Inquiry into Sponsored Travel and Gifts across the WA Health System
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Inquiry into sponsored travel and gifts in WA Health System

Executive Summary

Summary

The Health Services Act 2016 establishes the Director General as the System Manager responsible for providing strategic leadership, policy advice and stewardship to the Health Services. Under the Public Sector Management Act the Director General as a CEO of a department of state has responsibilities for identifying the strategic direction and providing policy advice to the Minister.

On 24 August 2017, the Hon. Roger Cook MLA, Deputy Premier; Minister for Health and Mental Health (the Minister) issued a direction to the Department of Health CEO (the Director General) to conduct an inquiry into processes regarding sponsored travel and gifts in the Department of Health (DoH) and the Health Service Providers (HSP).

The objective of the inquiry was to facilitate an assessment of compliance against the WA Health Staff Air Travel Policy (the Travel Policy) and the Acceptance of Gifts Policy (the Gifts Policy) across the WA health system.

A consolidated analysis and assessment of the data provided by the HSPs and the DoH informed a qualitative assessment, and determined compliance themes.

Key Findings

Sponsored Travel

The quantum of approved sponsored travel events reported for the purposes of this inquiry indicates there is an established culture of reported sponsored travel across the WA health system.

Issues of compliance with the Travel Policy were identified in relation to the following:

- Failings of administrative practice including missing and incomplete documentation, and documentation that could not be retrieved from the electronic Staff Travel Management System (STMS)
- Approval of sponsored travel outside of the appropriate delegation of authority
- Insufficient evidence assessment of any identified Conflict of Interest; and
- Insufficient evidence of consideration of the criteria to determine the travel is for official business purposes.

It is noted that STMS is not used to record or approve sponsored intrastate travel.
Gifts

No evidence was found that any WA Health employee inappropriately benefitted from gifts declared within the scope of the inquiry.

Issues of compliance with the Gifts Policy were identified in relation to the following:

- Failings of administrative practice including missing and incomplete documentation, and documentation that could not be located for the purposes of the inquiry;
- Acceptance of unauthorised gifts; and
- Insufficient evidence of assessment of any identified Conflict of Interest.

Recommendations

In order to enhance compliance with the relevant policies, it is recommended that consideration be given to the following actions:

1. Establishment of robust datasets that enable concise, efficient audit and evidence of the integrity, accountability and transparency of sponsored travel and gifts accepted across the WA health system.

2. Implementation of an online gifts database which is publically reported via relevant web sites to improve community and ministerial confidence.

3. Amending the current Acceptance of Gifts Policy to:
   - reflect the HS Act accountabilities and reporting;
   - mandate completion of conflicts of interest assessments where a commercial relationship exists or may exist between the recipient(s) and the giver;
   - mandate HSP and DoH use of a system wide gifts database; and
   - mandate online publication of agreed acceptance of gifts datasets.

Dr DJ Russell-Weisz
DIRECTOR GENERAL
DEPARTMENT OF HEALTH

December 2017
Introduction

The Minister is accountable to Parliament and the public regarding the delivery of safe, high quality public health services. Under the Health Services Act 2016 (the HS Act) the System Manager is responsible for monitoring the performance of Health Service Providers (HSP). HSPs are required to operate within a broad public sector accountability framework, and in addition to the HS Act, HSPs as statutory authorities have accountability obligations under other legislation including the Public Sector Management Act, and Premier’s Circulars.

Integrity, and accountable and ethical decision-making, as they relate to the acceptance of gifts and sponsored travel, are the responsibility of Chief Executives (CE) within Statutory Authorities. The HS Act does not override these responsibilities but operates in parallel, containing robust accountability mechanisms to provide the System Manager with the powers to set the standards (through service agreements and policy frameworks), have oversight of HSPs governance, operations and/or performance, and to intervene when governance, operations and/or performance fall below the standards set, increasing the risk of system failure.

Intervention by the System Manager will occur by exception only as HSPs are accountable for service delivery in accordance with the set standards, with the System Manager providing support when required.

The System Manager has powers to conduct investigations, inspections and audits into a HSP's operations, along with the power to conduct inquiries.

Background

On 24 August 2017, the Hon. Roger Cook MLA, Deputy Premier, Minister for Health and Mental Health (the Minister), issued a direction to the Director General (DG) of the Department of Health (DoH) to conduct an inquiry into sponsored travel and gifts in accordance with the correspondence and Terms of Reference.

The inquiry was in response to the Government’s concerns regarding the existing management of sponsored travel and gifts across the WA health system, and whether such matters required reform and closer scrutiny in terms of compliance across the WA health system.

WA Health - Previous Reviews

Governance of sponsored travel and acceptance of gifts across the WA health system has evolved following a number of reviews, including the following:

- On 7 September 2011, the Office of the Auditor General (OAG) published their Second Public Sector Performance Report 2011 (the OAG Report) which looked into sponsorships and gifts.

  The OAG Report identified no wrongdoing in this area but did identify weaknesses in the way WA health managed these issues. WA Health accepted these findings and the then Director General agreed to a compliance audit of the then gift policy.

- In June 2012, the OAG reported to Parliament following its audit of the Purchase and Management of Pharmaceuticals in Public Health. The report recommended
that WA Health improve the management of conflict of interest risks related to offers of sponsored travel and other benefits, and increase employee awareness of policies and procedures.

Following the 2012 audit by the OAG, the then WA Health Corporate Governance Directorate (CGD) reviewed available information in relation to employees in receipt of gifts and sponsored travel, prompting an internal audit. The CGD audit identified a number of areas of non-compliance with the relevant policies and made a number of recommendations to enhance compliance.

- In August 2014, the CGD reported on a further audit which specifically considered international and interstate staff travel, excluding intrastate travel and any travel that was personally funded by staff. This audit found that, although established control mechanisms were in place, there was room for improvement.

