive and Board as well as the relevant departments of the DH and other public sector authorities. Establishing organisational governance mechanisms that ensure oversight and provide assurance at the Executive and Board level are essential in the management of effective integrity systems. In addition, external and internal audits can provide independent and objective assurance of the efficacy of organisational governance, risk management and control mechanisms.

Health services are required to establish an Audit and Risk Committee of the Board and undertake a professional independent internal audit program that actively contributes to effective organisational governance by testing controls and systems, identifying areas of sub-optimal performance and fostering the development of best practice processes.

The Executive and Board are accountable to the Department of Health Secretary, the Victorian Minister for Health and the Victorian Auditor General (on behalf of the Victorian community) for ensuring that effective systems and process are in place within the health service to mitigate the risk of misuse of public assets and funds. This responsibility requires the Executive and Board to engage in ongoing surveillance and review to provide assurance that integrity systems are effective in the prevention of fraud and corruption.

Health services are also required to participate in a range of external audit and compliance programs such as those conducted by the DH, HealthShare Victoria (HSV), the Victorian Auditor General and the Department of Treasury and Finance (DTF), which provides additional oversight of integrity systems.

Systems must be in place to ensure:

- The governance framework within the organisation supports the Executive and Board to fulfil their duties in ensuring effective oversight and accountability for integrity practice within the organisation

- The governance framework is regularly reviewed and updated to reflect changes in legislation, regulations and industry standards and considers the recommendations and directions from relevant statutory authorities

- The Executive and Board are provided with assurance of the effective implementation of organisational policies and processes to support better practice in integrity systems

- The Executive and Board are fully informed of any material breaches in integrity practice and the corrective actions taken to prevent further occurrence

- External integrity compliance reporting requirements such as the HealthShare Victoria self-assessment documents, contracts registers etc. are reported through the governance framework to the Board in a timely and transparent way
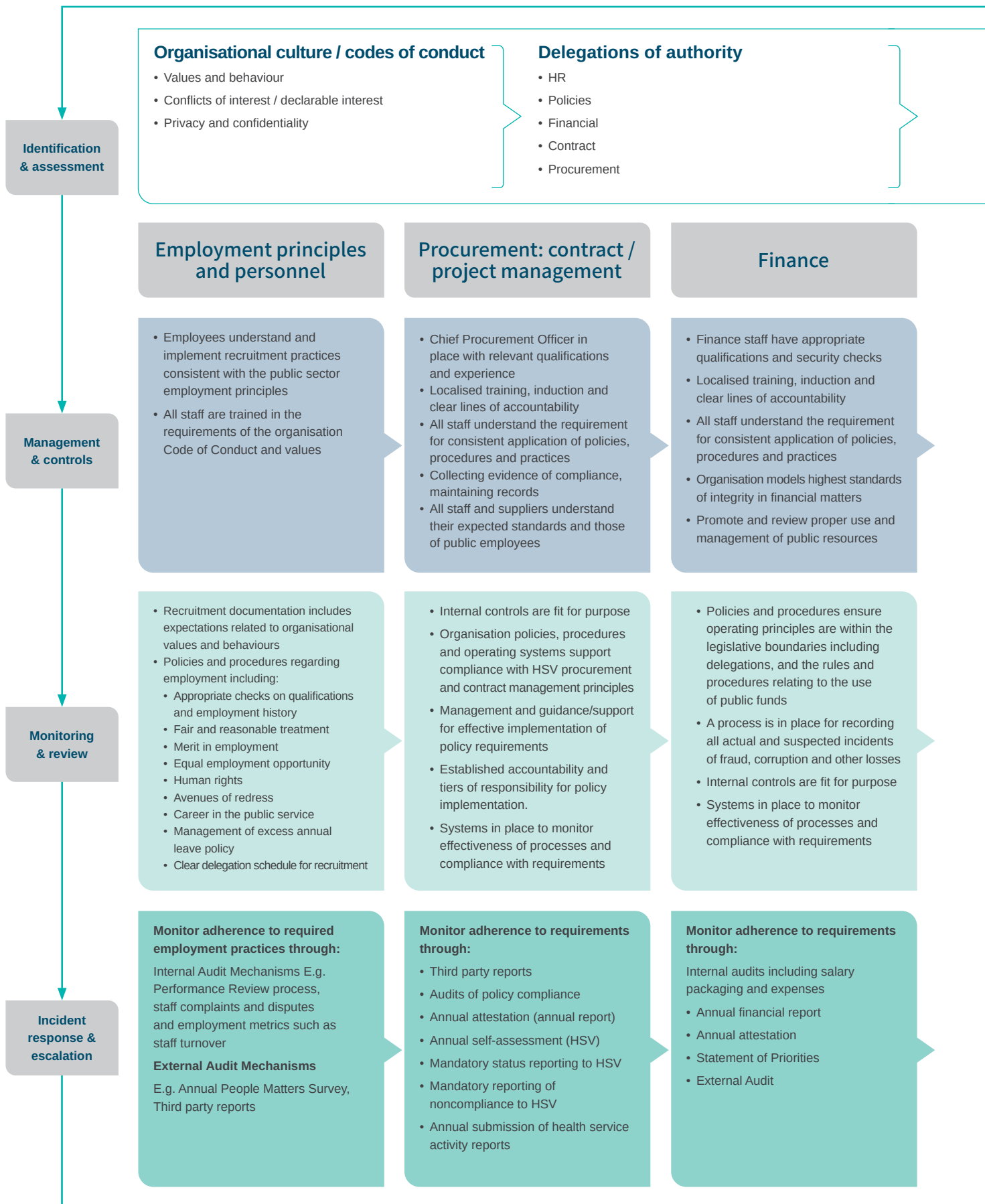
- Annual financial compliance assessment is undertaken, and attestation occurs after the Executive and Board have been assured of compliance

- The internal audit program aligns with the risk profile and is provided by highly qualified independent professionals who complete a rigorous assessment of systems and processes

