

January 2020

# Initial Government Response to the ICAC report on SA Health Governance *‘Troubling Ambiguity’*



Government  
of South Australia

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# Introduction

## Background to the Report

On 16 October 2019, the Independent Commissioner Against Corruption (ICAC) made public comment about his concerns regarding his ability to detect and investigate corruption, maladministration and other practices within the Department for Health and Wellbeing (the Department), the Local Health Networks (LHNs) and the broader portfolio.

On 24 October 2019, the Commissioner wrote to the Chief Executive of the Department and provided some broad areas of concern, which included:

- The employment of Medical Officers and whether there are systems in place to ensure such employees are properly accountable for their time (and that the Department is actually receiving the services it is paying for under contracts of employment).
- Arrangements relating to regulation and administration of Rights of Private Practice, and what cost deficiencies those arrangements might impose on the public health system.
- Conflicts of interest held by employees of the Department, in particular those who have the ability to make decisions about allocation of public resources, including conflicts of interest in procurement and those arising in research activities.
- Whether there is sufficient record keeping in place in the Department and LHNs and whether significant decisions or instructions are appropriately documented and an accountable evidence trail created.
- The management of clinicians.
- Cultural issues.

In his letter, the ICAC foreshadowed he would be issuing a report (the Report) which would provide more detail about his concerns.

## The Report

On 29 November 2019, the ICAC handed down the Report to the Government of South Australia.

The Report was tabled in Parliament on 3 December 2019, the next sitting day.

The ICAC concluded in the Report that “...the governance and administrative arrangements in SA Health are ripe for exploitation by corrupt employees”<sup>[1]</sup> and that existing governance and probity arrangements appear to be insufficient and vague.

The Report focuses on the following areas:

- Cultural Issues
- Records Management
- Time and Attendance
- Rights of Private Practice
- Conflicts of Interest
- Clinical Trials and Research
- Special Purpose Funds
- Procurement

The Report does not make any findings or provide any recommendations. Importantly, the Commissioner notes that *‘Nothing in this report should be taken to suggest that the level of clinical care is not of the highest standard.’*<sup>[2]</sup> It does, however, highlight a number of areas which may well constitute or contribute to the risks of corruption, misconduct and maladministration.

Whilst the Report notes that the ICAC has seen recent improvements in some areas of administration of public health services, the ICAC indicated this has not been enough<sup>[3]</sup>.

Some of the improvements noted by the ICAC are highlighted in this response. These initiatives demonstrate the portfolio’s commitment to address these issues, the impact of the strategies and the foundation they provide for ongoing action.

Current and proposed strategies have been designed to improve the overall governance of the public health system and as a consequence, work towards meeting community expectations.

Alongside other initiatives, the work underway is starting to have an impact by providing a greater degree of oversight, leading towards a better culture of accountability within SA Health.

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# Context

The State Government has appointed a Taskforce to further address matters raised by the Commissioner.

The State Government will continue to support and analyse a range of reforms already in progress to address maladministration in the health portfolio, which had origins well before the current government came to office.<sup>[4]</sup>

These include:

## Initiatives in the Local Health Networks

The State Government has invested tens of millions of dollars to address maladministration within the LHNs.

KordaMentha, a leading national business advisory firm, was engaged to develop a Financial and Organisational Recovery Plan within the Central Adelaide LHN, after a diagnostic report completed in September 2018 found up to \$100 million had been spent on procurement without proper controls.

The development and implementation of the plan involved an innovative partnership between KordaMentha, CALHN executive and the LHN Governing Board.

Rather than dump-and-run consultancies, the range of stakeholders worked together in an ongoing partnership to deliver change.

As at 30 June 2019, KordaMentha had recovered \$57 million of taxpayer money in reduced overspend at CALHN, well ahead of the \$41 million set as a KPI.

At a smaller scale, similar initiatives are being undertaken in other LHNs, such as PricewaterhouseCoopers within the Southern Adelaide LHN, and KPMG within both the Northern Adelaide LHN and Women's and Children's LHN.

## Governance Reform

The centralisation of the governance of health services over the last decade has significantly impaired effective control, undermined compliance, and increased the risk of corruption, maladministration and misconduct.

To create localised management, the State Government has established 10 Local Health Networks (LHNs), each with its own Governing Board, which commenced operation on 1 July 2019.

The devolution has transferred governance to the Boards and management to the frontline, so local decisions can be made locally, rather than attempting to observe and control finances and administration from an office building in the CBD.

