Crime and Corruption Commission
QUEENSLAND

Corruption audit report June 2017

Queensland public health sector responses to incidents of theft

Summary audit report

Acknowledgments

The CCC acknowledges the cooperation and assistance of participating agencies during this audit.

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Summary

The Crime and Corruption Commission (CCC) conducts a program of audits each year to assess how public sector agencies have responded to particular types of complaints and how robust their complaints management frameworks are, including for preventing future cases of corruption. In 2016–17, the CCC conducted an audit examining how allegations of theft are being dealt with by the Queensland public health sector.

There were a number of reasons for this. More than half of the allegations of misappropriation made to the CCC during an 18-month period from July 2014 involved theft, and almost a quarter of these involved health sector agencies.

The CCC was also mindful of the potential for some items stolen from hospitals or medical centres to find their way into illegal markets. Queensland has an active illicit market for pharmaceutical drugs supported by drug users who obtain them in a range of ways including using stolen, altered or forged prescriptions and theft. It is also known that pharmaceutical drugs are used as substitutes for illicit drugs, particularly in some regional areas of Queensland where there is a shortage of traditional illicit drugs.

The CCC audit focused on a selection of 11 public health agencies and how each had handled complaints of theft. This involved a review of the systems and processes each agency had established to deal with such complaints, and a detailed review of a sample of 95 complaint files to assess whether agencies had dealt with the complaints so as to achieve optimal outcomes and implement prevention responses.

The audit also reviewed the types of property alleged to have been stolen. This showed theft of drugs to be a serious concern, involving over half of the complaints received. Of these drugs, 80 per cent were controlled or restricted drugs. It was also found that allegations of theft of these drugs was significantly higher for two health agencies in particular, suggesting there might be systemic issues in how drugs were being handled in these agencies.

The CCC audit showed considerable variation in the adequacy of systems and procedures for complaints handling across the agencies — from comprehensive procedures or manuals to guide staff existing in two agencies to a lack of any manual or documented process in one agency. The remaining eight used existing procedures relating to grievances and discipline matters for dealing with complaints of corrupt conduct rather than having a specific policy for that purpose. Overall, the CCC audit concluded that the majority of agencies would benefit from developing and implementing a manual or complaints management process relating specifically to corrupt conduct.

In assessing how effectively the agencies had dealt with actual complaints, the audit concluded that improvement was needed in a number of areas. These included recordkeeping or storage of complaint documentation; preliminary inquiries; how decisions are made and recorded; responding to complainants; and addressing systemic or control deficiencies to address corruption risks. Additional observations related to improving complaint categorisation and case management.

Overall, despite identifying areas that needed improvement, the CCC's audit of agency handling of theft complaints concluded that overall results were sound and indicated that the agencies were committed to achieving good results in dealing with this kind of complaint.

Despite this, the audit results are also a reminder that public health agencies need to be vigilant to ensure that their policies and practices for handling controlled or restricted substances and for investigating allegations of theft in their agency are operating effectively.

Introduction

The *Crime and Corruption Act 2001* (CC Act) recognises the responsibility of an agency's public official[1] to set and maintain proper standards of conduct for their staff and, by so doing, maintain public confidence in their agency. The CCC also has a lead role in assisting agencies to deal effectively and appropriately with corruption by increasing their capacity to do so.

Each financial year the CCC conducts a program of audits to determine how public sector agencies[2] have responded to particular types of complaints and how robust their complaints management frameworks are, including for preventing future cases of corruption.

In 2016–17, the CCC determined to conduct an audit examining how allegations of theft are dealt with by the Queensland public health sector.

Reasons for doing this audit

Misappropriation of government resources continues to rank as one of the big issues facing the Queensland public sector, with around 300 cases assessed by the CCC since 1 July 2014.

The consequences of misappropriation may include financial and material losses, which can harm an agency's ability to manage its services or operations and achieve its policy objectives. Misappropriation can also impact negatively on public sector integrity and reduce the public's confidence in an agency's administration.

Analysis of the CCC's complaints management system identified that between July 2014 and February 2016, 55 per cent of misappropriation allegations received by the CCC involved theft. Of these, 23 per cent involved health sector agencies.