- The organisation actively participates in external audits and uses these processes and their findings to strengthen and enhance integrity systems

Signs of an effective third line of defence:

- Incoming Executive and Board members receive an induction to the probity systems of the organisation and understand their accountability in the leadership and oversight of integrity within the health service

- The CEO, Executive and Board foster and model behaviours that reflect the organisational values, performance expectations, and a positive integrity culture

- The Executive and Board receive regular reports regarding the effectiveness of probity systems in reducing the likelihood of an integrity breach

- The Board and Executive regularly discuss the integrity culture of the organisation and seek opportunities to improve and strengthen processes and systems to prevent fraud and corruption within the organisation

- Information and recommendations from external and internal audits are incorporated into an improvement action plan to enhance integrity systems and processes and reduce the risk of corruption

- Key integrity governance committees include external members and/or an independent chair to bolster independent oversight and provide an objective and impartial perspective

Figure 2 – Better practice guide three lines of defence

Identification & assessment

Organisational culture / codes of conduct
- Values and behaviour
- Conflicts of interest / declarable interest
- Privacy and confidentiality

Delegations of authority
- HR
- Policies
- Financial
- Contract
- Procurement

Employment principles and personnel	Procurement: contract / project management	Finance
Management & controls		
• Employees understand and implement recruitment practices consistent with the public sector employment principles • All staff are trained in the requirements of the organisation Code of Conduct and values	• Chief Procurement Officer in place with relevant qualifications and experience • Localised training, induction and clear lines of accountability • All staff understand the requirement for consistent application of policies, procedures and practices • Collecting evidence of compliance, maintaining records • All staff and suppliers understand their expected standards and those of public employees	• Finance staff have appropriate qualifications and security checks • Localised training, induction and clear lines of accountability • All staff understand the requirement for consistent application of policies, procedures and practices • Organisation models highest standards of integrity in financial matters • Promote and review proper use and management of public resources
Monitoring & review		

• Recruitment documentation includes expectations related to organisational values and behaviours
• Policies and procedures regarding employment including:
  • Appropriate checks on qualifications and employment history
  • Fair and reasonable treatment
  • Merit in employment
  • Equal employment opportunity
  • Human rights
  • Avenues of redress
  • Career in the public service
  • Management of excess annual leave policy
  • Clear delegation schedule for recruitment
	• Internal controls are fit for purpose
	• Organisation policies, procedures and operating systems support compliance with HSV procurement and contract management principles
	• Management and guidance/support for effective implementation of policy requirements
	• Established accountability and tiers of responsibility for policy implementation.
	• Systems in place to monitor effectiveness of processes and compliance with requirements
		• Policies and procedures ensure operating principles are within the legislative boundaries including delegations, and the rules and procedures relating to the use of public funds
		• A process is in place for recording all actual and suspected incidents of fraud, corruption and other losses
		• Internal controls are fit for purpose
		• Systems in place to monitor effectiveness of processes and compliance with requirements

Incident response & escalation		
Monitor adherence to required employment practices through: Internal Audit Mechanisms E.g. Performance Review process, staff complaints and disputes and employment metrics such as staff turnover **External Audit Mechanisms** E.g. Annual People Matters Survey, Third party reports	**Monitor adherence to requirements through:** • Third party reports • Audits of policy compliance • Annual attestation (annual report) • Annual self-assessment (HSV) • Mandatory status reporting to HSV • Mandatory reporting of noncompliance to HSV • Annual submission of health service activity reports	**Monitor adherence to requirements through:** Internal audits including salary packaging and expenses • Annual financial report • Annual attestation • Statement of Priorities • External Audit

Reporting, disclosure and resolution processes

- Escalation procedure: internal, external
- Investigation processes: internal, external

Foundation organisational principles

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Broader themes and attitudes to fraud

Governance

- All employees and volunteers receive training and understand the organisation's policy on fraud and corruption, declarable interests and conflict of interest and gifts benefits and hospitality
- All staff are trained in the requirements of the organisation Code of Conduct and values
- All staff are encouraged to report suspected corrupt conduct
- All staff are aware of internal mechanisms, public interest disclosures and IBAC reporting

First line of defence PEOPLE / PRACTICES

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Who owns this?

Everyone

Continuous improvement

- Policy regarding the treatment of gifts, benefits and hospitality including:
  - Application
  - Minimum accountabilities
  - Key definitions
  - Process for managing offers
  - Provision and declaring, recording and managing gifts
- Policy on declarable and conflicts of interest that provides clear definitions, process to declare, assess and manage interests.

Second line of defence OVERSIGHT

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Who owns this?

Management and Executive

Monitor adherence to requirements through:

Internal audits of gift register, conflict of interest declarations, External Audit

- Third party reports
- Executive performance monitoring

Third line of defence ASSURANCE

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Who owns this?

Board and Executive

Integrity governance

The Integrity Governance Framework is designed as a guide for health services in better practice principles to improve the integrity governance culture and systems within their organisation.

Health services have an existing obligation to comply with the Directions of the Minister for Finance to establish processes to safeguard against the risk of fraud and corruption. The better practice assessment and reporting tool is a simple spot check on the integrity governance culture and functioning of the organisation and provides an action plan template to facilitate a response to areas of deficiency or vulnerability identified during the self-assessment.

Ensuring sound integrity governance requires ongoing attention as the health service environment is fast paced, complex and ever changing. Moreover the public health sector operates in a politically charged context and health services must remain vigilant to ensure that they keep abreast of changes to legislation, policy and community expectations. Health services may find themselves more exposed to risk of fraud and mitigation throughout times of significant change or activity, such as during major capital works, IT upgrades or system and infrastructure changes. In addition periods of rapid growth or service expansion that places pressure on existing systems and processes increases the risk of an integrity breach.

Furthermore significant turnover in key personnel particularly in leadership roles such as the Executive or CEO can expose the health service to integrity risk as the organisation transitions to a new management structure. Conversely long periods of tenure by key personnel may also present a risk.