Each Board consists of members with expertise beyond the health system who provide independent oversight of the LHN. The Boards are supported by Audit and Risk Committees and have a strong focus on culture and compliance.

Governance reform will lead to reform of policy development and enforcement. Before devolution, the Department applied generalised policies on LHNs which often failed to take into account specific, local issues, and presented challenges in consistency of implementation and application given the size and diversity of the health system.

Under the governance reforms and working with LHN Boards, the Department is repositioning the policy framework to allow the Boards and local management teams to develop procedures which both reflect consistency with the policy framework while allowing flexibility to adapt to the local environment and context.

## Initiatives addressing the ICAC Themes

SA Health has been actively addressing issues related to the range of issues highlighted in the Report. These include:

### 1. Cultural Issues

- Cultural reform and recovery is at the heart of the work being undertaken by KordaMentha within the Central Adelaide LHN, which is by far the largest LHN, employing around 30% of all SA Health staff. As part of a range of strategies, a major restructure of the management of the Central Adelaide LHN has enabled more effective clinical and business management and decision making on the frontline.
- Following the restructure completed in October 2019, a series of leadership sessions, with input from KordaMentha, provided the newly established leadership team with the tools, knowledge and relationships to run their programs in alignment with the objectives of the recovery strategy.
- The new CALHN management structure implemented in October 2019 reduces the span of control for clinical and operational leaders to manageable levels, providing leaders allocated specific time to lead, manage and develop their teams. Importantly, it includes unit specific budget and FTE allocations so leaders are clear, and in turn are accountable for their clinical, operational and financial outcomes, while clarifying paths of escalation for clinical, operational and financial issues.
- Since the *'I Work for SA Your Voice'* Survey in November 2018, a number of whole-of-Government and local action plans have been developed and implemented to address issues identified by the survey. These focused on leadership effectiveness, career and working conditions, diversity and inclusion, employee wellbeing, enabling performance and continuous improvement. Many of these address the cultural issues raised in the Report.
- In February 2019, the portfolio briefed a parliamentary committee on a range of measures it is taking to deal with bullying, harassment and fatigue<sup>[5]</sup>.
- A number of Statewide Clinical Networks have been established to improve clinical engagement and accountability to maximise the public benefit in the coordination of services across the State.

- In mid-2019, SA Health introduced an independently-operated reporting hotline which is accessible to the whole public health system for any member of staff to report behaviour of concern. To date, more than 50 reports have been received and assessed across SA Health, in addition to about 200 reports received and assessed by the Central Adelaide LHN, where the same service has been running since the appointment of KordaMentha.
- The new *Public Interest Disclosure Act 2018* supports public officers<sup>[6]</sup> to make protected disclosures to a relevant authority. Since the Act commenced on 1 July 2019, more than 30 staff members have received training from the ICAC to be Responsible Officers. Other members of staff, defined as a relevant authority, are progressively being coached and trained by the appointed Responsible Officers.
- On an ongoing basis, staff are reminded of their mandatory reporting obligations under the *Independent Commissioner Against Corruption Act 2012*.
- These initiatives together have strengthened the reporting culture in SA Health and contributed to a steady increase in reports as the workforce becomes more aware of pathways for complaints, leading to greater accountability and transparency within the portfolio.

## **2. Records Management**

- Following the independent review of the EPAS program, the upgrade and implementation of the electronic medical records system (Sunrise Electronic Medical Record) at the Mount Gambier and Districts Hospital is complete, and in the final stages of implementation at the Royal Adelaide Hospital (stage 4 remaining).
- Over the past two years, Objective, an accredited Electronic Document and Records Management System, has been introduced and is now used by about 2,500 staff in the Department and the LHNs. The roll out of Objective included training to improve organisational understanding of record management requirements. It provides improved mechanisms to monitor and track the making of significant decisions.

## **3. Time and Attendance**

- 18 different payroll systems were consolidated into one single system during 2018.
- Pro-Act, a rostering system which is well-established and used in the majority of nursing groups, is being extended to other clinical areas. To date, close to an additional 2,000 staff have transitioned to the new rostering system.
- With input from KordaMentha, a new Pro-Act dashboard was implemented in CALHN in November 2019 which enables real-time monitoring of nursing utilisation against rostering. Together with the rollout of electronic timesheets during 2019, and work with the medical workforce such as private practice audits, this has given management more transparency over workforce use.

