

The Ombudsman's Report on Probity Controls



Peter Lewis
Manager, Accounting and Financial Policy
Metropolitan Health and Aged Care

How did this report come about?

- The Ombudsman's own motion investigation was of a complaint about a major public hospital which made the Ombudsman aware of potential probity risks associated with the procurement of non-clinical goods and services.



Who has a role in probity in hospitals?



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Who has the main roles?

- Boards of Management
- Department of Human Services
- Department of Treasury and Finance
 - the VGPB is established under the Financial Management Act 1994
 - The Financial Management Compliance Framework implemented in 2003
- Health Purchasing Victoria

Standing Directions of the Minister for Finance

- The Financial Management Compliance Framework is an attestation of compliance with these standing directions which include:
 - The maintenance of an effective internal control framework over procurement activities, and adherence to the following principals:
 - Value for money
 - Open and fair competition
 - Accountability
 - Risk management, and
 - Probity and transparency

Before the report was released:

- The Public Hospital Policy and Funding Guidelines were updated to include a reference to probity which was related to the Government's statement on openness and probity in Victorian Government contracts.
- While this policy is applicable to government business enterprises, it is expected that hospitals and health services will abide by this policy.
- The public hospital conditions of funding now require public hospitals and health services to *"at a minimum adopt and deliver standards of probity at least as high as those required under Victorian Government Purchasing Board guidelines."*

Before the report was released (continued):

- The Minister wrote to all Board Chairs of Victorian public hospitals reminding them of their obligations, and drawing their attention to the policy and funding guidelines change.
- The department established an internet website containing useful information and links such as
 - procurement thresholds
 - key principles of probity
 - risk management
 - code of conduct
 - <http://www.health.vic.gov.au/procurement/index.htm>
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Prior to tabling

- All complaints from the Ombudsman are managed through the department's *Corporate Integrity Information and Resolutions Unit* who:
 - Receive a “draft”
 - Manage the timelines
 - Co-ordinate feedback
 - Brief the Secretary

Comment on the report limited to:

- Accuracy
- Responses to the recommendations – certain responses are published in the report

Since the report was tabled:

- Senior finance managers briefed
- Responses to the recommendations considered:
 - Relevant agencies and individuals to be advised of required responses
- Consultation with:
 - Finance and Business Services Branch (incorporates Strategic Procurement Unit)
 - Health Purchasing Victoria