The CCC was also aware of larger trends involving illegal use or sale of some items stolen from hospitals or medical centres. A CCC intelligence assessment[3] in 2016 identified an active illicit market for pharmaceutical drugs in Queensland controlled by drug users who divert the commodity from a range of sources. One is through theft of drugs and/or prescription pads from public and private hospitals.

While the amount of pharmaceuticals diverted to the illicit market from hospitals, pharmacies and medical practitioners in Queensland is not currently known, the presence of an active illicit market for pharmaceutical drugs clearly increases the risk that some items stolen from hospitals or medical centres could supply these markets. The potential for this is illustrated in the case study on page 9.

For these reasons the CCC determined to complete an audit, focusing on complaints of theft within Queensland's public sector health agencies, and to consider how they deal with such complaints.

Audit focus

The objectives of the audit were to:

- Assess an agency's systems (that is, procedures and practices) for responding to complaints[4] involving allegations of theft; and
- Assess how effectively an agency has responded to specific complaints relating to theft, including whether the outcomes were appropriate to the seriousness of the allegation and how procedural or control deficiencies were addressed.

1 A "public official" means a Director-General or a Chief Executive Officer.

2 A public sector agency refers to a unit of public administration under section 20 of the CC Act.

3 *Illicit drug markets in Queensland: 2015–16 intelligence assessment*, CCC.

4 Complaint includes information or matter.

Queensland's public health system

This audit focuses on the public healthcare sector in Queensland which is collectively known as Queensland Health. It consists of the Department of Health (the Department) and 16 independent Hospital and Health Services (the Health Services) as shown in the figure below. Each Health Service is governed by a Hospital and Health Board, while the Minister for Health has overall responsibility for Queensland's health system.

The relationship between the Department and the Health Services is governed by the *Hospital and Health Boards Act 2011* and related service agreements.

Department of Health

The Director-General manages the Department which remains responsible for the overall management of the public healthcare system. As system manager, the Department is responsible for sole management of the relationship with the Health Services to provide a single point of accountability for public hospital performance, performance management and planning, to ensure that the broader needs of the Queensland population are met. The Queensland Ambulance Service also sits within the Department.

Hospital and Health Services

The Health Services are independent statutory bodies governed by the *Hospital and Health Boards Act 2011* and related regulations and legislation, along with the Public Health Practice Manual. They are responsible for the delivery of health services in their local area and are accountable, through their Board, to the Minister for local performance, delivering local priorities and meeting national standards.

Queensland Public Health Sector (known as Queensland Health)

Department of Health	Hospital and Health Services		
• Department of Health	• Cairns and Hinterland • Central Queensland • Central West • Children's Health Queensland • Darling Downs • Gold Coast	• Mackay • Metro North • Metro South • North West • South West	• Sunshine Coast • Torres and Cape • Townsville • West Moreton • Wide Bay

Scope of the audit

This audit focused on the way in which public health agencies dealt with certain categories of complaints of theft during the period July 2014 to May 2016. It was conducted in three stages.

Selection of public health agencies

The first stage involved selecting which of the Department of Health and the sixteen Health Services would be included in the audit. We identified a sample of 11 agencies by examining factors including:

- the number of complaints of theft relating to each agency for the relevant period
- whether there was anything to suggest systemic issues.

Reviewing agency systems

The second stage involved reviewing the systems and processes in place to control and deal with complaints of theft in each of the 11 agencies. This was achieved by asking each agency to respond to a questionnaire and also provide us with a copy of any written policies and procedures. These were reviewed for comprehensiveness and sufficiency. We also reviewed the agency's manual for dealing with corrupt conduct matters to ensure it achieved its stated outcomes including reducing the incidence of corruption. The CCC's *Corruption in focus* guide was used in this.[5]

Reviewing how agency systems were applied in practice

The final stage was a detailed review of a sample of 95 complaint files (from 135 files in total) to assess how well each agency had dealt with the complaints —with respect to both achieving optimal outcomes and implementing prevention responses.