Symptoms of integrity governance failure

It is important to keep a regular eye to indicators or 'red flags' of integrity governance vulnerabilities within an organisation. This will provide an early warning of areas requiring further investigation or attention and hopefully avoid the risk being realised in an integrity governance or practice failure. The following are non-exhaustive examples of potential symptoms or indicators of integrity governance vulnerabilities -

- An institutional, isolated and inward-looking culture that is unsupportive of internal reflection or improvement and cultivates a fear of speaking up

- A disengaged Executive, CEO or Board that are resistant to change and unwilling to hear bad news

- Leaders and managers who are disengaged from the governance processes and reluctant to follow policies and procedures

- A culture that is ethically neutral or permits unethical behaviours to occur without question

- A lack of regular system checking or review to ensure that policies and processes are implemented and effective

- A governance system based solely on compliance rather than better practice and confident decision-making informed by an understanding of risk

- Poor processes and a lack of vigour in the declaration and management of private interests and potential conflicts of interest

- Tolerance of 'rule bending' as an acceptable way of getting things done

- Staff appointments compromised by nepotism, favouritism and conflicts of interest

- References and employment history checks not routinely completed as part of the recruitment process

- Staff with a history of questionable conduct or performance remaining employed in the same or similar roles for extended periods of time

- Staff don't know how to report integrity concerns and there is a history of issues that are reported 'going nowhere'.

Victorian health services integrity spectrum and agents

Integrity exists on a spectrum of positive and poor behaviours. It is often the case that smaller more innocuous events that happen over time expose a greater integrity risk to an organisation than one single large event.

Ideally, every individual and organisation will operate consistently at the high integrity end of the spectrum.

The primary responsibility for ensuring a positive integrity culture and behaviours supported by appropriate policies, practice and controls, is with the health service itself. However, health services operate within the Victorian Public Sector's integrity systems with roles, responsibilities and oversight for and by different agents both internal and external to an organisation. It can be challenging to navigate this and know where to go to in different circumstances. Mapping the key internal and external agents and where they act along the integrity spectrum shows the areas of focus, interactions and relationships between them.

Figure 3 – Victorian health services – Integrity Governance Spectrum
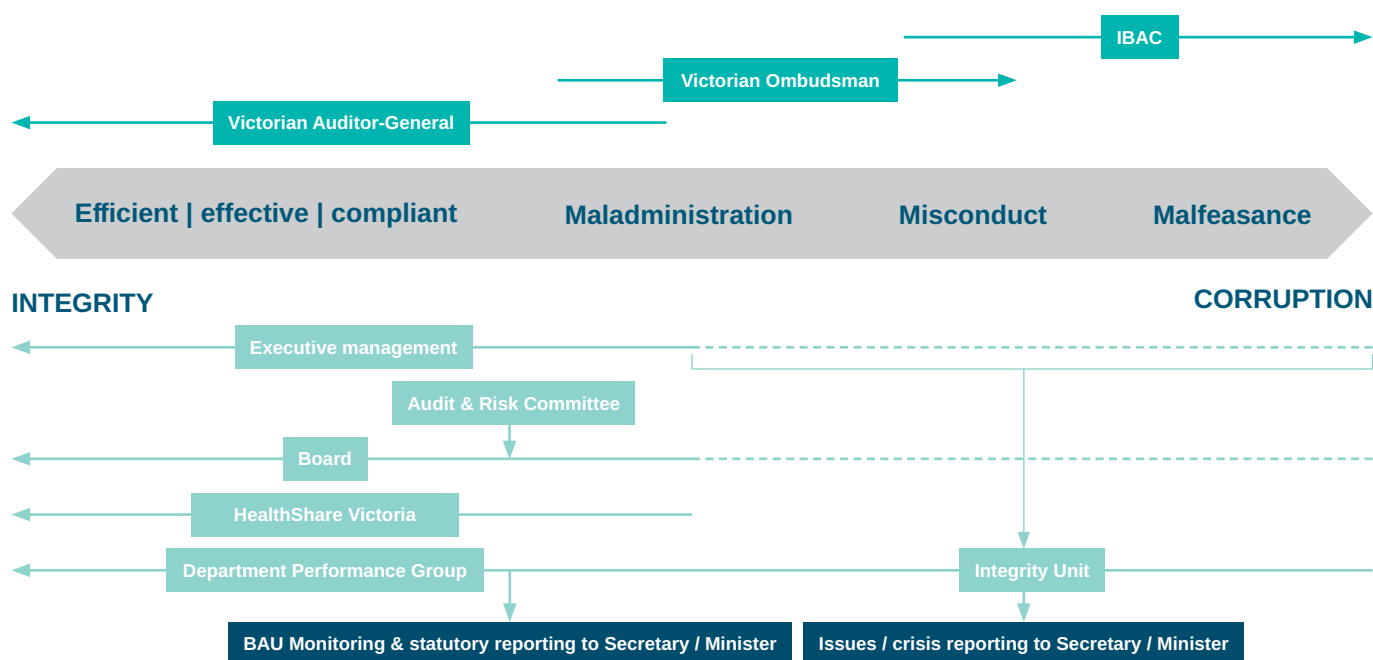
Source: Adapted from A.Greaves 'Role of Audit' presentation to the Corruption Prevention and Integrity Conference, Melbourne, 3-4 October 2017

APPENDIX 1: INTEGRITY MOMENTS

Integrity moments are a simple and practical way for staff to talk about integrity and ethical behaviours and 'how we do things around here'.

Each of us has a personal view of what we mean when we talk about integrity, but how do we know that we mean the same thing when we come together in a workplace?

The Department of Education and Training (DET) introduced 'Integrity Moments' as part of its integrity reform program following the IBAC investigations of 2015-16. Team meetings at all levels throughout DET now start with an 'Integrity Moment'. They encourage open conversations about integrity and ethics and how staff think, feel and act at work as part of a positive integrity culture.

