

MISCONDUCT & CORRUPTION

– how to avoid it

HELSE  SØR-ØST



**Anti-corruption programme
South-Eastern Norway Regional Health Authority**

Introduction

Why have an anti-corruption programme?

South-Eastern Norway Regional Health Authority has established an anti-corruption programme in the group of trusts. A shared framework recognised throughout the group will ensure shared reporting procedures on this work. The object of the programme is to use a systematic approach to prevent and detect misconduct and corruption by:

- Identifying risk areas
- Implementing control processes to prevent any possibility of committing financial crime
- Ensuring that rules and guidelines are adequate and adhered to, and that training is provided
- Implementing control processes to detect financial crime
- Ensuring there is a widely known whistle-blowing channel for questionable circumstances, taking care of the whistle-blower's confidentiality or anonymity

The trust's culture and ethical guidelines

A culture in the trust based on mutual respect and open communication reduces the opportunities for misconduct. There may be less misconduct in a working environment that is characterised by job satisfaction and loyalty.

As opposed to a working environment in which a person might perceive injustice and unreasonable pressure which could lead him or her to be motivated to commit misconduct. A working environment that employees consider to be good may contribute to employees reporting undesirable behaviour at an early stage, allowing the consequences of misconduct to be mitigated. Corruption usually occurs as concealed actions. A culture that promotes whistle-blowing without sanctions for the whistle-blower is a precondition for detecting these types of action. The overall ethical guidelines within South-Eastern Norway Regional Health Authority, together with the ethical guidelines for purchasing and supplier contact, are founded in the anti-corruption programme. The ethical guidelines are additional to current legislation.

Definitions – misconduct and corruption

The transition from a breach of internal ethical guidelines, various laws and other forms of irregularity is not always clear cut. A case involving financial crime often starts with minor breaches of the ethical code. The Office of the Auditor General in Norway defines "misconduct" as:

"Dishonesty in order to achieve an unfair or illegal advantage."



The word irregularity may be viewed as an overall term for all forms of financial misconduct and for breaches of the internal ethical guidelines as described in Figure 1. Corruption is one of several possible misconduct. In the case of corruption, a person has given, received or been offered an improper advantage.

Working environment

A good working environment prevents misconduct and corruption

Employees who have a high degree of satisfaction in and loyalty to their work are less likely to commit breaches of the ethical code. Low levels of job satisfaction and poor employment relationships do not necessarily lead to misconduct, but that employees are more easily able to put forward the arguments both for themselves and for others to justify unethical and/or illegal actions. A lack of motivation and loyalty also makes it simpler to oversee other people's breaches of the law and social controls will be weak. It is recommended that managers do thorough work on the fundamental values and build a culture that supports openness and job satisfaction. Financial crime has the best conditions in environments where there is little collaboration and a low level of openness.

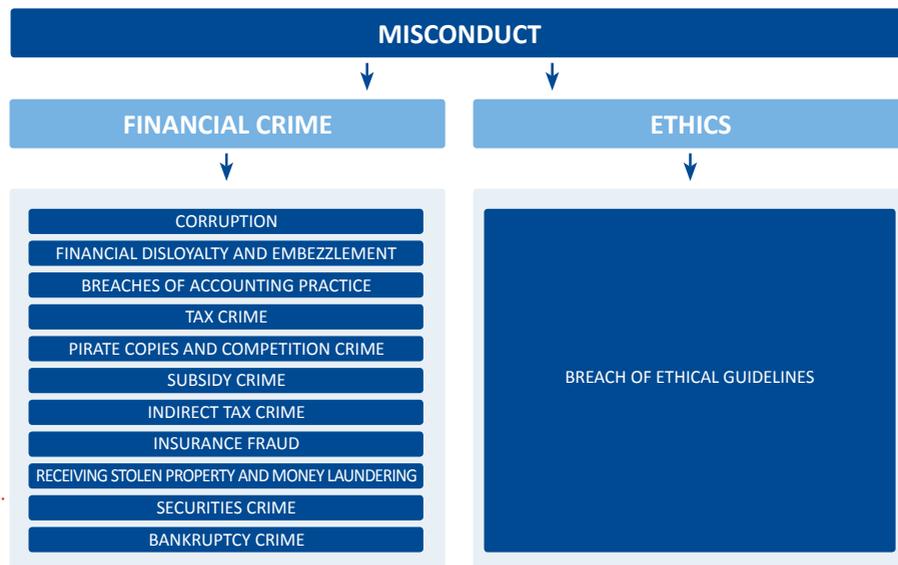
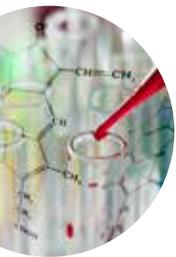