#### **4. Rights of Private Practice**

- In the 2018/19 State Budget, the Government announced it would pursue and implement system wide reforms and efficiencies to ensure the long-term sustainability of health services. The Government committed to reform South Australia's Rights of Private Practice (RoPP) arrangements with the aim of bringing the contribution to the public health system closer to the level of costs recovered in other jurisdictions.

#### **5. Conflict of Interest**

- The Southern Adelaide LHN (SALHN) has implemented a "Statement of Interest" process, increasing the number of declarations from about 50 in 2016 to more than 2,500 in 2019. This has improved SALHN's ability to identify and manage conflicts of interest more effectively. A process based on this initiative is to be rolled out across the public health system.

#### **6. Clinical Trials and Research**

- In July 2018, the Birch Review made 17 recommendations to improve research governance in the Department and the LHNs. One of the terms of reference of the Review was to investigate whether oversight was sufficient to identify instances of researcher misconduct.
- The review found there is currently no statewide approach to clinical research and noted key issues such as delays in approval processes, management of grant finances, and lack of ongoing support for research activities in some areas.
- In response to the Birch report, the SA Clinical Research Governance Steering Committee was established in September 2019, chaired by the SA Chief Scientist, Professor Caroline McMillen. The Committee is overseen by Health Translation SA, reports directly to the Minister for Health and Wellbeing, and drives the implementation of the recommendations.<sup>[7]</sup>

#### **7. Special Purpose Funds**

- An extensive review of all Special Purpose Funds (SPFs) was conducted by the Department in 2014. Funds were assessed against certain criteria and where they did not meet them they were closed. The criteria considered whether the fund showed any activity in a 12-month period, whether the fund was supported by a current terms of reference aligned to its original purpose, and the balance of the fund at the time.

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**AS A RESULT OF THIS PROCESS,  
THE NUMBER OF SPECIAL  
PURPOSE FUNDS (SPFS) WAS  
REDUCED FROM ABOUT 2,000 IN  
2014 TO ABOUT 500 CURRENTLY.**

## 8. Procurement

- KordaMentha has been actively introducing more rigour in the procurement processes across the Central Adelaide LHN.
  - All purchases in excess of \$5,000 are required to be approved by KordaMentha and the CEO of the LHN.
- All supplies and services must be procured against a purchase order and, where appropriate, use the SA Health procurement catalogue which is supported by robust contracts and associated terms and conditions.
- These initiatives have resulted in:
  - More than 1,500 Purchase Orders being reviewed (valued at \$37 million).
  - More than 1,000 Invoices being reviewed (valued at \$62 million).
  - 12 expenditure requests and contracts reviewed (valued at \$11 million).
- The Administrators also issued correspondence to 3,200 of CALHN's suppliers notifying them of the appointment and that they were required to have SA Health official Purchase Orders to ensure payment.

## Industrial Landscape

SA Health operates in a complex industrial environment.

SA Health and its employees are variously subject to the *Health Care Act 2008* (HC Act), the *Public Sector Act 2009* (PS Act), the *Fair Work Act 1994*, one of eight registered Enterprise Agreements and a similar number of Awards, numerous unregistered agreements, policy level documents and historical arrangements often referred to as custom and practice.

SA Health staff employed within Local Health Networks are appointed under the HC Act and continue to be subject to certain provisions of the PS Act, but not all such provisions. Given that Determinations of the Commissioner for Public Sector Employment are not applicable to public sector employees such as Doctors and Nurses, the content and intent of such Determinations have to be re-drafted in the form of organisational policies and adapted where required so that they meet the requirements of the SA Health workforce, while maintaining consistency throughout the public sector so far as practicable. This adds another layer of complexity as the parties navigate through the provisions and consultation obligations.

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**THE TASKFORCE WILL DRAW  
ON THE INDUSTRIAL RELATIONS  
EXPERTISE OF THE DEPARTMENT  
OF TREASURY AND FINANCE TO  
ADDRESS THESE COMPLEXITIES.**



## The Government's Response

The Government of South Australia accepts the Report and the observations and risks raised by the ICAC.

The Government agrees that the issues within SA Health highlighted by the ICAC significantly undermine the capacity of the portfolio to deliver the health services South Australians need and to do so in a cost-effective way.

The Government accepts its responsibility to address these longstanding issues.

The Government welcomes the Report as an opportunity to take stock.