**Policy review and development**

Subsequent to the findings from the audits, the relevant policies were enhanced to address identified weaknesses.

Ostensibly, the key policies – WA Health System’s Acceptance of Gifts Policy and Staff Air Travel Policy – reflect the integrity themes set out in guidance material published by the Integrity Coordinating Group (ICG).

The ICG is a forum comprised of independent officers of the Auditor General, the Public Sector Commissioner, the Corruption and Crime Commissioner, the Western Australian Ombudsman and the Information Commissioner. The group was established to assist Western Australian public authorities to effectively deal with integrity issues.

**WA Health Staff Air Travel Policy OD0585/15**

On 14 January 2015, the amended WA Health Staff Air Travel Policy (the Travel Policy) was published under Operational Directive 0585/15. The Travel Policy requires that staff members who receive an offer of sponsored travel complete:

- a Sponsored Travel Personal Declaration Form documenting that they have considered any risks and potential conflicts of interest when receiving sponsored travel offers;
- a Sponsored Travel Checklist which is submitted for assessment and approval; and
- a Conflict of Interest Assessment Guide and Record to assess and manage any identified perceived, potential and/or actual conflicts of interest.

The Travel Policy provides that:

- all employee travel requests are to be approved at the discretion of the Minister or the Minister's delegate;
- DoH has sought and obtained approval from the Department of the Premier and Cabinet for exemptions involving doctors undertaking overseas travel funded by

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1 Subsequently amended to WA Health Staff Air Travel Policy MP 0017/16 following establishment of Policy Frameworks under the HS Act
external funding sources including commercial and non-commercial sponsorship, operational funding and self-funded travel;

- Special Purpose Accounts (SPAs) and self-funded travel requests for approval to travel are to be submitted prior to any travel being undertaken;
- under no circumstances will the Minister approve overseas travel requests received after the date of travel by the applicant.

New provisions for monitoring and reporting compliance were also implemented including:

- keeping records of approved Travel Proposal Forms and supporting documents;
- raising awareness regarding the policy and guidelines;
- scheduling regular and ongoing monitoring and compliance measures;
- all commercial and non-commercial sponsorship offers sought or received in respect of travel must also be made in writing;
- sponsorship funding must not be accepted directly by any employee;
- for all offers of sponsored travel, the employee concerned must assess the possibility of any actual, perceived or potential conflict of interest, particularly if WA Health has any commercial or financial relationship with the proposed sponsor;
- attendance at interstate or overseas events is to be restricted to an absolute minimum.

The Travel Policy also requires that a Travel Proposal Form needs to be completed and evidence of the relevant approval needs to be shown if one of the following applies to the travel proposal:

- Part or all of the travel costs are being funded by a commercial or non-commercial sponsor;
- Travel is for official business purposes (including travel to conferences, seminars, meetings or study programs) irrespective of funding type;
- Part or all of the costs are being funded operationally by WA Health.

In support of the Travel Policy, the WA health system also uses an online Staff Travel Management System/database known as STMS.

STMS is maintained by Travel Coordinators (or designated employees) who exist within each HSP and the DoH. Travel Coordinators are responsible for supporting the management of travel proposals including facilitation of all travel applications within STMS.

Acceptance of Gifts Policy OD0563/14

Following the reviews and audits a revised Acceptance of Gifts Policy (the Gifts Policy) came into effect on 9 October 2014 by way of Operational Directive 0563/14.

The Gifts Policy sets out minimum requirements that must be followed if a gift is offered to ensure that the integrity and responsibilities of WA Health employees are not compromised or perceived to be compromised. The Gifts Policy also identifies that it is to be read in conjunction with the WA Health Managing Conflict of Interest Policy and Guidelines Operational Directive 0264/10.
The Gifts Policy acknowledges that employees may be offered gifts in the course of or incidental to their employment and identifies that if a gift or benefit is to be accepted, it needs to be appropriately reported, approved and recorded.

Unless exempted by the policy, if a gift is offered to an employee, approval for acceptance must be sought by applying the following process:

- The intended recipient must notify the responsible Director/Head of Department in writing;
- Any gifts declined by an employee must notify the responsible Director/Head of Department in writing;
- Once notified the responsible Director/Head of Department must:
  - consider if the gift is exempt under the policy;
  - consider whether the gift should be accepted after applying the policy and any conflict of interest requirements;
  - if accepted, determine the appropriate arrangements for retention and use of the gift;
  - inform the original recipient of the determination;
  - ensure the details of the gift are recorded on the relevant Gifts Register; and
  - notify the giver of the gift of the decision.

DoH and each HSP is responsible for maintaining a Gift Register. All gift notifications are to be recorded in the register including the decision made regarding acceptance or non-acceptance of the gift. A WA health system-wide gifts database is currently being considered and will require consultation with the HSPs.

**Inquiry Methodology**

The CE of each HSP was directed by the DG to undertake an inquiry which examined the management of sponsored travel and gifts and produce an inquiry report. This involved the collation of data contained within the HSP and DoH gifts registers and STMS, making assessments about compliance with mandatory policies, and identifying issues arising. Eight individual reports were produced for the purposes of this inquiry.

The System Manager (DoH) collated and considered all the information contained within the individual reports in light of the mandatory policies, to provide a consolidated analysis of themes related to compliance and actions to be taken, along with recommendations for the future management of sponsored travel and gifts.
Consolidated Analysis and Assessment

Sponsored Travel
The Terms of Reference (refer Appendix 1) of the inquiry directed that each HSP and the DoH provide a register of travel data for the previous three financial years – in line with the form provided by the Director General – together with a report detailing:

- an assessment of compliance against the mandatory policies (the WA Health Staff Air Travel Policy); and
- statements outlining non-compliance, issues arising, previous action taken or planned to be taken.

