

BH0604



FINANCIAL CODE OF PRACTICE

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FINANCIAL CODE OF PRACTICE

Introduction

This Financial Code of Practice sets out the standards of conduct expected of Alfred Health employees. While aspects of this code will be of particular relevance to those directly involved in financial transactions, all employees and others acting on behalf of Alfred Health are bound by its provisions. It reinforces the standard of behaviour expected of Alfred Health employees outlined in their terms and conditions of employment, the Alfred Health Code of Conduct and the Code of Conduct for the Victorian Public Sector published by the Public Sector Standards Commissioner.

If any of the provisions contained within this Financial Code of Practice are not fully understood, staff members and others should seek clarification from their manager or the Executive Director of Finance.

Alfred Health's Responsibility

Alfred Health is committed to maintaining the highest standards of integrity in all its actions, including its financial dealings.

To this end, Alfred Health:

- complies with the Victorian Financial Management Compliance Framework, including the *Financial Management Act 1994*, *Audit Act 1994*, Financial Management Regulations, the Standing Directions of the Minister for Finance and the Financial Reporting Directions and other relevant legislation;
- has introduced comprehensive policies, procedures and delegations of authority to guide the actions of staff and others acting on its behalf, in order to ensure that its obligations are met and its business is conducted appropriately;
- has established reporting procedures to assist with the identification and rectification of errors;
- has established disciplinary and grievance procedures for the investigation and management of cases of possible misconduct;
- has established and maintains a comprehensive risk register that includes financial risks;
- takes all steps necessary to present its annual Financial Statements fairly and in accordance with the requirements of the *Financial Management Act 1994* and the Financial Reporting directions;
- requires all staff and others acting on its behalf to comply at all times with all Alfred Health policies, procedures, codes of conduct or practice, and the law.

Standards of Conduct

Staff members and others acting on behalf of Alfred Health are expected to act in the best interests of Alfred Health at all relevant times.

All staff members and others acting on behalf of Alfred Health are expected to ensure that they are familiar with the relevant laws and policies that apply to them in their workplace and to seek advice from management if they are uncertain about the implications of laws or policies.

Staff members may face disciplinary action, including dismissal, for a breach of the law or of policy, or for permitting any such breaches by a subordinate, and in some cases the breach may be reported to the police or other relevant authority.

Public Funds

Alfred Health is responsible for the proper and prudent administration of public funds and places great importance on probity, financial control and honest administration. Procedures for the prevention and detection of fraud and corruption are kept under constant review, and any suspected irregularities are investigated thoroughly and impartially.

Where employees have direct responsibility for financial transactions, for example in the ordering of goods and services on behalf of Alfred Health, they are required to ensure that they are fully familiar with the Standing Directions of the Minister for Finance pursuant to Section 8 of the *Financial Management Act 1994* and the *Financial Management Regulations 1994*, with which they are required to comply.

Staff members may be approached at any time by the external auditors, who represent the Auditor General. When seeking information from staff, the external auditors will provide identification, which may be verified with the Finance Department if necessary. Staff are required to adopt a cooperative and conservative approach with the external auditors on relevant auditing matters.

Delegations of Authority

The authority to make commitments and to give undertakings on behalf of Alfred Health is governed by the formal Delegations of Authority.

The Delegations of Authority set out the expenditure authority limits and other operational authorities of specified positions. The limits of authority delegated are absolute, must not be exceeded and cannot be delegated further.

Delegations of Authority are to a named position and immediately cease to apply if there is any change to the title or duties of the specified position. Staff members who are formally appointed, in writing, to fill a specified position in an acting capacity assume the authority delegated to that position, unless the terms of the acting appointment specify otherwise.

Breaches of the Delegations of Authority are treated very seriously and may lead to disciplinary action up to and including dismissal.

Bank Accounts

Strict rules apply to banking by public sector agencies such as Alfred Health. Advice is available from the Finance Department and all staff involved in banking activities must ensure that the following requirements are observed:

- No bank account for Alfred Health or any of its parts may be opened or closed without the written approval of the Board of Directors or its delegate, the Executive Director of Finance.
- The number of banking institutions with which Alfred Health does business and the number of bank accounts it holds with them must be as few as possible and must be reviewed annually by the Executive Director of Finance.
- All bank accounts must be reconciled at least monthly.
- All collections must be paid into the appropriate bank account completely, accurately and in a timely manner.
- A complete register of bank accounts and banking facilities must be maintained.