We considered matters which fell into the following two categories:

- Matters referred to, and assessed by, the CCC as corrupt conduct and determined appropriate to return to the agency to deal with on a "no further advice" basis — that is, the agency was not required to update the CCC on how the matter was dealt with or any associated outcomes.
- Less serious matters — complaints of corrupt conduct that under section 40 of the CC Act may be dealt with by the agency without having to report them to the CCC.

From these categories, a complaint was identified as relevant to this audit when it involved an allegation of taking, without intention to return:

- public property (including drugs) or funds, or
- property (including assets, supplies and drugs) or funds to which the employee has access by virtue of their position or work function.

The audit also examined factors that might have increased the agency's vulnerability to incidents of theft and systemic issues related to dealing with complaints of this nature and reducing corruption risks.

(**Note:** This audit did not include complaints of fraud, that is, activities related to accounts payable, expenditure, procurement, and payroll.[6])

Statistical results from this audit

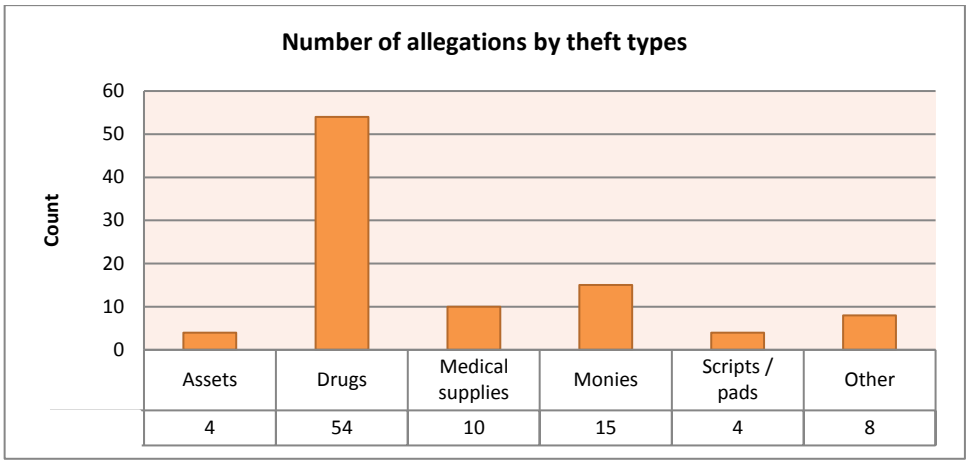
This audit considered a total of 135 complaint files involving allegations of theft within Health Services, examining the types of property alleged to have been stolen, which drugs were most prevalent, and in which agencies those drugs were most common.

The first figure on the next page breaks down the 95 files audited according to the type of property alleged to have been stolen. Identifying which items are most commonly alleged to have been stolen is fundamental to developing appropriate strategies to ensure these corruption risks are addressed by risk management processes.

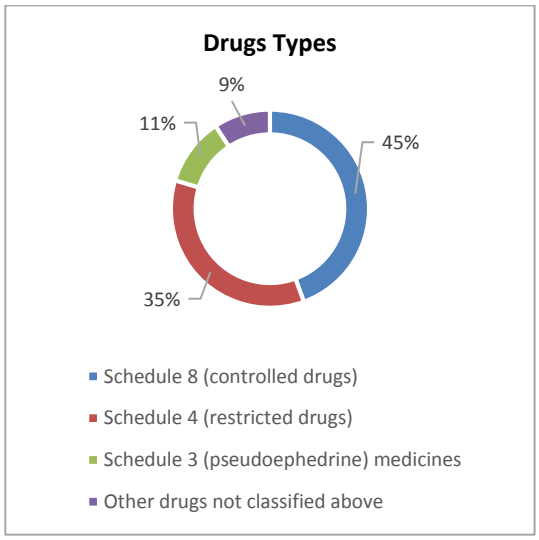
The figure also shows that theft or stealing of drugs is a serious concern involving 54 (56 per cent) of the 95 complaints received, followed by theft of money (whether patient's or agency's).