This might seem obvious, but how do you know if you and your colleague mean the same thing, for example, when you talk about:

- Treating patients, colleagues and the community with integrity and respect

- When you might accept a gift from a supplier of services to the health service and a family member of a patient

- What you might do if a family member applies for a job in your workplace

- Taking home left-overs from patient meals to avoid waste.

There are many examples - large and small of how we make decisions and judgements every day which are informed and influenced by our understanding of integrity and ethical orientation.

Just because we have different views doesn't mean one is necessarily right or wrong, but it is important to talk about our views and build a common understanding of what it means for us in our workplace.

It's easy to implement Integrity Moments into your workplace.

1. Add an 'Integrity Moment' as a standing item on your team meeting agenda

2. Agree the 'safe conversation' ground rules – e.g. there's no 'right/wrong' answer, we will respect others views and be open to questions about our views

3. Ask someone in the team to suggest a topic of interest, share an experience, bring an article or example from somewhere else as a discussion starter

   - It could be specific to the workplace or to the health sector or to society more broadly – eg. is it ok for cricketers to tamper with cricket balls to gain an advantage if 'no one gets hurt'?

4. Guide with open questions – eg. what are the ethical issues that you would take into account when making a decision and choosing to act? How does it align to our values and the public sector values? Are there other points of view to take account of? How would I feel if I went home and had to explain my decision or action to my mother or child?

5. Will we do something different in how we work and do things around here?

6. Share your insights with others.

It might feel a bit strange at first, but it will get easier with practice. Integrity Moments can happen anywhere in an organisation and engage all staff no matter what they do.

Further information about integrity moments can be found in DET's Practical Ways to Talk About Integrity – which provides staff and managers with ideas about how to have conversations in the workplace about integrity and what it looks like in our day-to-day work.

Source: DET (2017) Building Confidence in our Systems and Culture: Integrity Reform in the Department of Education and Training

APPENDIX 2: HEALTH SERVICES INTEGRITY RESOURCE LIST

The following is a selection of key resources that health services should be familiar with in understanding and operationalising integrity obligations for and within their organisation. It is not comprehensive.

These resources are owned by various authors who are responsible for the resources and may re-issue updates from time to time. We would encourage you to subscribe to notification lists and periodically check the websites of these entities to ensure you are up-to-date with current guidance and news.

Victorian Public Sector Commissioner (VPSC)

- Victorian Public Sector values
- VPSC's Conflict of Interest resource suite
- Victorian Public Sector Employees Code of Conduct
- Victoria Public Sector Director's Responsibilities
- Declaration of Interests & Conflict of Interest model policy and guidance resources
- Gifts, Benefits & Hospitality resource suite
- Supplier Code of Conduct
- Integrity guidance suite

Department of Treasury and Finance (DTF)

- Financial Management Act 1994
- Minister for Finance Standing Directions
- Annual Compliance Framework Checklist

Victorian Managed Insurance Agency (VMIA)

- Victorian Government Risk Management Framework (August 2020)
- Victorian Government Risk Management Framework (VGRMF) - Practice Guide (August 2020)

Victorian Government Purchasing Board (VGPB)

- Victorian Government Procurement Framework

HealthShare Victoria (HSV)

- Health Purchasing Policies

Department of Health (DH)

- Victorian Health Services Monitoring Framework
- Department of Health Fraud, Corruption and Other Losses Policy, May 2022

Independent Broad-based Anti-Corruption Commission (IBAC)

- Public Interest Disclosures
- Fraud and Corruption Control Framework
- Corruption Risks Associated with the Public Health Sector (2017)
- Controlling fraud and corruption: a prevention checklist
- Directions for making mandatory notifications of suspected corruption
- Corruption and misconduct risks associated with employment practices in the Victorian public sector (2018)
- Special reports on investigations including Operation Liverpool, Operation Meroo & Operation Tone.
- A review of integrity frameworks in Victorian public sector agencies (2014)

Standards Australia

- Australian Standard for Fraud and Corruption Control - AS 8001 - 2021

AN INTEGRITY GOVERNANCE FRAMEWORK BETTER PRACTICE ASSESSMENT AND REPORTING TOOL

The Integrity Governance Framework Better Practice Assessment and Reporting Tool is designed to be used by health services to guide better integrity practice through a simple self-assessment process that also provides direction on suggested practice. The tool focuses on four key practice domains or 'pillars' at risk of integrity breach within a health service: employment principles and personnel, procurement, contract and project management, finance and governance. The principles of integrity governance and the tool can equally be applied more broadly to other functional or practice areas where the health service identifies a need.

The tool is not intended to be prescriptive but rather aids organisations seeking to improve their integrity systems, strengthen and embed a positive integrity culture and lift their capability to prevent fraud and corruption. The suggested processes may apply to more than one key practice area.

However for simplicity, the tool ascribes suggested actions to the area of greatest alignment. The processes are intended as a prompt to review practice and there will be other responses that maybe appropriate. The tool also allows health services to insert local practices for each line of defence in each pillar to ensure organisations are able to effectively record the systems and processes employed within their service to safeguard integrity.

Key elements include:

- Better integrity practice requirements
- Integrity governance practice ratings
- Integrity governance map
- Suggested processes and practice to implement a three lines of defence risk management model
- Action planning template to direct improvement activities.

Assessment ratings and gap analysis

The tool is designed to allow organisations to review their local controls and systems for the four organisational pillars against each of the three lines of defence better practice statements. There is an extra line at the bottom of each section to encourage organisations to insert additional local integrity practices.

Organisations self assess and rate their operational practice in response to each practice statement, including local practices added, as 'never', 'inconsistently' or 'consistently'.

These responses auto-populate an **Integrity Governance Map**, providing an overall view of the integrity results in each line of defence for each pillar. A final overarching integrity map populated with the tally for each line of defence is then complied across all four pillars allowing organisations to see an integrated view of their integrity systems.