Analysis and assessment of the responses and data provided by each HSP and the DoH, informed the following qualitative assessment, which determined compliance themes and suggested enhancements.

Approved Sponsored Travel Events – WA health system

<table>
<thead>
<tr>
<th>Entity</th>
<th>2014/15</th>
<th>2015/16</th>
<th>2016/17</th>
<th>Total per entity</th>
<th>% of approved sponsored travel system-wide</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAHS⁵</td>
<td>217</td>
<td>212</td>
<td>179</td>
<td>508</td>
<td>16%</td>
</tr>
<tr>
<td>EMHS</td>
<td>n/a</td>
<td>n/a</td>
<td>159</td>
<td>159</td>
<td>4%</td>
</tr>
<tr>
<td>HSS</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>NMHS</td>
<td>491</td>
<td>540</td>
<td>559</td>
<td>1590</td>
<td>42%</td>
</tr>
<tr>
<td>SMHS</td>
<td>189</td>
<td>354</td>
<td>333</td>
<td>376</td>
<td>23%</td>
</tr>
<tr>
<td>WACHS</td>
<td>72</td>
<td>74</td>
<td>65</td>
<td>211</td>
<td>6%</td>
</tr>
<tr>
<td>DoH</td>
<td>120</td>
<td>101</td>
<td>104</td>
<td>325</td>
<td>9%</td>
</tr>
<tr>
<td>System Total</td>
<td>1089</td>
<td>1281</td>
<td>1399</td>
<td>3769</td>
<td></td>
</tr>
</tbody>
</table>

Sponsored Travel Compliance Themes – WA health system
The ability to definitively measure compliance through STMS data was limited by the availability of relevant, completed and recorded documentation.

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² The WACHS register did not include all the requested fields as WACHS do not use the STMS
³ Sponsored travel events include: commercial and non-commercial and combinations that include operationally funded and self-funded travel
⁴ This % is a measure against all other HSP’s and the DoH
⁵ 3 offers of sponsored travel reported as declined by CAHS were omitted from the above table
However, the following compliance themes were clearly evident from the HSP and DoH reports.

<table>
<thead>
<tr>
<th>Compliance themes</th>
<th>Detail</th>
<th>Suggested enhancement</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsored Travel Personal Declaration s. 13.2.1 (b) of the policy requires employees to attach a completed Sponsored Travel Personal Declaration form to their proposal form</td>
<td>Sponsored Travel Personal Declarations are not always uploaded into the STMS – STMS data is unable to validate whether the form has or hasn’t been completed by the traveller</td>
<td>Enhancement of STMS workflows that mandate upload of completed and approved Sponsored Travel Personal Declarations to the system</td>
<td></td>
</tr>
<tr>
<td>Conflict of Interest Assessments (Col) s. 13.2.2 of the policy requires employees to attach a Col Declaration if a risk is identified in a Sponsored Travel Personal Declaration</td>
<td>Sponsored Travel Personal Declarations are not always uploaded into the STMS – STMS data is unable to validate whether the Col Assessment Guide and Form should or shouldn’t have been completed by the traveller</td>
<td>Enhancement of STMS to mandate uploads of Sponsored Travel Personal Declarations to the system, before travel approval can be granted</td>
<td></td>
</tr>
<tr>
<td>Incorrect Approval</td>
<td>Approval being granted outside of the appropriate delegation of authority</td>
<td>Enhancement of STMS to mandate travel approval reflects appropriate delegation Matrix</td>
<td></td>
</tr>
<tr>
<td>Evidence of approved leave</td>
<td>The new HSS eLeave form cannot be uploaded into the STMS – STMS data is unable to validate whether leave relating to the travel has been approved</td>
<td>Enhancement of STMS to mandate that travel approval cannot be granted without upload of an approved eLeave form to the system</td>
<td></td>
</tr>
<tr>
<td>Evidence of compliance with travel purpose requirements s. 10 of the policy requires 6 criteria that must be met before travel can be approved</td>
<td>STMS doesn’t mandate uploads of evidence of consideration of the six criteria (refer s. 10) relating to travel purpose – STMS data is unable to validate whether the six criteria have been met</td>
<td>Enhancement of STMS to mandate uploads of evidence of a completed Travel Purpose Questionnaire assessment to the system before travel approval can be granted</td>
<td></td>
</tr>
<tr>
<td>Intrastate Sponsored Travel data</td>
<td>STMS is not used to record or approved sponsored intrastate travel - quantum and value of sponsored intrastate travel cannot be defined</td>
<td>Enhancement of STMS to include sponsored intrastate travel</td>
<td></td>
</tr>
</tbody>
</table>

**Sponsored Travel - Assessment of compliance**

The quantum of approved sponsored travel events reported by the HSPs and the DoH suggests there is an established culture of reporting sponsored travel within the
WA health system (in the spirit of the policy). There are however identified failings in administrative practice, which is consistent with the findings of the OAG Report of 2011. The OAG findings included that sponsored travel was (on the whole) properly approved, however there was limited data to evidence that conflict of interest risks were recognised or managed appropriately.

The compliance themes for this current inquiry indicate opportunities to enhance accountability and transparency within the declaration and approval processes. This would be achieved by making enhancements to the STMS, in particular, that it features mandatory workflows and data fields which must be completed prior to travel approval.

It is also clear that the role of the Travel Coordinators (or designated employees) who exist within all HSPs and the DoH, is pivotal.

A strategy to establish robust STMS workflows and data fields would enable datasets to be established to evidence the integrity, accountability and transparency of sponsored travel across the WA health system. The availability of reliable data may induce HSPs and the DoH to consider publishing the data for broader scrutiny by the community and health consumers, and for establishing an access point for ministerial queries.

To support this strategy, modifying and further clarifying the role of the Travel Coordinators, currently responsible for supporting management of travel proposals including facilitation of all travel applications within STMS, is key.