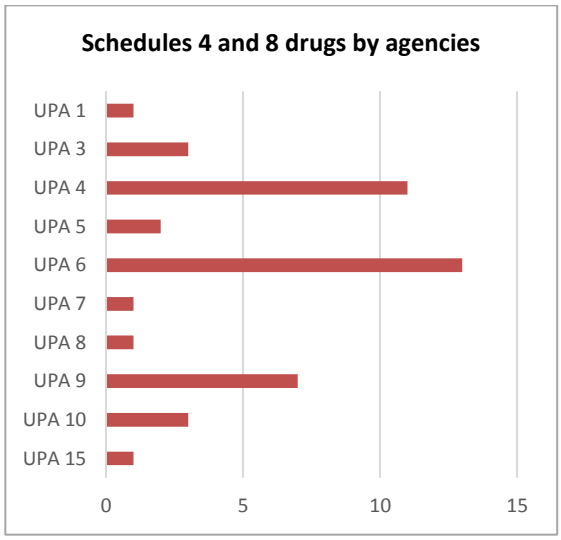
5 The CCC's guide Corruption in focus: a guide to dealing with corrupt conduct in the Queensland public sector is used extensively by public sector agencies.

6 This decision recognises that since 2012 the Queensland Audit Office has conducted two fraud-related audits that are relevant to a broad range of agencies in the public sector, to enable them to self-assess and improve their fraud controls.



The types of drugs allegedly stolen are depicted in the next figure (below left), along with a further breakdown of schedule 4 and 8 drugs according to the reporting agency (below right).





These figures indicate that allegations of drug theft are significantly higher for UPA 6 and UPA 4 [7] than for other Health Services, suggesting possible systemic concerns in how drugs are handled in these agencies. These results could also reflect different levels of illegal drug use in the communities in which these agencies are located.

Agency's investigation of theft complaints

Our review of the 95 theft complaints identified that agencies investigated[8] 59 matters, with the remaining 36 matters dealt with by management action process or other resolution process.

Of the 59 matters that were investigated, 39 (66 per cent) involved allegations of drug theft:

- 17 involved schedule 8 controlled drugs
- 11 involved schedule 4 restricted drugs
- 3 involved schedule 3 drugs (pseudoephedrine)
- 4 involved other drugs not classified above
- 4 involved the theft of scripts/prescription pads.

7 UPA is an acronym for "unit of public administration". The numbers refer to particular Health Services, whose names have been redacted in this report.

8 This is either investigated internally by the agency and/or by the Queensland Police Service.

Case study

In January 2017 the CCC received a notification from a Health Service of alleged theft of prescription documentation and prescription pads by a nurse employed at the hospital. Officers from the Queensland Police Service (QPS), acting on intelligence suggesting that the nurse was dealing in drugs, executed a search warrant at the residence. Police found numerous prescriptions in the names of different people and prescription labels and pads, along with assorted medication including diazepam, oxazapam, temazepam and dexamphetamine.

The police investigation established that the nurse had stolen a number of prescription pads and was forging scripts two to three times a week, using patient identities from the hospital where they were employed.

When this offending was detected, it emerged that the nurse suffered from drug addiction but were taking steps to address this and other issues so their situation did not worsen.

The nurse appeared in court on 28 April 2017 and pleaded guilty to charges of stealing, fraud and possession. The presiding Magistrate noted that while the nurse had no previous criminal history and was of otherwise good character, the conduct was a serious breach of the trust placed in medical staff.

Mitigating circumstances, including the events that led to the drug addiction and the steps taken to seek treatment, were factors in the nurse's sentencing. In making a decision, the Magistrate also considered that general deterrence was relevant because people in a position of trust, such as nurses and doctors, needed to know that this kind of offending behaviour is considered serious offending and cannot be tolerated.

The nurse received 2 years' probation with a conviction recorded to reflect the seriousness of the offending.

Findings from the audit

Designing and implementing an effective corruption complaints management system can be challenging, and applying its provisions effectively and appropriately for every individual complaint can also be demanding. However, design and operating effectiveness are both crucial to reducing risk in how a complaint is dealt with, supporting sound decision-making capabilities and achieving optimal outcomes.