The results show the spread of integrity controls and systems within each pillar for each line of defence and the consistency of process application.

The integrity governance maps provide a snapshot that highlights potential gaps or vulnerabilities in integrity practice. It provides the basis for a deeper dive to understand the nature of the integrity risk and the effectiveness of practices and controls. In turn, this will inform the area of focus and priority for the **Integrity Governance Action Plan.**

Organisations are encouraged to aim for results that reflect the application of better integrity processes that are consistently in practice for all three lines of defence, in each pillar. Thus higher results in the top third of the map suggests stronger controls within a line of defence due to consistent application of a wide range of integrity processes. Results stretched across the top third of the map suggest consistent integrity practice across multiple lines of defence. Conversely, results that cluster in the lowest third of the map indicate that an organisation has some gaps in integrity practice that may expose a vulnerability to fraud and corruption.

The integrity practice results are not intended for comparison across organisations due to the subjective nature of the self assessment process and the potential variability of results where organisations have added local practices to the self assessment. The results allow health services to baseline internal systems, identify gaps in the lines of defence and to track and monitor improvement over time.

The tool provides an overall view of the health service's integrity practice and therefore, offers a degree of assurance as to the integrity culture and broader integrity capability of the organisation. It is not a compliance checklist and should be considered in conjunction with mandatory practice requirements and checks such as the Department of Treasury and Finance Financial Management Compliance Framework, HealthShare Victoria self-assessment and other external reporting obligations.

Completion of the self – assessment

The assessment is intended to be completed at a high level and is not meant to be a detailed audit tool. Ideally it would be completed at a senior management level by staff with a good working knowledge of practice in the four operational domains. Completion of the tool results in an integrity governance map that rates the level of practice in each line of defence for each operational pillar. The map identifies gaps in integrity defence and highlights opportunities for improvement to strengthen the integrity culture and capability of the organisation.

It is also useful for the Board to undertake the assessment as it will have a different perspective which can provide practical insight regarding the third line of defence. For example, does the Board feel confident that the first and second line controls are in place and effective, and if not, it allows a conversation about whether there is a substantive issue requiring attention or more simply a reporting and communication gap.

As this is a self-assessment, the **results are not directly comparable to those of other health services** as different organisations and individuals will calibrate their responses based on their particular circumstances and understanding. However, by undertaking the self-assessment annually, an organisation can get a picture of its integrity governance over time having regard to changing requirements, maturing understanding and practice, and the implementation of prior year action plan priorities. It provides a structure for a regular conversation about how integrity and controls are understood and lived throughout an organisation.

Action planning

An action plan template has been provided to document and monitor the remedial actions and intended improvement activities to enhance integrity practice. This is included as a separate template so that it may be used as a working document and a tool to monitor and track the progress of actions monitored as required.

Priorities

The self-assessment will provide a high-level indication of areas requiring further attention and possible intervention. The rating scale offers an indication of relative significance and can be used to inform the action plan. Inevitably time and resources are finite and not all potential 'gaps' represent the same imperative or risk. Therefore, organisations will need to prioritise their action items having regard to circumstance, risk, impact, capacity and capability – this is a journey of continuous improvement. Two questions that may assist prioritising:

- What am I / we most anxious about and why?

- If I / we had five percent of our budget available to spend on integrity governance, what are the first 3-5 things I / we would do?

Reporting

The tool is not designed or intended to be used as an external reporting device nor as a definitive measure of the effectiveness or validation of an organisation's integrity systems. It is recommended that the self-assessment and action plan are used by Management/Executive and Boards as tools that provide insights, identify areas for deeper investigation and discussion, identify potential weaknesses in controls and practice, and to plan and prioritise improvement actions. The long-term goal of the self-assessment and action planning process is for the health service to build integrity capability by aiming to achieve consistent and improving practice across all three lines of defence for the four operational pillars: employment principles and personnel, procurement contract/project management, finance and governance. It is recommended that the assessment process be completed on an annual basis to monitor progress and ensure appropriate practice is maintained.

INTEGRITY GOVERNANCE MAP

Objectives

- Map current practice against the three lines of defence in the four key operational pillars

- Highlight better practice integrity gaps and identify potential integrity vulnerabilities

- Identify areas for improvement and assist in prioritising remedial actions

Limitations

- The self-assessment is based on a subjective review of current integrity practice **and therefore results are not intended for comparison or benchmarking with other health services.**

- The assessment is not a measure of the quality or effectiveness of a practice

- The results are a self-assessed snapshot at a point in time and not an indicator of compliance

BETTER PRACTICE ASSESSMENT AND REPORTING TOOL

Employment principles and personnel

A culture of integrity is at the core of the organisation's ability to reduce the likelihood of fraud and corruption. The organisation's values and Code of Conduct should set the integrity standard for all interactions, decisions and behaviours within the health service. Leaders must model these values and behaviours and ensure that all personnel are aware of and understand their role in applying these values in the workplace. There must be a clear pathway to raise issues of concern, and address behaviour and actions that sit outside of the code of conduct. Employment practices should reflect the public sector employment principles.