Travel Coordinators are required to liaise with travel applicants regarding travel requests, and coordinate and support policy compliance. The Travel Policy, however, doesn’t place a duty on Travel Coordinators in regards to ensuring that conflict of interest assessments, personal travel declarations or travel purpose requirement declarations accompany sponsored travel applications. That responsibility remains with travel approvers whom, through reporting structures, may not be independent of the applicant and, through delegations of authority, disparate reporting lines are established with significant power imbalances to the Travel Coordinator.

In the absence of enhancements to STMS, there may be a need to amend the policy to limit the ability of Travel Coordinators (or designated employees) to progress or finalise approvals of sponsored travel under certain conditions.

**Sponsored Travel - Recommendation**

The outcomes of this inquiry indicate that improved community and ministerial confidence in the integrity and accountability of sponsored travel events can be enhanced by amending the existing Travel Policy to clearly feature Travel Coordinator governance obligations.

It is recommended that amendments to the policy include mandating that the Travel Coordinator can only progress a sponsored travel application after witnessing and recording a completed:

- Personal Travel Declaration Form;
- Travel Purpose Questionnaire addressing the six purpose of travel criteria (at s10 of the WA Health Staff Air Travel Policy); and
• Conflict of Interest Assessment Guide and Form which has been signed by the applicant and approver.

Gifts
The Terms of Reference (refer Appendix 1) for the inquiry directed that each HSP and the DoH provide a register of gifts data for the previous three financial years – in line with the form provided by the Director General – together with a report detailing:

• an assessment of compliance against the Gifts Policy, and
• statements outlining non-compliance, issues arising, previous action taken or planned to be taken.

Analysis and assessment of the responses and data provided by each HSP and DoH, informed the following qualitative assessment to determine compliance themes and suggested enhancements.
### Declarations of Gifts – WA Health System

<table>
<thead>
<tr>
<th>Entity</th>
<th>2014/15</th>
<th>2015/16</th>
<th>2016/17</th>
<th>Total per Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Accepted</td>
<td>Not accepted</td>
<td>Not stated</td>
<td>Accepted</td>
</tr>
<tr>
<td>CAHS&lt;sup&gt;6&lt;/sup&gt;</td>
<td>62</td>
<td>2</td>
<td>0</td>
<td>25</td>
</tr>
<tr>
<td>EMHS&lt;sup&gt;*&lt;/sup&gt;</td>
<td>107</td>
<td>15</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>EMHS&lt;sup&gt;*&lt;sub&gt;6&lt;/sub&gt;&lt;/sup&gt;</td>
<td>* EMHS was established as an HSP in 2016/17, see SMHS for prior</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HSS&lt;sup&gt;7&lt;/sup&gt;</td>
<td>7</td>
<td>37</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>NMHS&lt;sup&gt;7&lt;/sup&gt;</td>
<td>190</td>
<td>64</td>
<td>5</td>
<td>422</td>
</tr>
<tr>
<td>SMHS</td>
<td>627</td>
<td>29</td>
<td>0</td>
<td>701</td>
</tr>
<tr>
<td>WACHS&lt;sup&gt;8&lt;/sup&gt;</td>
<td>51</td>
<td>13</td>
<td>0</td>
<td>58</td>
</tr>
<tr>
<td>DoH&lt;sup&gt;9&lt;/sup&gt;</td>
<td>75</td>
<td>20</td>
<td>0</td>
<td>80</td>
</tr>
<tr>
<td>System Total</td>
<td>1012</td>
<td>165</td>
<td>5</td>
<td>1316</td>
</tr>
<tr>
<td></td>
<td>(85.8%)</td>
<td>(14.0%)</td>
<td>(0.4%)</td>
<td>(90.3%)</td>
</tr>
</tbody>
</table>

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<sup>6</sup> 1 declaration reported by CAHS was omitted from the above table due to insufficient information provided on the relevant record

<sup>7</sup> 7 declarations reported by NMHS were omitted from the above table as they were identified as being outside the period under inquiry

<sup>8</sup> 6 declarations reported by WACHS were omitted from the above table as they were identified as being outside the period under inquiry

<sup>9</sup> 1 declaration reported by DoH was omitted from the above table due to insufficient information provided on the relevant record
The quantum of reported gifts within the WA health system indicates an established culture of transparency in reporting offers of gifts. However, the compliance themes identify a need for an online database/system to support the process and recording of offers, declines and approvals for the acceptance of gifts.

South Metropolitan Health Service (SMHS) reported the highest number of declarations of gifts over the period under review. This may be a result of SMHS having a high number of employees and staff members within the WA health system (at a point in time), and well established governance systems relating to gifts including central oversight of the gifts register by the Integrity and Ethics function within the SMHS.

Between 2014/15 and 2015/16, declarations of gifts across the WA health system increased by 23%, despite data provided by Child and Adolescent Health Service (CAHS) that indicates a 53% decrease in declarations of gifts by CAHS employees over the same period.

There was a 36% decrease in the number of declarations of gifts made across the WA health system between 2015/16 and 2016/17. This decrease is relatively consistent across the WA health system and may be attributable to a decrease in gifts being offered as a result of:

- Increased media coverage regarding gifts offered to and/or accepted by public officers;
- Increased awareness among external organisations that are advised of the circumstances when a gift offered to a WA health employee may not be accepted.

By exception, the number of gifts declared by Health Support Services (HSS) and DoH employees between 2015/16 and 2016/17 decreased by 74% and 62% respectively.

Acceptance of Gifts Compliance Themes – WA health system

The ability to definitively measure compliance through data recorded on the gifts registers was limited by the availability of relevant, completed and recorded documentation, and the reliability of the data recorded on the registers.

However, the following compliance themes were clearly evident from the HSP and DoH reports.