Agency systems for dealing with complaints

Our review of public health agencies' systems (that is, policies, procedures, processes and practices) for dealing with complaints about corrupt conduct indicated that 2 of the 11 agencies had in place comprehensive procedures or manuals to guide staff in effectively and appropriately responding to corrupt conduct incidents.

Our assessment of policies and procedures in place at one of the Health Services was impacted when they were unable to complete the questionnaire. The CCC has provided feedback to this agency, noting its lack of a manual or other documentation for dealing complaints of corrupt conduct. This is a significant deficit given that a fair, transparent and timely complaints process is fundamental to promoting public confidence in the Health Service.

The remaining Health Services used existing procedures relating to grievances and discipline matters for dealing with complaints of corrupt conduct, rather than having a specific policy for that purpose. These procedures do not include a full complement of processes important to ensuring a good complaints handling process, nor do they address issues of particular relevance to corrupt conduct. Some of these agencies indicated that they follow the CCC's *Corruption in focus* guide; however, this was not formally provided for in any policy and there were no processes in place to ensure this occurred.

These agencies were able to demonstrate their complaints handling process through their responses to the internal control questionnaire. Based on these responses the CCC assessed the agencies as dealing with complaints satisfactorily; however, we consider it is essential that processes (key controls) are described in a manual as it increases consistency and decreases risk in complaints handling of corrupt conduct matters.

Based on the above findings, the CCC assessed the maturity of agencies' detailed procedures or manuals as follows.

Agency	Result
UPA 1	○●○
UPA 2	○●○
UPA 3	○●○
UPA 4	○●○
UPA 5	○○●
UPA 6	○●○

Agency	Result
UPA 7	●○○
UPA 8	○●○
UPA 9	○●○
UPA 10	○○●
UPA 15	○●○

Legend:

Generally achieved ○○●	• Process is documented. It is thorough and sufficient to ensure consistency across the agency.
Partly achieved ○●○	• Process is documented. It is unlikely to be thorough, but may help to ensure that processes are followed.
No evidence of achievement ●○○	• Process is non-existent or undocumented, tending to be driven in an ad-hoc, uncontrolled and reactive manner by case officers or decision events.

Area for improvement 1 — Develop or improve manual for dealing with corrupt conduct complaints

Affected agencies to develop or enhance their procedures or manual to assist responsible officers in dealing with and responding to complaints involving corrupt conduct effectively and appropriately, to achieve appropriate outcomes.

How agencies dealt with actual complaints

Our review of the 95 complaint files with reference to the agency's systems identified a number of areas requiring improvement.

Recordkeeping or storage of complaint documentation

One Health Service could not provide any files corresponding with the reported allegations of theft. The only available information was a spreadsheet recording limited details. The absence of information recording the actions taken, and supporting and explaining the decisions made, meant that the CCC was unable to determine the adequacy or appropriateness with which the Health Service had dealt with these matters. This is particularly concerning given the volume of allegations received by that agency concerning the theft of drugs.

Area for improvement 2 — Maintain adequate recordkeeping or storage of complaint documentation

All agencies must establish and implement a system for dealing with complaints, as required under the *Public Service Act 2008* (see section 219A). This system should incorporate a process to capture, manage, respond to, and report on corrupt conduct matters.

An agency is also required to make and retain "full and accurate records" of their activities in accordance with the *Public Records Act 2002*. To be compliant, records must be reliable, authentic, complete and accurate, irrespective of format. Any information received, gathered or prepared, or any decision made by the relevant parties, must be captured as a record.

Making preliminary inquiries

The audit identified that, when deciding how to deal with a complaint referred to them by the CCC or as a result of a section 40 *Directions Notice*, most agencies had undertaken some form of preliminary inquiries, including commonly accessing drug registers, access logs and rostered timesheets.

The CCC's review identified that agencies, in dealing with complaints, regularly failed to consider relevant factors including:

- the subject officer's complaint history;
- the adequacy of control measures;
- whether it was appropriate to restrict a subject officer's access to systems, work areas and/or duties; and
- whether a subject officer had undertaken any training in relation to previous ethics and drugs management.