FIRST LINE OF DEFENCE			
Better practice integrity	**Rating** (Please check the box next to the appropriate response)	**Suggested processes**	**Comments**
All staff are provided with a copy of the organisation Code of Conduct and orientated to the expected behaviours and values	never inconsistently consistently	Code of Conduct and values form an integral part of the organisational and local induction process	
All personnel are evaluated against the Code of Conduct and organisational values annually	never inconsistently consistently	Occurs as part of the performance appraisal/review process	
Conversations regarding the integrity of processes and decisions are a regular occurrence	never inconsistently consistently	Integrity discussions are a standard process in team meetings	
Integrity breaches are reported and addressed	never inconsistently consistently	There is a documented process for reporting and investigating breaches of the code of conduct and unacceptable employee behaviour	
The recruitment processes ensures the appropriate application of the public sector employment principles	never inconsistently consistently	All vacancies are advertised internally and externally Staff are trained and have tools to support capability, values and behavioural based recruitment techniques Pre-employment checks are completed including qualifications, employment history, discipline and criminal histories	
Staff in high risk or integrity sensitive positions are regularly rotated and leave is appropriately managed	never inconsistently consistently	A policy of rotating staff in high risk/sensitive positions is implemented and a leave management process occurs to ensure that staff in these roles take leave at appropriate intervals	
Other: Please add any local practices that support effective processes in this line of defence	never inconsistently consistently		

SECOND LINE OF DEFENCE

Better practice integrity	Rating (Please check the box next to the appropriate response)	Suggested processes	Comments
Policies and procedures are underpinned by the Code of Conduct / ethics and organisational values	never inconsistently consistently	Organisational policies and procedures articulate how the Code of Conduct and behavioural values are applied in the enactment of the policy	
Integrity sensitive and high risk positions receive appropriate training and support in fraud and corruption prevention	never inconsistently consistently	Personnel working in finance, procurement and commercial management areas receive regular education on integrity better practice principles, legislative and government accountabilities and expectations of their operational practice	
Management regularly reviews performance metrics on the culture and values of the organisation	never inconsistently consistently	Relevant data is collated and reported at the management level such as: • Performance appraisal completion rates • People matters survey results in relation to organisational culture • Staff integrity / anti-fraud and corruption training records • Policies reviewed and audited regarding integrity • Rotation data and annual leave uptake for staff in sensitive high risk positions • Complaints and reports of integrity breaches	
Management regularly reviews the integrity risk profile of the organisation	never inconsistently consistently	Areas susceptible to a breach of integrity are captured in the organisational risk management process Risks are formally assessed and rated Risk controls and treatments are regularly reviewed and updated	
Other: Please add any local practices that support effective processes in this line of defence	never inconsistently consistently		

THIRD LINE OF DEFENCE			
Better practice integrity	**Rating** (Please check the box next to the appropriate response)	**Suggested processes**	**Comments**
Accountability for organisational culture and behaviour is held by the Executive, CEO and Board	never inconsistently consistently	Organisational culture and people performance objectives are included in executive and CEO performance plans The Board reviews organisational culture / behavioural data and sets performance targets The Board's culture and performance is reviewed annually	
Other: Please add any local practices that support effective processes in this line of defence	never inconsistently consistently		

Procurement, contract and project management

Procurement and contract management are high risk areas for an integrity breach. Key personnel must be suitably qualified and experienced in the requirements of government compliant procurement and contract management practice. All purchasing and commercial activity must meet the requirements for appropriate use of public funds and should ensure value for money. Due to the vulnerabilities in this area, systems must exist to make sure that continuous monitoring and oversight of practice and effectiveness of risk management controls occurs at all levels of the organisation.

FIRST LINE OF DEFENCE			
Better practice integrity	**Rating** (Please check the box next to the appropriate response)	**Suggested processes**	**Comments**
Procurement officers, contract managers and other key integrity personnel are appropriately qualified, credentialed and experienced	never inconsistently consistently	Position descriptions state minimum standards in regard to qualifications, skills and experience Recruitment practices ensure applicants meet or exceed minimum position requirements Appropriate checks of employment history, discipline and criminal history for personnel in high risk positions are completed as part of the recruitment process Personnel in these positions undertake regular professional development to ensure they are up to date with legislative and government policy requirements	
New staff are educated on local integrity systems	never inconsistently consistently	A formal induction process is applied to new employees in integrity sensitive positions to ensure that they are educated on the practice requirements, expectations and accountabilities of their role	
Staff with purchasing authority are appropriately trained in the organisation purchasing process and requirements	never inconsistently consistently	Organisational procedures and documents facilitate sound purchasing processes consistent with organisational policies and compliant with competition requirements Frontline purchasing behaviour is regularly reviewed by management and procurement officers to ensure compliance Breaches of policy or inappropriate purchasing are investigated and addressed	

Better practice integrity	Rating (Please check the box next to the appropriate response)	Suggested processes	Comments
The organisation has a clear policy and process to manage supplier and contractor behaviour	never inconsistently consistently	Policy and procedure documents ensure suppliers and contractors behave in a manner consistent with the organisational values and behavioural expectations External contracts include a code of conduct as a standard part of the terms and conditions Supplier and contractor behaviour is monitored and any issues or breaches of the code of conduct are addressed	
Adherence to required practice is monitored	never inconsistently consistently	Policy and practice implementation is evaluated via: • Integrity Moments at the commencement of a meeting / project • Regular review of delegation of authority and segregation of duties • Regular rotation and review of compliance with the annual leave policy for relevant staff • Process checklists • Registers of activity • Compliance audits • Practice self-assessments • Audits of corruption risks • Monitoring of and actions in response to complaints and concerns	
The disposal of assets is managed through a process consistent with Victorian health policy and funding guidelines and is in accordance with the principles of probity, taking into consideration the cost of disposal to achieve the best value outcome	never inconsistently consistently	The organisational policy on disposal of assets meets government requirements The organisation maintains an up to date asset register The health service process to dispose of an asset addresses the issues of probity, security, sustainability and transparency as well as environmental and social factors	

Better practice integrity	Rating (Please check the box next to the appropriate response)	Suggested processes	Comments
Breaches of practice and integrity concerns are reported and addressed	never inconsistently consistently	There is a documented process for reporting and investigating breaches of procurement or commercial activity policies / processes and suspected integrity issues	
Other: Please add any local practices that support effective processes in this line of defence	never inconsistently consistently		