Conflicts of Interest

Staff members and those acting on behalf of Alfred Health must not engage in activities that involve or could appear to involve a conflict between their personal interests and the interests of Alfred Health. Such circumstances may compromise the staff members' ability to make impartial decisions or damage public confidence in that impartiality. Staff members must not place themselves in situations that might force them to choose between their personal or financial interests and those of Alfred Health.

If there is any doubt about whether a conflict of interest exists, the staff member must disclose the issue to senior management without delay.

Examples of conflicts of interest:

- when a staff member or their immediate family members have significant interests or investments in, or employment with, a competitor, customer, partner or supplier of goods or services to Alfred Health;
- when a staff member holds a position in or has a relationship with an outside organisation that has business dealings with Alfred Health and their position with either party may allow them to influence these transactions;
- when a staff member is in a position of influence regarding the employment, employment conditions, access to services or performance appraisal of a family member.

In some circumstances, such as in the case of directors and certain office holders, specific disclosure or approval requirements arise under law.

Declaration of Financial and Other Interests

Staff members and those acting on behalf of Alfred Health who are involved in making decisions that impact on Alfred Health financially must declare any personal or financial interests in writing to the Chief Executive or the Executive Director to whom they report immediately they arise. This declaration may be in addition to the annual declaration of interests that certain officers are required to make to prevent the occurrence of conflicts of interest.

A declaration of private interests is required from:

- the Chief Executive and Executive Directors;
- any employee holding a financial delegation in excess of \$20,000;
- any other employee occupying a position assessed by the Chief Executive as warranting a declaration on the basis of potential conflict of interest.

The declaration serves to protect the individual and helps to avoid any conflict of interest arising between private and public interests. To avoid any real or perceived conflict of interest, staff members and others acting on behalf of Alfred Health must not:

- be involved in any decision-making process in which there exists a potential private interest to them or those with whom they have a close relationship eg. family members;
- use their position to obtain a private benefit for someone else;
- allow decisions to be improperly influenced by family or other personal relationships;
- seek or accept gifts or favours for services performed in connection with duties on behalf of Alfred Health;
- sell or buy shares in a client company with business dealings with Alfred Health at a time when in possession of information that could, if publicly disclosed, affect the value of such shares; and
- engage in outside employment or in the conduct of a business, trade or profession without the permission of the relevant Executive Director or Chief Executive.

Procurement and the Award of Tenders and Other Contracts, Including Employment Contracts

Staff members and those acting on behalf of Alfred Health must not influence the award of any contract in which they have any personal or family interest.

All those who act as panel members in interview and selection processes must declare any interest they may have and any knowledge they have of candidates. Any such knowledge must be disclosed to the chair of the relevant panel managing the decision, or to their manager, at the earliest opportunity.

All tendering and procurement activity must comply with the requirements set out in the Alfred Health purchasing manual and with the delegations of authority in place at the time.

Procurement must comply with the Victorian Industry Participation Policy and be based on the following principles:

- Value for money
- Open and fair competition
- Accountability
- Risk management

- Probity
- Transparency.

Financial functions may not be outsourced in full or in part without a cost benefit analysis being undertaken and Board approval of the decision to outsource the function.

Acceptance of Gifts and Benefits

Staff members must exercise great care when giving or accepting business-related gifts including direct payments and payment in kind such as the provision of goods or services, personal favours or entertainment such as travel, tickets to sporting events or meals.

Gifts of nominal value from patients or carers as a token of personal appreciation may generally be accepted on one occasion but if the value of the gift is more than a token gesture, or if a second or subsequent gift is offered, the matter should be referred to senior management for decision in accordance with the Gifts & Benefits Policy available on the intranet.

Gifts from those with whom Alfred Health is engaged in tender processes may not be accepted and personal sponsorship and offers of money in any form must never be accepted.

Under no circumstances should a staff member request a gift of any kind from a patient, carer or supplier of goods or services for themselves or any other person.

Any offer of a gift or benefit that you believe to be an attempt to induce favoured treatment for those offering the gift must not be accepted and must be reported to the relevant Executive Director or Chief Executive immediately.

Failure to comply with these requirements will be regarded as misconduct that will result in appropriate disciplinary action up to and including dismissal.

Insider Trading

If in the course of employment or association with Alfred Health commercially sensitive information about a company becomes known to a member of staff or person acting on behalf of Alfred Health, it is unlawful to act on that information or to communicate that information to anyone else who may buy or sell shares on the basis of that knowledge or pass on the commercially sensitive information to others. There are serious penalties, possibly including imprisonment, for such actions, which are known as insider trading.