The CCC considers that the failure to consider these factors excludes critical information relevant to complaint assessment, investigation, outcomes and the internal control structure. It demonstrates an inclination to treat complaints in isolation, ignoring possible patterns in an individual's behaviour, or in the design of processes, and missing opportunities for performance improvement or disciplinary action to address the conduct.

Area for improvement 3 — Enhance practices around preliminary inquiries

Preliminary inquiries undertaken during the assessment process should be sufficient to inform a decision about how best to deal with the complaint (that is, take no action; take management action; or conduct an investigation – whether internally, externally or by police investigation).

Making and recording effective decisions

The audit identified a number of matters from two Health Services where no clear record was kept of the reasons for, or basis of, a decision-maker's determination on how to deal with the complaint.

The review also identified a number of matters that could have been dealt with more appropriately. For example, when we reviewed one Health Service's complaint file we were unable to determine from the file the final decision as to whether any staff members were implicated in any breach of policy, or other conduct, which required specific action.

Area for improvement 4 — Make effective decisions on how to deal with a complaint and record them

A complaint file should include a clear record of decisions made and the reasons for or basis of a decision.

Investigative or other resolution processes

While the audit determined that in the matters we reviewed all managerial resolution and disciplinary outcomes were appropriate, a number of issues were identified in the integrity management of complaints. For example:

- Some agencies do not have in their complaints handling manual, including practices, the requirement to prepare a management action strategy or investigation plan for complaint files.
- There were 17 instances in which agencies did not document their plan for dealing with the complaint, and 24 in which they did not prepare a report or briefing note on the outcome of the matter, to support the delegated officer's decisions.
- Some complaint files did not clearly outline what interviews and inquiries were undertaken and the relevant reasoning was not documented. In the absence of this material it is not possible to adequately assess the effectiveness or appropriateness of any investigation.

Case study

The complainant reported seeing the subject officer place a pillow over a paper bag containing medication which was sitting on a bench. When the complainant returned with the key to place the medication in the drug cabinet it was gone. This matter was reported to the CCC and the police, but no detail was provided about the drugs in the brown paper bag.

Inquiries on the Queensland police database suggested that no investigation in relation to this matter had been undertaken by the police.

The CCC's audit noted that this matter appears to have been dealt with by the agency solely on the reported observations of the complainant. Show cause proceedings against the subject officer were ultimately not substantiated. The audit noted there was nothing on the associated files to indicate what inquiries were undertaken by the Health Service including whether inquiries were conducted to identify the contents of the brown paper bag, whether any audit was undertaken against medication records in the relevant area, or if any consideration was given to whether the procedures for safe handling of drugs had been followed.

The CCC recommended the agency enhance their investigative process.

Areas for improvement 5 — Enhance investigative or other resolution processes

A strategy or plan is an essential element of managing a complaints process. This is a formal and approved document used to define what you do, why you do it and when you do it (that is, a control mechanism). It allows an officer to easily establish the current status of an investigation and to identify risk more effectively. It also provides a means of documenting the facts at issue.

An agency should maintain full records of interviews conducted and evidence gathered, including documenting the reason why certain people were not interviewed.

When a matter is completed the agency should prepare an outcome report (for example, an investigation report or briefing memorandum) to detail the findings, conclusions and recommendations of any investigation or other process. This should always occur even where a matter is subject to police investigation as the agency itself always remains responsible for its overall complaints management system.

Responding to the complainants

Section 44(5) of the CC Act requires an agency to inform the complainant why the action taken in relation to their complaint was appropriate in the circumstances (including a decision to take no action or discontinue action) as well as any results of the action known at that time.

The audit identified 12 matters in which the complainants did not appear to have been notified in the terms required by section 44(5) and the reason for this noncompliance was not explained on the file. Failure to provide outcome advice to the complainant may result in suspicion and non-acceptance of the decision and affect public confidence in the ability of an agency to deal with complaints made to them.