Figure 1
Source: Office of the Auditor General definition and the threat assessment for 2013/2014 of the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime



The annual employee assessment survey in South-Eastern Norway Regional Health Authority gives individual trusts good input into whether the employees have a feeling of job satisfaction and loyalty to their work. Some of the questions in the survey ought to be included in an assessment of the risk of misconduct and corruption. This applies in particular to the issue of whether a person feels secure in warning about questionable circumstances and about whether employees feel comfortable openly discussing errors and defects. It is important to ensure a good working environment in which the employees have a feeling of inclusion, respect and proficiency, and avoid being subject to unhealthy pressure and stress. In many anti-corruption programmes, a great deal of emphasis is placed on the fact that the management can prevent misconduct and corruption by creating an environment that has the right tone and structure.

This can be accomplished by:

- Focusing on management and signalling requirements for compliance with the ethical guidelines
- Practising zero-tolerance for corruption and misconduct
- Integrating compliance of personnel policy in the trust

Management responsibility

The management bears major responsibility for preventing corruption and other misconduct. This is made particularly clear in the Norwegian Penal Code and the Damage Compensation Act. A lack of sufficient systematic work to prevent corruption may lead to liability under criminal law and/or compensation law. This was recently made clear in the judgement against four executives in the Yara case, in which everyone was sentenced to imprisonment for corruption in Oslo District Court. Apart from the purely ethical and reputational aspect, it is therefore highly significant that the trust's management ensures that internal procedures are drawn up, both to prevent corruption, to verify that no corruption is occurring and to detect questionable circumstances. Managers at all levels in the trust must ensure that employees are familiar with the guidelines and that these are adhered to in practice.

Your contribution as a manager

An anti-corruption programme that is adhered to in practice is crucial for preventing misconduct within the trust. Managers can provide clear expectations through manager agreements or manager contracts in which all employees – including managers – are to attend e-learning courses in ethical guidelines (general) and anti-corruption dilemma training on an annual basis. The ethical guidelines and dilemmas ought to be on the agenda for general meetings, manager training courses and introduction days for new employees. In the toolbox (see the last page in this brochure) there are several e-learning courses that are relevant for employees with purchasing authority, if they deal with the pharmaceutical industry and/or suppliers of medical technology equipment.

Authorities must be formalised and firmly established in a structure. The guidelines are given in the document "Authorities in South-Eastern Norway Regional Health Authority", and any necessary deviations from this must be substantiated. It is important that there should be a division of labour in which a transaction is approved by a superior or that person's deputy.

A good preventive measure is to communicate the ethical guidelines at interviews during appointment processes, and to undertake a background check of publicly available information about applicants for exposed posts. In addition, the trust ought to have good procedures for leaving interviews, which will be followed up in practice. Have all access rights possessed by the employee been removed? Whether for physical locations and/or systems, do some employees have advantages in the employment relationship that should be taxed as benefits?

Examples:

- Employees who sell services to the trust.
- Former employees who are contracted in via their own sole-trader company.
- Employees who rent homes at below market price.
- Employees who use a company car for private purposes.
- Employees who have extended their stay after a business trip of at least 2 days.

Bad practice must be rectified by the trust. Any illegal misconduct such as corruption and embezzlement will be reported to the police. Other misconduct may mean disciplinary reactions such as a warning, dismissal or resignation.