SECOND LINE OF DEFENCE

Better practice integrity	Rating (Please check the box next to the appropriate response)	Suggested processes	Comments
Procurement and contract policies and procedures meet government and legislative requirements	never inconsistently consistently	Organisational policies and procedures are annually reviewed to ensure alignment with HSV and the Standing Directions for the Minister for Finance	
Management regularly reviews compliance with expected integrity policy and practice	never inconsistently consistently	Relevant data is collated and reported at management level such as: • Compliance audits and action plans • Self-assessments • Regular rotation and review of compliance with the annual leave policy for staff in sensitive positions • Complaints and reports of integrity breaches • Complaints from contractors and other commercial bodies • Decision and approval process for key contracts and procurement activities	
Other: Please add any local practices that support effective processes in this line of defence	never inconsistently consistently		

THIRD LINE OF DEFENCE			
Better practice integrity	**Rating** (Please check the box next to the appropriate response)	**Suggested processes**	**Comments**
The organisation has a strategic procurement policy	never inconsistently consistently	The Executive and Board develop and implement a procurement and contract management strategy for the organisation, aligned with HSV and legislative requirements that guides commercial activity	
Management completion of attestations is fully informed	never inconsistently consistently	The Executive and Board review strategic procurement plans annually Integrity compliance and self-assessment data is reviewed by the Executive and Board Executive and Board actively engage in and monitor mandatory reporting requirements	
Other: Please add any local practices that support effective processes in this line of defence	never inconsistently consistently		

Finance

Finance functions are particularly vulnerable to fraud and corruption. Robust systems must be in place to safeguard public funds and ensure that all spending is legitimate and meets public expectations. Clear delegations of authority and regular audit of financial transactions must be in place, supported by detailed financial reporting and review of spend at all tiers of the organisation.

FIRST LINE OF DEFENCE			
Better practice integrity	**Rating** (Please check the box next to the appropriate response)	**Suggested processes**	**Comments**
Chief Financial Officer, responsible officer, and finance staff are appropriately qualified, credentialed and experienced	never inconsistently consistently	Position descriptions state minimum standards in regard to qualifications, skills and experience Department structure has clear lines of accountability and reporting Recruitment practices ensure applicants meet or exceed minimum position requirements Appropriate checks on qualifications, employment, discipline and criminal histories are completed during the recruitment process Personnel in these positions undertake regular professional development to ensure they are up to date with legislative and government policy requirements	
New staff are educated on local integrity systems	never inconsistently consistently	A formal induction process is applied to new employees in integrity sensitive positions to ensure that they are educated on the practice requirements, relevant legislation, proper use of public resources and expectations of their role New employees are educated on the organisation delegations of authority, segregation of duties and processes for payment of salaries and expenses to individuals	

Better practice integrity	Rating (Please check the box next to the appropriate response)	Suggested processes	Comments
Effective policies and procedures are in place to support financial systems that are compliant with legislation, government and organisational requirements Systems and processes are effective in the mitigation of fraud and corruption	never inconsistently consistently	Policy and practice implementation is evaluated via: • Integrity Moments at the commencement of meetings • Regular review of delegation of authority and segregation of duties • Regular rotation and review of compliance with the annual leave policy for staff in sensitive positions • Process checklists • Registers of activity • Compliance audits • Practice self-assessments • Monitoring of and actions in response to complaints and concerns	
Breaches of financial policies and processes and / or concerns regarding integrity are reported and addressed	never inconsistently consistently	There is a documented process for reporting and investigating breaches of financial policy and practice, delegations of authority and suspected integrity issues	
Appropriate financial management software is in place	never inconsistently consistently	Electronic finance systems have appropriate security measures in place and provide financial reports that support management oversight of financial transactions and auditing functions	
Other: Please add any local practices that support effective processes in this line of defence	never inconsistently consistently		

SECOND LINE OF DEFENCE

Better practice integrity	Rating (Please check the box next to the appropriate response)	Suggested processes	Comments
Financial management is aligned with organisational strategic and business objectives	never inconsistently consistently	Budgets are set in line with approved strategic and business plans Financial decisions are assessed to determine alignment with the achievement of strategic and business objectives Management regularly review and discuss budget performance and risks	
Finance policies and procedures are regularly reviewed to ensure they meet government and legislative requirements	never inconsistently consistently	Organisational policies and procedures are annually reviewed to ensure alignment with the Standing Directions for the Minister for Finance and government guidelines in relation to the use of public funds	
Management regularly reviews compliance with expected finance policy and practice	never inconsistently consistently	Relevant data is collated and reported at the management level such as: • Policy and delegation of authority compliance audits and action plans • Self-assessments • Compliance with rotation and the annual leave policy for staff in sensitive positions • Complaints and reports of financial policy and / or integrity breaches • Complaints from external bodies such as creditors and /or debtors • Decision and approval process for significant financial transactions	
Other: Please add any local practices that support effective processes in this line of defence	never inconsistently consistently		

THIRD LINE OF DEFENCE

Better practice integrity	Rating (Please check the box next to the appropriate response)	Suggested processes	Comments
A financial management strategy guides the overarching practice of the organisation	never inconsistently consistently	The Executive and Board develop and implement a strategic financial strategy that provides the framework to build financial policies and procedures that will assist the organisation in achieving budget and business objectives	
Management completion of attestations is fully informed Executive and Board are engaged in the completion and approval of the annual report	never inconsistently consistently	The Executive and Board review strategic business and financial plans annually A comprehensive financial reporting program which includes regular review of performance against budget and major expenditure, flows through the Audit and Risk Committee to the Board Integrity compliance, self-assessment and internal audit data is reviewed by the Executive and Board The Executive and Board actively engage in and monitor mandatory reporting requirements	
The internal audit program is used as an assurance and improvement mechanism for financial management and governance	never inconsistently consistently	The Executive and Board • Ensure that the internal audit program is completed by appropriately qualified independent professionals • Use information provided by internal audit to inform the completion of annual attestations • Ensure deficiencies identified have a remedial action plan • Ensure recommendations from internal audit are incorporated into an improvement plan to enhance financial systems	