<table>
<thead>
<tr>
<th>Compliance themes</th>
<th>Detail</th>
<th>Suggested enhancement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Integrity</td>
<td>Separate spreadsheets for gift notifications, presenting a risk of double reporting between spreadsheets and master gifts register</td>
<td>Implementation of an online Gifts Database to enhance data integrity</td>
</tr>
<tr>
<td>Data Integrity</td>
<td>Information transposed incorrectly from paper notification to gift register</td>
<td>Implementation of an online Gifts Database to enhance data integrity</td>
</tr>
</tbody>
</table>
### Compliance themes

<table>
<thead>
<tr>
<th>Compliance themes</th>
<th>Detail</th>
<th>Suggested enhancement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy definitions</td>
<td>Ambiguous data definitions (e.g. date received, by whom) impacts on ability to draw reliable inferences from the data</td>
<td>Implementation of an online Gifts Database with defined workflows and mandated data fields</td>
</tr>
<tr>
<td>Policy definitions</td>
<td>Interpretation and application of approvals for Token Gifts</td>
<td>Implementation of an online Gifts Database with defined workflows and mandated data fields</td>
</tr>
<tr>
<td>Evidence of compliance with policy</td>
<td>Documentation not completed in full or not retained</td>
<td>Implementation of an online Gifts Database with mandated upload of related notification forms.</td>
</tr>
<tr>
<td>Policy education</td>
<td>10 instances of ‘unauthorised’ gifts (e.g. money, vouchers etc.) were accepted.</td>
<td>Implementation of an online Gifts Database which prevents ability to accept unauthorised gifts and prompts the declarer to return them</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>Unable to assess Col, as Gifts Policy does not mandate completion of a Col, only consideration</td>
<td>Amendment to Policy and mandating upload and approval of completed forms</td>
</tr>
<tr>
<td>Policy Amendment</td>
<td>Current Policy does not reflect Health Service Act statutory accountabilities and reporting relationships</td>
<td>Amendment to Policy to reflect HSP accountabilities and reporting relationships between Chief Executives and the Director General</td>
</tr>
</tbody>
</table>

### Gifts - Assessment of compliance

No evidence was found in the course of this inquiry that any WA health system employee inappropriately benefited from gifts declared and subject to the period under review.

The compliance themes identify that an online database could enhance transparency, accountability and ethical decision making by featuring the following:

- Mandatory work flows and data fields that support policy compliance (guiding applicants and approval staff);
- Consistently defined data fields evidencing:
  - the application for the acceptance of a gift
  - event dates (received/reported/approved etc.)
  - decision making concerning the acceptance/rejection of a gift;
- Integrating Col assessment and decision making as it relates to gifts from parties with a commercial or potential commercial relationship.
Gifts - Recommendations

Robust datasets can be established that enable concise, efficient audit and evidence of the integrity, accountability and transparency of gifts accepted within the WA Health System.

Improved community and ministerial confidence concerning the acceptance of gifts across the WA Health System may be achieved through the implementation of an online gifts database which is publically reported via each related HSP web site.

It is recommended that this be achieved by amending the current Gifts Policy to:

- reflect the HS Act accountabilities and reporting;
- mandate completion of conflicts of interest assessments where a commercial relationship exists or may exist between the recipient(s) and the giver;
- mandate HSP and DoH use of a system wide gifts database; and
- mandate online publication of agreed acceptance of gifts datasets.

This action may also provide more timely information in response to parliamentary questions (as the data will be available on-line) whilst providing transparency to the community and health consumers as to the accountability and integrity of the acceptance of gifts across the WA Health System.

Conclusion

The Health Services Act 2016 establishes the Director General as the System Manager responsible for providing strategic leadership, policy advice and stewardship to the Health Services. Under the Public Sector Management Act the Director General as a CEO of a department of state has responsibilities for identifying the strategic direction and providing policy advice to the Minister.

In line with the terms of reference from the Minister, the department CEO has developed a consolidated analysis with recommendations for future policy and management of sponsored travel and gifts.

The reports from HSPs and the DoH generally indicate that actions are being, and will be taken to enhance transparency and accountability (compliance). The actions include; seeking amendments to system-wide policy, enhancements to the STMS and the development of an on-line management system for offers of gifts.

There is no evidence of significant compliance issues arising and therefore HSPs and the DoH are not advocating for system-wide broad policy reform that would further curtail acceptance of sponsored travel and gifts.

The recommendations contained in this report are considered as part of a system governance and assurance strategy. The related data may assist to establish oversight and assurance processes in accordance with the HS Act and gain a holistic understanding of the broader factors that may contribute to poor performance in particular areas, as they relate to Public Sector Standards and integrity risks.

Integrity trends and risks related to approval decision-making and conflict of interest in sponsored travel and the acceptance of gifts may assist in identifying concerns regarding the quality of services being provided by an HSP, which can be detected early and acted on.
This data can also be used by the System Manager to identify and facilitate the sharing of lessons and innovative practices in HSPs that are resulting in good outcomes.
Appendix 1: Inquiry Terms of Reference

Inquiry Regarding Sponsored Travel and Gifts in WA Health

Terms of Reference

Authority

The Deputy Premier, Minister for Health; Mental Health, the Hon. Roger Cook MLA (the Minister) has issued a direction to the Department of Health CEO (the Director General) pursuant to the relevant sections of the Public Sector Management Act 1994 and the Health Services Act 2016 (section(s) 32(c) and sections 18 & 19 respectively) to conduct an inquiry into processes regarding sponsored travel and gifts in the Department of Health and the Health Service Providers.

The Director General pursuant to section 28(1)(c) of the Health Services Act 2016 (the Act), has subsequently directed the Chief Executive of each Health Service Provider, to conduct an inquiry in accordance with s.163 of the Act in their respective HSP in accordance with these Terms of Reference.

Application

These terms of reference apply to all Board and Chief Executive Governed Health Service Providers established by the Act and the public service Department of Health (the entities).