Area for improvement 6 – Response to complaint required

Agency procedures must comply with section 44(5) of the CC Act and include an appropriate notification to the complainant. If the complainant was anonymous or does not require a response, this should be documented in the agency's case file.

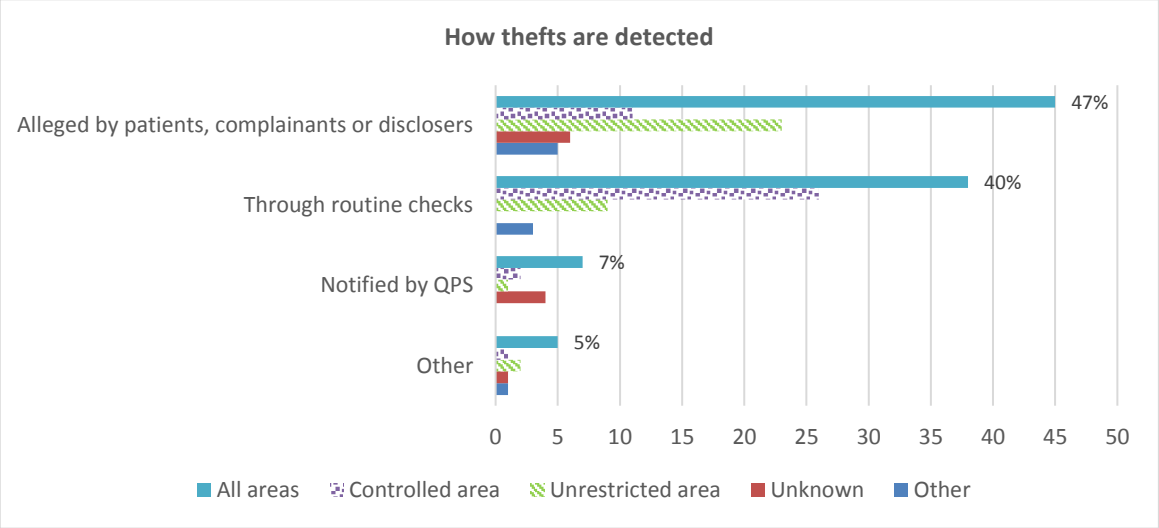
Addressing systemic or control deficiencies

Reducing the incidence of theft in public health agencies is fundamental to the objectives of the CC Act. Regardless of the final outcome, complaints and investigations can highlight gaps in an agency's current processes (including controls) or practices that expose them to an identifiable risk of corruption.

Further, section 21 of the *Financial and Performance Management Standard 2009* – Loss from offence or corrupt conduct – states that "when an agency becomes aware of a property loss and considers the loss may be the result of an offence under the Criminal Code or the corrupt conduct of an agency's officer, the agency must keep a written record of the action taken in remedying any weakness in the internal control".

The fact that an agency has adequate internal controls designed to prevent, detect and respond to theft, along with a Fraud and Corruption Control Plan and drug management procedures, does not make them immune to theft. This is illustrated by the number of theft complaints reported by the agencies during the period of this audit. Each complaint of theft presents an opportunity to review and, where appropriate, improve anti-theft controls.

Internal controls are weak when they are poorly designed or are not followed by staff. A thorough risk assessment will assist in identifying where the gaps exist. This point is reflected in the figure below. It shows both how thefts were detected and the areas where detections were made.



The figure shows that 40 per cent of reported matters were detected "Through routine checks". Most of these detections were made in controlled or restricted areas, implying that the internal controls implemented may have been working effectively in these areas of tight physical security, but less effectively in unrestricted areas.

In contrast, complaints associated with unrestricted areas are more often detected through being "Alleged by patients, complainants or disclosers", suggesting that control measures need to be reviewed to improve prevention and detection mechanisms in this type of area.

The audit identified opportunities for some agencies to further strengthen their prevention responses. It also noted potentially systemic concerns in UPA 4, UPA 6, UPA 9 and UPA 10, and a review of the control measures in unrestricted areas in these UPAs is recommended.