Competition Law

Laws such as the *Trades Practices Act* are designed to promote competition in business and protect the interests of consumers. The law generally prohibits anti-competitive agreements between competitors, certain exclusive supply or distribution arrangements, and misleading or deceptive conduct. Breaches of competition laws carry potentially serious consequences for the individual and the organisation and are strictly prohibited.

Any staff member or other person involved in business transactions on behalf of Alfred Health that may be in breach of Trade Practices legislation must immediately seek legal advice from the Alfred Health Legal Counsel and ensure compliance with the law at all times.

Equal Opportunity

Alfred Health is committed to providing an environment free of harassment, discrimination, bullying and intimidation and in which everyone is treated fairly and with respect.

Alfred Health expects all staff and those acting on behalf of Alfred Health to treat people fairly according to relevant skills, qualifications, abilities and aptitudes only. Decisions based on attributes unrelated to job or business performance such as colour, race, gender, religion, personal associations, national origin, age, disability, political beliefs, marital status, sexual orientation and family responsibilities may constitute discrimination and are prohibited.

Decisions relating to suppliers, customers and contractors must be based on merit.

Secondary Employment

Staff members may not do work outside Alfred Health that may affect work performance or create a real or perceived conflict of interest with their employment with Alfred Health. When there is doubt, guidance from senior management should be sought immediately.

Purchasing Cards

All use of General Government Purchasing Cards must comply with the *General Government Purchasing Cards: Rules for Use & Administration* published by the Department of Treasury & Finance. Clarification of the rules for the use of purchasing cards is available from the Supply Chain Manager at The Alfred and the Finance Department.

Using Alfred Health Resources

Alfred Health employees have access to many facilities and resources, including office equipment such as computers, printers, telephones, photocopiers and fax machines, to use in carrying out their official duties. Use of Alfred Health facilities and resources for personal gain is not permitted except that in some circumstances that are defined in related policies, such as those covering the use of the Internet and e-mail, modest personal use of Alfred Health equipment and facilities may be approved by management, but only as long as it does not involve cost to Alfred Health.

Staff must not use or allow Alfred Health funds, property, equipment or other resources to be used for personal benefit or for purposes other than that for which they were provided. All staff members and those acting for Alfred Health are required to use Alfred Health resources appropriately.

All staff members and those acting on behalf of Alfred Health are responsible for safeguarding Alfred Health resources, including information, and for maintaining accurate records of the use of these resources. All fraudulent, improper or unauthorised use of resources is unacceptable and must be reported to senior management immediately.

Fraud Prevention

Alfred Health uses a range of information systems. All staff members are responsible for protecting the information communicated or stored in these systems. All hardware, software and data must be safeguarded against damage, loss, theft, alteration and unauthorised access.

The transfer of confidential information must not be conducted electronically unless security can be guaranteed. If authentication is important, the transaction should be confirmed using non-electronic means.

Financial

Expenditure must be recorded accurately and in a timely way. Submission of a misleading or fraudulent report of expenditure is regarded as serious misconduct.

Accurate and auditable records of all financial transactions relating to Alfred Health must be maintained. No entry that distorts or disguises the true nature of any transaction may be made. All staff and others acting on behalf of Alfred Health must strictly abide by Alfred Health's policies and procedures for handling cash purchases or payments and all non-financial records such as personnel files, environmental documentation and safety statistics must also be accurately maintained.

Records

The storage and disposal of records of all kinds must be in accordance with the law and with Alfred Health policy.

Other Resources

Unauthorised use or removal of Alfred Health equipment, supplies or other resources is regarded as theft. All staff members and those acting for Alfred Health are required to take appropriate precautions to prevent theft, damage or misuse of Alfred Health resources.

Alfred Health resources must not be sold, lent, or donated without the explicit approval of the officer with delegated authority to approve the action.

Staff must not destroy or dispose of Alfred Health equipment, supplies or other resources without the explicit approval of the officer with delegated authority to approve the action.

Intellectual Property

Staff who participate in the development of intellectual property in the course of their employment are bound by the Alfred Health policy on intellectual property both during their employment and after their employment by Alfred Health ends.

Staff must not reproduce, distribute or alter copyright materials owned by Alfred Health or by others without valid permission from the copyright owner or its authorised agent. This includes various trademarks, logos and business names, which are valuable assets that may only be used in accordance with Alfred Health policy and the law.