Definitions

Unless otherwise defined below, all definitions are as per the Act.

Sponsored Travel — as per section 5 of the WA Health Staff Air Travel Policy MP0017/16 and precursors

Gift — as per section 3 of the Acceptance of Gifts Policy — OD0563/14 and precursors.

Scope

Each entity is to provide to the Director General by 30 September 2017, a documented and evidenced review of:

1. offers and acceptance of sponsored travel by employees and staff within their entity; that includes the following. Completion of:
   a. a register in the form provided by the Director General of such travel offered or accepted in the financial years 2014/15, 2015/16 and 2016/17;
   b. an assessment of compliance against the relevant mandatory policies and procedures for sponsored and commercial travel in their entity; and
   c. a statement outlining non-compliance, issues arising, previous actions taken, or to planned to be taken with regard to sponsored travel.

2. gifts offered or accepted by employees and staff within their entity; that includes the following. Completion of:
   a. a register in the form provided by the Director General of gifts offered or received in the financial years 2014/15, 2015/16 and 2016/17;
   b. an assessment of compliance against the relevant mandatory policies and procedures for gifts and benefits in their entity; and
   c. a statement outlining non-compliance, issues arising, previous actions taken, or planned to be taken with regard to sponsored and commercially provided travel.

The Director General, after consulting with the entities, will provide to the Minister by 31 October 2017, a consolidated analysis and assessment with recommendations for the future policy basis and management of sponsored travel and gifts.
Appendix 2: HSP Responses

Dr D J Russell-Weisz
Director General
Department of Health
PO Box 8172 Perth Business Centre
WA 6849

Dear Dr Russell-Weisz,

INVITATION TO COMMENT ON INQUIRY REPORT INTO SPONSORED TRAVEL
AND GIFTS

Further to your letter dated 31 October 2017 regarding the recent Inquiry into sponsored travel and gifts.

Thank you for the opportunity to comment on the draft Inquiry report into sponsored travel and gifts. This letter is to confirm that the East Metropolitan Health Service has no comments in relation to the report and is supportive of the recommendations made.

Yours sincerely,

Liz MacLeod
Chief Executive
EAST METROPOLITAN HEALTH SERVICE

30 November 2017

Office of the Chief Executive, East Metropolitan Health Service
GPO Box X2213, PERTH WA 6847
Telephone: (08) 9224 3878
Email: EMHS.CECorrespondence@health.wa.gov.au
www.health.wa.gov.au
Dr David Russell-Weisz  
Director General  
DEPARTMENT OF HEALTH

Attention: Ms Angie Spaziani  
A/Director, Governance and System Support

Dear Dr Russell-Weisz,

RE: Inquiry Report into sponsored travel and gifts

Thank you for your letter of 31 October 2017 which provides the opportunity to comment on the Inquiry Report into Sponsored Travel and Gifts.

The South Metropolitan Health Service (SMHS) is confident it has robust systems in place to manage both sponsored travel and gifts offered and accepted / declined. These systems include:

- Central oversight of both the travel and gifts data.
- Transparency in relation to costs associated particularly with sponsored travel and gifts offered and accepted / declined from commercial organisation; achieved by regular reporting to the SMHS Executive Group and SMHS Board.
- Continuing education of our staff via regular articles in our eNews communication platform.
- Increasing awareness of our staff in their responsibilities associated with both the travel and gifts process.

Nonetheless, SMHS welcomes the opportunity of working with the System Manager and other Health Service Providers in order to implement any agreed systemic enhancements, including policy and technological improvements. These could be an integral part of SMHS continuing to improve its governance processes as well as ensuring an appropriate level of transparency in our decision making continues to be achieved. However, it will equally be as important to ensure any changes considered do not add unnecessary bureaucratic processes that could impact unduly on the capacity of our staff to increase their knowledge, on research or more importantly, have a negative impact on our patient outcomes.

Yours sincerely,

Mr Paul Foden  
A/CHIEF EXECUTIVE  
SOUTH METROPOLITAN HEALTH SERVICE

13 November 2017
Dr David Russell-Weisz  
Director General  
Department of Health  
PO Box 8172  
PERTH BUSINESS CENTRE WA 6849

Dear Dr Russell-Weisz

RESPONSE TO INVITATION TO COMMENT ON INQUIRY REPORT INTO SPONSORED TRAVEL AND GIFTS

Thank you for your letter dated 31 October 2017 inviting comments from the North Metropolitan Health Service (NMHS) on the draft report "Inquiry into sponsored travel and gifts across the WA health system" (the Inquiry).

The content of the report and recommendations have been discussed with the Board Chair. NMHS notes the report and has no additional comments.

As you are aware, NMHS is undertaking an additional review of travel across the health service to ensure continued compliance with travel policies, in relation to the efficiency of the current model for Travel Co-ordinators, comparing and contrasting the NMHS model with the East/South Metropolitan Health Service and Child and Adolescent Health Service who have single Travel Co-ordinators; and completing further analysis of frequent travelers, backfill arrangements, Conflict of Interest and the use of Special Purpose Accounts for travel.

Yours sincerely

Wayne Salway  
CHIEF EXECUTIVE  
[ ] November 2017
Government of Western Australia
Child and Adolescent Health Service

Our Ref: RL:00001/157

Dr D J Russell-Weisz
Director General
Department of Health
PO Box 8172
Perth Business Centre  WA  6849

Dear Dr Russell-Weisz

INVITATION TO COMMENT ON INQUIRY REPORT INTO SPONSORED TRAVEL AND GIFTS

Thank you for the opportunity to provide comment on The Inquiry undertaken by the System Manager under Part 14 of the Health Services Act 2016. I have reviewed the document and believe it presents a fair and balanced view. The recommendations would address the issues identified and improve the flow of application by making some sections mandatory. The only comment I have is that the current number of forms is very cumbersome for staff and approvers.