To this end, the State Government established a Cross-Agency Implementation Taskforce (the Taskforce):

- To operate at arm's length from the Department of Health and Wellbeing (DHW) and to independently and critically review the adequacy and implementation of the planned program of work that SA Health will develop and action to address the concerns raised by ICAC.

The Taskforce consists of the following members:

- Mr Jim McDowell, the Chief Executive of the Department of Premier and Cabinet (Chair)
- Ms Erma Ranieri, Commissioner for Public Sector Employment
- Mr David Reynolds, the Chief Executive of the Department of Treasury and Finance
- Dr Christopher McGowan, the Chief Executive of the Department for Health and Wellbeing
- Ms Lesley Dwyer, the Chief Executive of the Central Adelaide LHN.

The terms of reference of the Taskforce will be to:

1. Oversee the development of a detailed Action Plan to progress the next steps. This Action Plan will cover actions to be undertaken at a SA Government, Department and Local Health Network (LHN) level. The actions will be identifiable, practical and measurable.
2. Oversee the development of an Implementation Schedule to facilitate the monitoring of the Action Plan.
3. Oversee the overall change management of the program of work to be undertaken, ensuring appropriate consultation with key stakeholders, including clinicians and unions.
4. Provide advice to Government on actions that will require a longer-term strategy.

## **Collaborations of the Cross-Agency Taskforce**

Reform will be delivered in collaboration with key stakeholders.

Engagement of the following stakeholders has been identified as key to the success of this program of work:

- Clinician engagement, particularly Medical Officers
- Employee representative organisations and professional associations
- The Boards of the LHNs
- The Executive teams of the LHNs
- The Independent Commissioner Against Corruption

The Taskforce has identified three distinct work streams in its program:

1. Industrial reform, which will consider the industrial arrangements with Medical Officers, including Rights of Private Practice
2. Cultural reform, which in collaboration with the Office for the Commissioner of Public Sector Employment will lead a number of strategies to address the cultural issues raised by the ICAC
3. Practice reform, which will focus on the review and update of existing departmental policies, procedures and work practices as detailed by the ICAC.

## **Role of the Department for Health and Wellbeing**

To progress reform across these work streams, the Taskforce proposes that the Department:

- Develop a contemporary, fit for purpose Policy Framework.
- Design and implement a policy framework which establishes the principles of good governance, but allows flexibility in terms of local implementation.
- Lead a comprehensive review of its policies, particularly those that have relevance to the risks raised by the ICAC. This process will be managed by a Policy Working Group which draws on central government agencies and engages the LHNs.
- Design and implement a Compliance Framework to contribute to ensuring consistency in the implementation of legislative, policy and other requirements.

## **Role of the Local Health Network Governing Boards**

The Boards of the Local Health Networks are alert to the issues raised by the ICAC.

Work is already underway in LHNs to address these issues, and LHN action plans will be developed. These plans will continue to evolve and will be informed by previous and new audit and review activities, overseen by the Audit and Risk Committees of the Boards.

Local Health Networks will also be required to implement whole of system policy directives and support local staff through training and education programs.

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# Work Streams

## Work stream 1: Industrial Reform

In the Report, the ICAC expresses the view<sup>[8]</sup> that SA Health has not:

- ➔ Sufficiently considered and identified the intended objectives and outcomes of Rights of Private Practice (RoPP)
- ➔ Analysed the financial consequences of the RoPP arrangements and determined the kind of financial impact that is acceptable
- ➔ Analysed the impact that the RoPP arrangements might have on service delivery to public patients.

The Report also states that a policy or direction providing guidance on RoPP and the associated administration thereof, does not exist.

In the 2018/19 State Budget, the Government announced that it would reform South Australia's RoPP arrangements with the aim of bringing the contribution to the public health system closer to the level of costs recovered in other jurisdictions.

The Government has met with the South Australian Salaried Medical Officers Association and both parties have agreed to work together on the complex issue of RoPP.

### Actions to be taken

The Industrial Reform work stream, overseen by the Taskforce, will:

- ➔ Work with employee associations to achieve immediate improvements in:
  - Time and attendance policies and practices;
  - Conflicts of interest declaration policy and practices, including as to how this interrelates with outside employment arrangements; and
  - Other matters that relate to increasing accountability and transparency of our workforce, including job planning.
- ➔ Work with the South Australian Salaried Medical Officers Association (SASMOA) and clinicians to reframe and reform current RoPP arrangements by:
  - Reviewing existing arrangements;
  - Considering best practice arrangements nationally from a public interest perspective; and
  - If necessary, commissioning a formal review of RoPP arrangements.