Better practice integrity	Rating (Please check the box next to the appropriate response)	Suggested processes	Comments	
External audit programs such as those conducted by the Victorian Auditor General's Office, Department of Health and/or their sub-contractors are used as an assurance and improvement mechanism for financial management and governance	never inconsistently consistently	The Executive and Board • Ensures results of external audit programs are reviewed and discussed at the Executive and through the governance process of the organisation • Use information provided by external audit to inform the completion of annual attestations • Ensure deficiencies identified have a remedial action plan • Ensure recommendations from external audits are incorporated into an improvement plan to enhance financial systems		
Significant and / or serious incidents of financial misconduct, fraud or corruption are appropriately investigated and addressed	never inconsistently consistently	The Executive and Board • Review data and monitor complaints and reports of financial misconduct • Ensure appropriate improvement action is taken to address breaches of policy and practice • Ensure staff implicated in financial misconduct are managed appropriately including disciplinary action if required • Escalate episodes of fraud and corruption to the DH and IBAC as required		
Other: Please add any local practices that support effective processes in this line of defence	never inconsistently consistently			

Governance

Governance refers to the processes and mechanisms in place to support and implement decisions. It encompasses policies, procedures, systems and behaviours through which the organisation's authority is administered exercised and maintained. Governance processes must be aligned with the public sector code of conduct and reflect the values of the organisation.

FIRST LINE OF DEFENCE			
Better practice integrity	**Rating** (Please check the box next to the appropriate response)	**Suggested processes**	**Comments**
Board members are provided with a copy of the organisation Code of Conduct and orientated to the expected behaviours and values	never inconsistently consistently	Code of Conduct and values form an integral part of the organisational and local induction process for Board members	
Governance is understood and supports effective decision making with appropriate controls, monitoring and oversight to ensure effective delivery of services compliant with legislation, government and organisational requirements	never inconsistently consistently	Practice is guided by policies that outline key elements of governance including • Decision making delegation of authority • Declarable interests and conflicts of interest • Gifts, benefits and hospitality • Bullying and harassment • Fraud and corruption • Public Interest Disclosures	
Other: Please add any local practices that support effective processes in this line of defence	0-never 1-inconsistently 2-consistently		

SECOND LINE OF DEFENCE			
Better practice integrity	**Rating** (Please check the box next to the appropriate response)	**Suggested processes**	**Comments**
The effectiveness of governance policies is monitored and reviewed	never inconsistently consistently	Policy and practice implementation is evaluated via: • Integrity Moments at the commencement of meetings • Regular review of delegation of authority and segregation of duties • Annual completion of Declaration of Interest statements by key personnel • Regular audit of the Gift Register • Practice compliance audits • Practice self-assessments • Monitoring and review of actions in response to complaints and concerns	
Other: any local practices that support effective processes in this line of defence	never inconsistently consistently		

THIRD LINE OF DEFENCE			
Better practice integrity	**Rating** (Please check the box next to the appropriate response)	**Suggested processes**	**Comments**
Management completion of attestations is fully informed	never inconsistently consistently	The Executive and Board review governance processes annually and update as required Integrity compliance, self-assessment and internal audit data is reviewed by the Executive and Board The Executive and Board actively engage in and monitor compliance with key governance processes including the declaration of conflicts of interest and management of gifts, benefits and hospitality	
The Board receives independent advice on the effectiveness of governance processes within the health service	never inconsistently consistently	The Board holds regular in camera sessions with internal auditors The Board completes an annual review of Board performance and sets improvement goals The Board receives and considers contemporary advice from governance authorities including the VPSC, VAGO and the DH to ensure better practice is maintained	
Other: Please add any local practices that support effective processes in this line of defence	never inconsistently consistently		

INTEGRITY MAPS

GOAL: Consistent application of better practice in all levels of defence for all pillars of integrity management

The results displayed in the following integrity maps, show the spread of integrity controls and systems within each pillar for each line of defence and the consistency of process application.

Organisations are encouraged to aim for results that reflect the application of better integrity processes that are consistently in practice for all three lines of defence, in each pillar. Thus higher results in the top third of the map suggest stronger controls within a line of defence due to consistent application of a wide range of integrity processes. Results stretched across the top third of the map suggest consistent integrity practice across multiple lines of defence. Conversely, results that cluster in the lowest third of the map indicate that an organisation has some gaps in integrity practice that may expose a vulnerability to fraud and corruption.

PURPOSE

- Maps self assessed current practice against three lines of defence
- Highlights better practice integrity gaps and identifies potential integrity vulnerabilities
- Highlights areas for improvement and assists in prioritising an action plan

LIMITATIONS

- Self-assessment based on a subjective review of current integrity practice and therefore results are not intended for comparison or benchmarking with other health services
- Not a measure of the quality or effectiveness of a practice
- Snapshot at a point in time and not a compliance checklist

Employment principles & personnel

Better Practice Application

Consistent

Inconsistent

Never

1st Line of Defence | 2nd Line of Defence | 3rd Line of Defence

Risk Management

Procurement, contract & project management

Better Practice Application

Consistent

Inconsistent

Never

1st Line of Defence | 2nd Line of Defence | 3rd Line of Defence

Risk Management

Finance

Better Practice Application

Consistent

Inconsistent

Never

1st Line of Defence   2nd Line of Defence   3rd Line of Defence

Risk Management

Governance

Better Practice Application

Consistent

Inconsistent

Never

1st Line of Defence   2nd Line of Defence   3rd Line of Defence

Risk Management

OVERALL INTEGRITY GOVERNANCE

	1st Line of Defence	2nd Line of Defence	3rd Line of Defence
Consistent			
Inconsistent			
Never			

Better Practice Application

Risk Management

INTEGRITY GOVERNANCE
FRAMEWORK ACTION PLAN

Organisational Pillar – Culture/Code of Conduct – Employment principles and personnel – Finance – Governance	Line of Defence First Second Third	Better Practice Process	Action Required	By Whom	Due Date