Whilst I support the recommendations I am however concerned that another IT need when measured against the other critical needs this will likely be low on the priority list and therefore will be difficult to progress. Child and Adolescent Health Service will work with the other Health Service Providers and the System Manager to facilitate progress in the best way into the future.

Thank you once again for the opportunity to review the draft report.

Yours sincerely

Dr Robyn Lawrence
Chief Executive
Child and Adolescent Health Service &
Perth Children's Hospital Commissioning

5 November 2017

CC: Debbie Kolesinski - Chair CAHS Board

cahs.health.wa.gov.au
Dear Russ

INQUIRY INTO SPONSORED TRAVEL AND GIFTS IN WA HEALTH SYSTEM

Thank you for your letter dated 31 October 2017 in which you provide an opportunity for the WA Country Health Service to provide comment on the draft report into the WA Health Inquiry on Sponsored Travel and Gifts.

We welcome the findings of the report which indicate that there is an established culture of reported sponsored travel in WACHS and across the WA Health system.

We also note that the report findings concur with the findings of WACHS’s own audit which indicate that areas of non-compliance with policy are largely administrative.

WACHS has already taken steps to automate the gifts and travel notification and approval process and to improve administrative processes and controls.

This has been achieved through the development of customised electronic systems for both gifts and travel. Both systems include inbuilt controls that automate policy requirements and which address many of the areas of administrative non-compliance by:

- Requiring an applicant to provide certain supporting information in order for an application to progress
- Including inbuilt workflow that automatically assigns approval responsibilities to the relevant Tier officer based on the category and type of travel
- Generating reminder emails to approvers to support timely approvals

Note: the WACHS Travel system has been in development for some time, but has only recently been implemented such that it was not in place for the travel that was the subject of the inquiry.
WACHS broadly supports the recommendations, however, WACHS does not support the use of WA Health-wide systems for travel and gifts. WACHS has invested significant effort into the development, testing, implementation and training for staff in systems that have been customised for our needs and are working effectively.

Specifically, WACHS does not support the use of the existing State-wide Travel Management System (STMS) for WACHS because it does not meet WACHS’s needs. The inquiry highlighted that the data fields within the STMS are well beyond what is required to assess compliance, resulting in additional administrative burden and impacting organisational efficiency.

It is understood that there is no WA Health database for the management of gifts. WACHS intends to continue to use our customised Gifts Declaration System which has been in place since 2012, and will make it available for other Health Service Providers if this is seen to be of benefit.

With regard to the proposed public transparency of reporting of both travel and gifts, WACHS considers that if this recommendation is to be progressed, it should be an approach that is adopted more broadly across the WA Public Sector. It is noted that the 2016 report of the Integrity Coordinating Group on Best Practice approaches to Gifts, Benefits and Hospitality has not included a similar recommendation.

WACHS will continue to analyse the results of our audit, which are consistent with the findings of the Department’s inquiry, and implement improvements through further implementation of the new WACHS Travel system and expanded education programs for the reporting and administration of gifts and travel.

Yours sincerely,

Jeffrey Moffat
CHIEF EXECUTIVE

November 2017
From: Perrett, Emily
Sent: Tuesday, 21 November 2017 12:34 PM
To: Spekoni, Anglie
Cc: Toms, Robert; Dragan, Iosca
Subject: Comments regarding inquiry report into sponsored travel and gifts

Good afternoon Anglie,

RE: INVITATION TO COMMENT ON INQUIRY REPORT INTO SPONSORED TRAVEL AND GIFTS

In accordance with the Director General's letter to Mr Robert Toms, CEO HSS on 30 October 2017, I am writing to confirm that HSS supports the recommendations contained within the report.

Mr Toms has no further comments to add.

Should you have any questions or concerns, please don't hesitate to contact me.

Kind regards

Emily

Emily Perrett
A/ Director
Office of the Chief Executive
Health Support Services
Level 3, 13 St Georges Tce, PERTH, WA 6000
T: 08 6448 5222 M: 0407 817 987
E: Emily.Perrett@health.wa.gov.au

www.health.wa.gov.au
www.health.wa.gov.au

HSS' mission is to deliver high quality services to support the delivery of optimal patient care.
Dear Dr Russell-Weisz

QUADROPLEGIC CENTRE – RESPONSE TO INVITATION TO COMMENT ON INQUIRY REPORT INTO SPONSORED TRAVEL AND GIFTS

Thank you for your letter dated 31 October 2017 inviting comments from the Quadriplegic Centre on the draft report “Inquiry into sponsored travel and gifts across the WA health system”.

On behalf of the Quadriplegic Centre, the content of the report is noted and recommendations agreed for presenting to the Minister for Health for tabling in Parliament.

Yours sincerely

Wayne Salgo
ACTING CHIEF EXECUTIVE

17 November 2017
Annexure to the Report of Inquiry into Sponsored Travel and Gifts across the WA Health System

On 24 August 2017, Hon Roger Cook MLA, Deputy Premier; Minister for Health and Mental Health (the Minister) issued a direction to the Department of Health CEO (the Director General) to conduct an inquiry into processes regarding sponsored travel and gifts in the Department of Health (DoH) and the Health Service Providers (HSPs).

The Terms of Reference specified that the inquiry was to facilitate an assessment of compliance against the relevant WA Health Policy across the WA health system. Further to the Terms of Reference, the Minister requested details regarding the total financial benefits received.

Total Financial Benefits Received By Way of Sponsored Travel

Additional information was sought from HSPs regarding the total estimated amounts relating to approved sponsored travel events reported by them, along with relevant explanations as to the component of the total cost estimates.

The costs represented in the Staff Travel Management System (STMS) may, for some HSPs, be represented as total estimated costs provided by the sponsor and may include self-funded and operationally funded costs.