This work will be managed with the goal of it being completed by 1 July 2020 so it can inform the forthcoming renegotiation of the SA Health Salaried Medical Officers Enterprise Agreement.

- ➔ Develop the agenda for the forthcoming renegotiation of the SA Health Salaried Medical Officers Enterprise Agreement with a view to ensuring that we are operating a best practice model which gives primacy to the public interest.

## **Work stream 2: Cultural Reform**

The ICAC has observed cultural issues, including harassment and bullying, within SA Health that raise the risk of misconduct and maladministration.<sup>[9]</sup> Citing results from the 2018 Public Integrity Survey, the ICAC noted SA Health employees:

- experienced more instances of corruption and felt more vulnerable to corruption than other public sector respondents
- felt less willing or confident in reporting corruption and inappropriate conduct and were less confident in SA Health's ability to manage and deal with corruption risks.<sup>[10]</sup>

The Report also raised concerns about relationships and trust within SA Health, and decision making failing to have sufficient or in some cases any regard to the public interest. In particular, the ICAC highlighted the power imbalance between Medical Officers and supporting administration officers.

Many of the cultural issues raised in the Report - harassment and bullying, conflicts of interest, misuse of government/public resources, and failure to report unethical behaviour – are inconsistent with the Public Sector Code of Ethics. Any public sector employee, including in SA Health, who is found to have contravened the Public Sector Code of Ethics may be liable to disciplinary action.

As discussed earlier, SA Health is already undertaking action to drive cultural reform. Many of these initiatives are informed by the across-government Action Plan responding to workplace issues identified in the 2018 I Work for SA – Your Voice Survey. This employee survey was conducted by the Commissioner for Public Sector Employment, and received over 24,000 responses from across the public sector, including SA Health.<sup>[11]</sup>

### **Actions to be taken**

The Cultural Reform work stream, overseen by the Taskforce, will identify and seek to replicate best practice initiatives in the LHNs and beyond.

In particular, this work stream will build on the work already done in CALHN by KordaMentha, management and the new board to address cultural problems by:

### *Cultural Change*

- Developing a Cultural Evolution Plan, which will clearly articulate how SA Health will build a safe, inclusive and ethical culture, focusing initially on safe reporting, whole of health/public interest decision making and ethical behaviour.
- Developing a Workplace Bullying Policy and supporting material.
- Implementing audit or assessment of strategies to test their effectiveness.

### *Employee wellbeing*

- Implementing the Mentally Healthy Workplaces Framework to create workplaces where mental health is fostered, mental illness is supported and harassment and bullying are absent.
- Overseeing an increase in the number of employees across all sites with formal mental health first aid training to assist colleagues experiencing stress and/or negative workplace behaviours.
- Providing the Taskforce with an analysis of the I Work for SA – Your Voice Survey data for DHW and the LHNs on the prevalence and nature of harassment and bullying.
- Raising awareness and capability to recognise and respond to harassment and bullying.

### *Training*

- Developing and implementing mandatory employee training on ethical conduct and decision-making, based on the Public Sector Code of Ethics and including examples relevant to the portfolio.
- Developing and implementing an induction program for Business Managers to equip them with the requisite skills to support Medical Officers and governance requirements.
- Providing advice on the leadership and management development interventions to be run consistently across the LHNs, including: Code of Conduct, mandated training, inclusive leadership, manager essentials and specific training on the application of core policies and procedures and their obligations in ensuring adherence to these.

### *Reporting and investigating misconduct*

- Providing the Taskforce with a report on the Stopline implementation and the nature of the reports to inform additional corrective actions.
- Clarifying and confirming the pathways by which staff can report inappropriate conduct.
- Exploring new structures and processes that would contribute to a more consistent approach to undertaking misconduct investigations.

### *Job and person specifications*

- Overseeing the update of Job and Person specifications for all medical workgroups.

## **Work stream 3: Practice Reform**

### **3.1. Records Management**

The Report states all significant decisions made by a public authority should be recorded so they can be seen to have been in the public interest. During a number of investigations, the ICAC could not access evidence of such decisions.

To date, the Department has implemented a contemporary records management system, with the same system implemented throughout the SA Ambulance Service. However, the use of the system is more limited across the LHNs.