The anti-corruption programme at South-Eastern Norway Regional Health Authority

The programme is split into five parts: Control environment, risk analysis, control processes, implementation and monitoring. Above all of that is a well functioning whistle-blowing channel and systematic employee training.

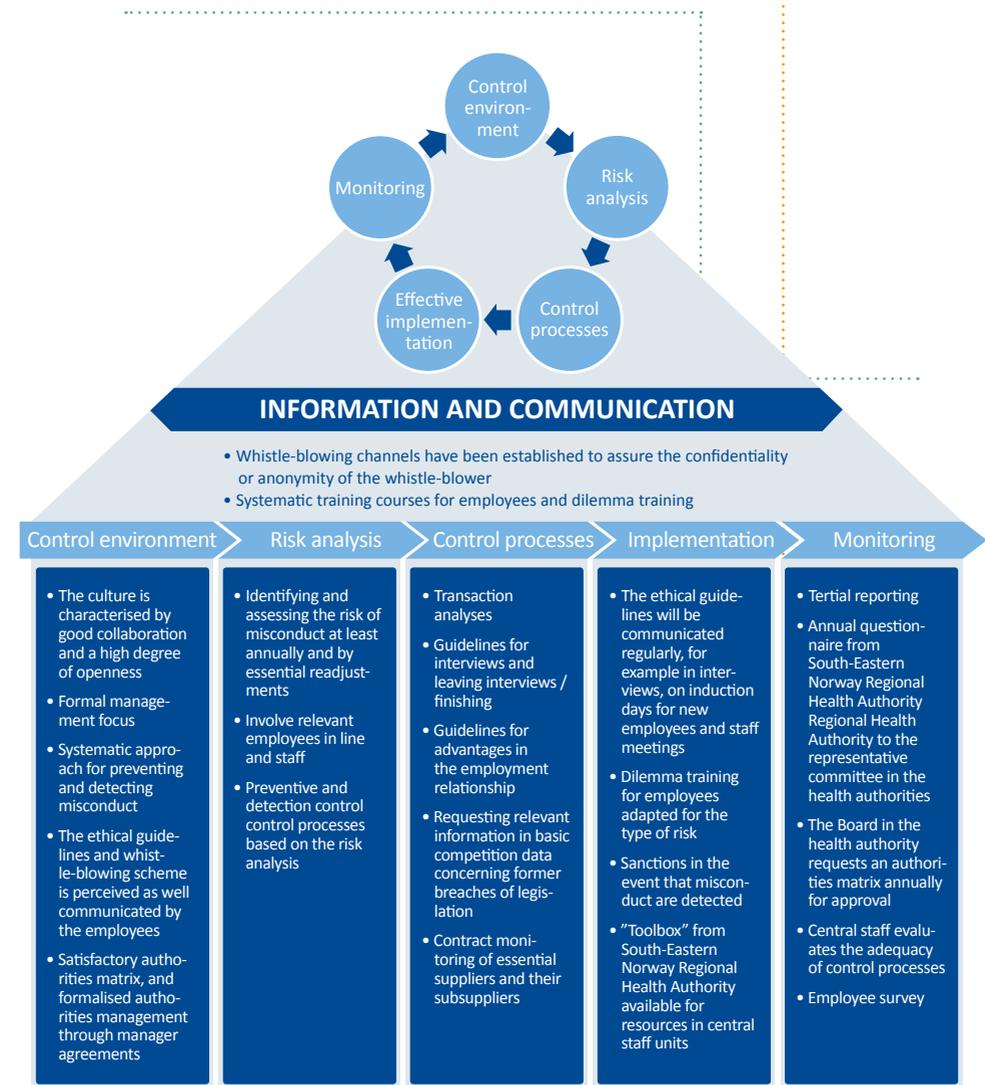


Figure 2

Good business management

The anti-corruption programme is based on the framework for good business management control in South-Eastern Norway Regional Health Authority.

The term control should be understood as:

Processes, systems and procedures initiated by the board and the employees to manage risk and to provide reasonable assurance that objectives and goals will be achieved and compliance with legislation and regulations.