The estimated cost (which is recorded prior to approval and the travel event itself) is an established method of recording sponsored travel costs and, for some HSPs, it may be administratively prohibitive to isolate the actual sponsored amount as doing so would require obtaining details of the sponsor's expenditure after the event.

The DoH and the HSPs data relating to 4,233 approved sponsored travel events, for the financial years 2014/15 to 2016/17 inclusive, indicates an estimated travel value of $10,948,407. This figure is comprised of commercial and non-commercial sponsored travel events, as well as travel events funded through a combination of sources.

The data provided by each individual HSP is represented as an aggregated estimated value at Table 1 below.
<table>
<thead>
<tr>
<th>Entity</th>
<th>Total # Approved Sponsored Travel Events</th>
<th>Total Estimate Travel $ Value</th>
<th>FY 2014/15</th>
<th>Funding Components</th>
<th>FY 2015/16</th>
<th>Funding Components</th>
<th>FY 2016/17</th>
<th>Funding Components</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMHS</td>
<td>0</td>
<td>$0,00</td>
<td>0</td>
<td>$0,00</td>
<td>0</td>
<td>$0,00</td>
<td></td>
<td>Commercial - $272,302 Non-Commercial - $170,815 Operational/Non-commercial - $2,148 Self-Funded/Commercial - $14,503 Self-Funded/Non-Commercial - $3,945 Self-Funded/SPA/Non-Commercial - $2,500</td>
</tr>
<tr>
<td>HSS</td>
<td>0</td>
<td>$0,00</td>
<td>0</td>
<td>$0,00</td>
<td>0</td>
<td>$0,00</td>
<td></td>
<td>Commercial - $564,526 Non-Commercial - $566,693 Mixture - $323,266</td>
</tr>
<tr>
<td>WACHS2</td>
<td>72</td>
<td>$73,240</td>
<td>74</td>
<td>$31,200</td>
<td>66</td>
<td>$40,687</td>
<td>Travel events shown include funding components of a Commercial and Non-Commercial sponsorship nature and combinations of such sponsorship with Self-funded and/or Operational funding elements</td>
<td></td>
</tr>
<tr>
<td>DoH</td>
<td>120</td>
<td>$250,209</td>
<td>101</td>
<td>$211,081</td>
<td>104</td>
<td>$241,378</td>
<td>Commercial - $9,352 Non-Commercial - $91,090 Mixture - $140,935</td>
<td></td>
</tr>
</tbody>
</table>

(System Total) 1446 $3,482,257 1432 $3,579,231

(Figures have been rounded to the nearest whole dollar value)

1 SMHS hospitals are: Fiona Stanley Hospital, Rockingham, Fremantle and Murray District
2 Pre-EMHS hospitals are: Royal Perth, Armadale and Bentley
3 Total estimate $ travel value for WACHS: Costs were not available for all travel events. The values shown are a total of those occasions of travel where values were available in WACHS Travel (data-base)
Total Financial Benefits Received By Way of Sponsored Travel by Funding Source

The WA Health Staff Travel Policy (Mandatory Policy 0017/16) defines sponsored travel as travel costs offered to an employee of the WA health system by an organisation with:

- a commercial or financial relationship with any WA health entity (commercial sponsorship); or
- no commercial or financial relationship with any WA health entity, such as industry associations and other government entities (non-commercial sponsorship).

All HSPs except the WA Country Health Service (WACHS) provided a breakdown of the funding components relative to their reported sponsored travel events. This information was consolidated for all approved sponsored travel events across the WA health system for the period under inquiry and is represented in Table 2 below.

Table 2: Breakdown of approved sponsored travel events reported across the WA health system by funding source

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>2014/15</th>
<th>2015/16</th>
<th>2016/17</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsorship</td>
<td>$1,365,694</td>
<td>$1,692,916</td>
<td>$1,794,087</td>
<td>$4,852,697</td>
</tr>
<tr>
<td></td>
<td>(39.22%)</td>
<td>(46.01%)</td>
<td>(47.38%)</td>
<td>(44.32%)</td>
</tr>
<tr>
<td>Non-Commercial</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsorship</td>
<td>$1,324,321</td>
<td>$1,201,717</td>
<td>$1,304,912</td>
<td>$3,830,950</td>
</tr>
<tr>
<td></td>
<td>(38.03%)</td>
<td>(32.66%)</td>
<td>(34.46%)</td>
<td>(34.99%)</td>
</tr>
<tr>
<td>Mixture</td>
<td>$719,002</td>
<td>$703,428</td>
<td>$647,203</td>
<td>$2,069,633</td>
</tr>
<tr>
<td></td>
<td>(20.65%)</td>
<td>(19.12%)</td>
<td>(17.09%)</td>
<td>(18.91%)</td>
</tr>
<tr>
<td>WACHS (funding breakdown not provided)</td>
<td>$73,240</td>
<td>$81,200</td>
<td>$40,687</td>
<td>$195,127</td>
</tr>
<tr>
<td></td>
<td>(2.1%)</td>
<td>(2.21%)</td>
<td>(1.07%)</td>
<td>(1.78%)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$3,482,257</td>
<td>$3,679,261</td>
<td>$3,786,889</td>
<td>$10,948,407</td>
</tr>
</tbody>
</table>

Approximately 79.31% of all approved sponsored travel events across the WA health system for the period under inquiry were solely funded through commercial or non-commercial sponsorship, with 18.91% funded through a combination of sponsorship and funding from other sources.

The estimated value of sponsored travel events across the WA health system has been consistent across the three financial years under inquiry.

Signed
Dr DJ Russell-Weisz
DIRECTOR GENERAL
DEPARTMENT OF HEALTH

January 2018

<sup>4</sup> Includes a combination of commercial and non-commercial sponsorship, and funding from other sources including self-funding, operational funding and Special Purpose Account (SPA) funding.