Political Fundraising and Functions

Alfred Health is a public sector agency and all public sector employees are required to act impartially and with integrity in the course of their employment. Participation in party political fundraising activities is inappropriate.

Alfred Health staff must not:

- provide Alfred Health or campus monies to political parties or independent candidates. This includes direct or indirect donations, purchasing of tables at political fundraising events and contributions in kind;
- attend party political functions, including fundraising events, in their capacity as public sector employees, or in cases where it is reasonable to assume that they are attending in that capacity ; or
- accept gifts or favours in the form of invitations to functions, including political fundraising events, in their capacity as public sector employees, or in cases where it is reasonable to assume that they are attending in that capacity.

Disclosure of Criminal Offences

All Alfred Health staff must notify Alfred Health as soon as practicable if they:

- have ever been imprisoned or found guilty of a violent or sex offence;
- have been found guilty of any criminal offence (other than a minor traffic offence) in the past 10 years; or
- are currently under investigation or have been charged with a criminal offence.

The disclosure of findings of guilt, charges or impending charges to the Executive Director of Human Resources or the relevant Executive Director will be treated as sensitively and discreetly as is possible in the particular circumstances. The matter will only be pursued further where, in the reasonable opinion of Alfred Health, the offence or alleged offence affects the staff member's employment.

A staff member who fails to report a serious criminal conviction or serious current or impending charges against them may be the subject of disciplinary action, which may include dismissal.

Remuneration

Alfred Health is bound by the guidelines for the remuneration of executive staff set down by the Government Sector Executive Remuneration Panel (GSERP), which

determines the salary bands for executives using criteria including the size of the health service, its budget, the number of campuses and the range of services, together with the level of experience of the incumbent. Total Remuneration Packages must fall within the ranges set by GSERP.

No offer of remuneration may be made that is outside the GSERP Guidelines or is not otherwise in accordance with Alfred Health's delegations of authority, policies and procedures.

Reporting

Alfred Health is required to report to the Minister for Finance within one month of becoming aware of any substantial breach of policies and procedures relating to expenditure transaction processing. In particular, Alfred Health must ensure that all cases of suspected or actual theft, arson, irregularity or fraud in connection with the receipt or disposal of money, stores or other property of any kind is reported to the Minister for Finance and the Auditor General.

Any staff member or person acting on behalf of Alfred Health who becomes aware of conduct that is in breach of this code is encouraged to report their concerns immediately to senior management. Concerns over whether a decision or action taken is consistent with this code may be raised with the relevant manager, the Executive Director of Finance, the relevant Executive Director or the Alfred Health Legal Counsel.

No member of staff or other person who in good faith reports a breach or suspected breach of this code, or of policy, or of legal and ethical standards, will be subjected to retaliation or retribution of any kind for making that report. In addition to Alfred Health's own commitment to maintaining the highest standards of conduct, the protection of the *Whistleblowers Protection Act 2001* may also apply to such disclosures.

Any act of retribution or retaliation against someone who has reported a breach or suspected breach of this code, or of policy, or of legal and ethical standards will be regarded as serious misconduct that will result in appropriate disciplinary action which may include dismissal. Such acts in relation to protected disclosures are unlawful as well as being prohibited, and carry severe penalties under the *Whistleblowers Protection Act 2001*, including substantial fines and imprisonment.

If worried about the possible implications of making a report, staff members or others should discuss their concerns in confidence with the Executive Director of the relevant campus, who is the campus Protected Disclosure Officer, or the Manager, Governance & Executive Support, who is the Protected Disclosure Coordinator for the whole of Alfred Health. Reports may also be made directly to the Ombudsman. Detailed procedures and the contact details of the officers to whom protected disclosures may be made, including the Ombudsman, are available on the intranet and from the Manager, Governance & Executive Support ph 9076 6974.

Relevant Employees

Alfred Health is required to determine the employees required to comply with the Financial Code of Practice (relevant employees) and to review this on an annual basis.

For the purposes of this requirement, all staff who have delegated authority to make financial or other commitments on behalf of Alfred Health or any of its campuses are deemed to be 'relevant employees.'

Note: Regardless of whether a staff member or person acting on behalf of Alfred Health meets the definition of a 'relevant employee,' all staff and those acting on behalf of Alfred Health are required to comply with the Alfred Health Financial Code of Practice, the Alfred Health Code of Conduct and all Alfred Health policies, guidelines and procedures.

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