The vision for South-Eastern Norway Regional Health Authority is to create: Good quality and equal health services for everyone who needs them, when they need them, regardless of age, place of residence, gender, financial means and ethnicity.

Corruption can lead to less efficient use of resources. Fewer resources will increase the risk of not achieving the objectives for service quality and may lead to the trust having less financial room for manoeuvre.

The board has overall responsibility for ensuring that the trust adheres to the anti-corruption programme, while the responsibility for ensuring adequate implementation of the irregularity and anti-corruption programme is added to the trust's management. Sufficient resources ought to be set aside to ensure that implementation is organised systematically. It is recommended that these resources should be added to the central staff functions as shown in this figure.

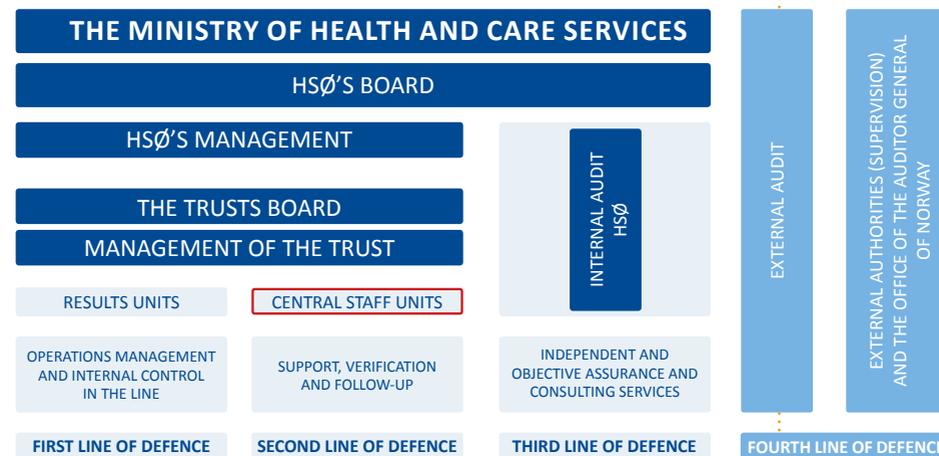


Figure 3: The three lines of defence
Source: South-Eastern Norway Regional Health Authority



Whistle-Blowing



A well functioning whistle-blowing scheme is an important supplement to the management's work on combating and detecting financial crime in the trust. It is important that the whistle-blowing scheme is well-known to all employees within the trust. Information about the whistle-blowing scheme ought to be provided at introduction days for new employees, management meetings and general staff meetings.

The employees ought to be assured that any whistle-blowing will be dealt with confidentially. That involves the identity of the whistle-blower not being made known to more people than necessary. Whistle-blowing can also be done anonymously by letter to the whistle-blowing committee.

Notification of any suspected financial crime ought to be made directly to the whistle-blowing committee and not through the line-management route. If the trust has not set aside resources for anti-corruption work, any employee who suspects misconduct can seek the advice of that committee, when necessary.



Toolbox

A toolbox has been developed within South-Eastern Norway Regional Health Authority for use by all trusts. It contains, for instance:

E-learning course

- Ethical guidelines for purchasing
- Public Procurement Act foundation course 1
- Collaborative agreements with suppliers organizations
- Dilemma training course – anti-corruption
- Ethical guidelines (general)

Proposals for guidelines/procedures

- Whistle-blowing procedures
- Procedures in the event of detecting financial crime
- Implementation plan with reporting procedures for the anti-corruption programme

Power Point

- Dilemma collection
- Anti-corruption programme – simple presentation
- Ethical guidelines – simple presentation

Brochures

- The anti-corruption programme
- Ethical guidelines (general)
- Ethical guidelines for purchasing and supplier contact
- Manual for misconduct and anti-corruption

Web: www.helse-sorost.no/etikk

Test the ethical problems you face by going through the dilemma circle



This booklet has been extracted from the manual "Misconduct and corruption in South-Eastern Norway Regional Health Authority". The entire manual may be downloaded from the website of South-Eastern Norway Regional Health Authority or ordered from postmottak@helse-sorost.no (only Norwegian).