Case study

This matter concerned a number of fentanyl ampoules that went missing from the dangerous drug safe in a particular laboratory. The matter was internally investigated and reported to the police. The health service's investigator found that the fentanyl may have been inadvertently discarded along with dirty linen or discarded in a sharps container, and/or there was a failure by staff to comply with drug handling procedures for Schedule 4 and Schedule 8 drugs.

The investigation report recommended that increased governance controls be introduced by upgrading to swipe access for all drug safes, but there is no evidence on the file to indicate whether the recommendation was accepted and implemented. If an investigation makes recommendations, an agency has a responsibility to follow through with that recommendation and record those actions on the relevant file.

Areas for improvement 7 — Address systemic or control deficiencies to reduce corruption risks

Implementation of control measures will ensure that theft and other irregularities are prevented as far as possible, and promptly detected if they do occur. Where theft does occur, the process for dealing with that matter must include a review of internal systems and controls.

Weak control measures are a contributing factor for theft or stealing. One of the best mechanisms to defend against emerging theft risks is a regular risk assessment, which allows ongoing assessment of these control measures. It is acknowledged that if the risk of theft is low in an area susceptible to theft, implementing control measures would not be cost effective. However, this should be considered in light of an agency-wide risk assessment process.

Other observations

During the audit, we also identified opportunities to raise standards of integrity in public health agencies which fell outside the scope of this audit. Given the CCC's key role in building the capacity of these agencies to deal with allegations of corrupt conduct, it is useful to draw attention to those areas with a view to helping agencies make improvements.

Our prominent observation was around categorisation, as discussed below, but the audit also identified there was room for improvement in the way some agencies maintain their complaint files, to enable an external or management review to properly assess the agency's compliance. The CCC considers file organisation is central to effective case management and benefits both the CCC and the agency as well as other interested parties or stakeholders.

Improve the complaint categorisation process

The audit identified that some public health agencies had incorrectly categorised complaints as Level 3 matters (matters the agency can deal with without reporting to the CCC). Although 87 per cent of complaints were correctly categorised as Level 3 matters, 13 per cent were not, as detailed below:

- One matter the CCC assessed as being a Level 1 (high priority referral). The matter involved an allegation of fraud/theft in an amount greater than $20,000. The section 40 *Directions Notice* requires such matters to be reported immediately to the CCC.
- Two matters were assessed by the CCC as being Level 2 (medium priority referral) which should have been reported to the CCC by way of a monthly schedule.
- Four matters already notified or reported to the CCC (for example, by the CCC Liaison Officers or by concerned parties) were recorded as Level 3 non-reportable corrupt conduct. The CCC had assessed these matters as high and medium category complaints meaning they should have been categorised as Level 1 or Level 2 matters.
- Six matters were assessed by the CCC as not amounting to corrupt conduct. In one instance this had been already communicated to the agency via a *Matters Assessed Report*. The remaining six matters failed to meet the definition of "corrupt conduct" in section 15 of the CC Act, in that they did not satisfy either element 1 "Effect of the conduct" and/or element 2 "Result of the conduct". For example, where a staff member steals the personal property of another staff member, this will not usually amount to corrupt conduct as the act was not undertaken as part of performing their duties. This is in contrast with a staff member who steals drugs that they are able to access only as a result of their duties.

The importance of notifying the CCC of a particular conduct type, at a particular time, is to ensure the integrity of a future investigation and other considerations such as the use of CCC powers and the preservation of evidence. In all of the above cases, while the categorisation of matters was incorrect, the CCC noted that agencies dealt with the matters reasonably to achieve optimal outcomes.

Conclusions

While the CCC's audit of how complaints alleging theft are dealt with by public sector health agencies identified a number of opportunities for improvement, overall results were generally sound and indicate that the agencies are committed to achieving optimal outcomes and improving corruption prevention.

At the conclusion of the audit, we circulated our findings to the Department of Health and all 16 Health Services. In general they are supportive of the findings of the audit and are working towards implementing the CCC's recommendations, as applicable to them.

Although these audit results are reasonably positive, public health agencies need to be constantly vigilant to ensure that their systems for handling controlled or restricted substances and assessing allegations of theft and other forms of corrupt conduct are applied in practice and are working effectively.

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