#### **Actions to be taken**

The Practice Reform work stream, overseen by the Taskforce, will:

##### *Policies and practices:*

- ➔ Undertake a comprehensive review of the Corporate Records Management Policy to address the risks raised in the Report.
- ➔ Update the Information Classification Policy which clarifies the classification of records, including requirements around storage and the need for its availability.

##### *Systems:*

In addition to updating the policy framework, further investigation is required to find an appropriate solution for the LHNs that would improve the LHNs ability to locate and produce documentation to demonstrate key decisions. The actions include:

- ➔ Undertake a current state assessment across all of the LHNs as to the use of a contemporary records management system.
- ➔ Identify fit for purpose options for the LHNs and, subject to available funding, implement new systems.

### **3.2. Time and Attendance**

The Report raises concerns about the manner in which Medical Officers complete their timesheets, and the lack of robustness of the associated approval processes. It also identifies inconsistencies between the relevant industrial agreements and practices that have evolved over time, in particular in relation to recall claims and call-back allowances.

### **Actions to be taken**

The Practice Reform work stream, overseen by the Taskforce, will:

#### *Policies and procedures:*

- Implement a policy covering the areas of time, attendance, and leave management that would afford sufficient flexibility to the LHNs to implement their own local procedures and practices to manage the associated risk and provide the necessary clarity. This will call for greater clarity and transparency around time recording.
- Develop a policy which requires the establishment of job plans for Medical Officers.
- Implement appropriate job plans for Medical Officers.

#### *Systems:*

- Continue to extend the scope and use of the Pro-Act rostering system to all clinical workgroups including Medical Officers.
- Introduce a contemporary timekeeping system for Medical Officers. This would include consideration of RoPP and the associated agreements
- Continue the design and implementation of a new system to manage the professional development entitlements for Medical Officers.

### **3.3. Rights of Private Practice**

#### **Actions to be taken**

The Practice Reform work stream, overseen by the Taskforce, will draw on the outcome of the Industrial Reform work stream in relation to RoPP, to develop a contemporary RoPP agreement policy and related templates.

### **3.4. Conflict of Interest**

The Report noted that there was a lack of consistency across SA Health in how conflicts of interest were being managed.

#### **Actions to be taken**

The Practice Reform work stream, overseen by the Taskforce, will:

- Review and update the existing Conflict of Interest Policy to provide greater clarity about what is required, which should specifically clarify the difference between Public and Private interests.
- Identify best practice, including the work in SALHN, in improving the identification and recording of conflicts of interest with a view to leveraging the adoption and application at a local level.

### 3.5. Clinical Trials and Research

The ICAC raised concerns about the appropriateness of Clinical Trial Research Agreements and the management of the associated funding.

In response to the issues previously raised by the ICAC, the Department undertook a number of audits across the metropolitan LHNs and identified some further areas for improvement.

#### Actions to be taken

The Practice Reform work stream, overseen by the Taskforce, will collaborate with the SA Clinical Research Governance Steering Committee in the following tasks:

##### *Policies and procedures:*

- ➔ Review and update the existing Research Governance Policy and associated guidance on financial management for particularly clinical trials in light of the concerns raised. This should further consider the recommendations from the Birch Review, conducted in 2018.
- ➔ Review and address (where not completed) previous recommendations made through audits or determine the need for a follow-up audit.
- ➔ Implement the changes proposed from the policy review including the requisite training and education.

##### *Systems:*

- ➔ Monitor the implementation of a Research Governance System.

### 3.6. Special Purpose Funds

The Report raised concerns around the clarity of the existing Special Purpose Funds policy.

#### Actions to be taken

The Practice Reform work stream, overseen by the Taskforce, will:

- ➔ Strengthen and upgrade the existing Special Purpose Funds Policy in light of the concerns raised.
- ➔ Address previous (where not completed) recommendations made through audits or determine the need for a follow-up audit.
- ➔ Implement the changes proposed from the policy review including the requisite training and education.



### 3.7. Procurement

The Report highlighted a number of concerns about compliance with the existing procurement policies and processes.

In recognition of the concerns previously raised, and audits undertaken by the Auditor-General and the Department, the Department established a quality assurance and compliance programme through which it undertakes compliance audits of those procurements managed independent from the central Procurement and Supply Chain team.

#### Actions to be taken

The Practice Reform work stream, overseen by the Taskforce, will:

##### *Policies and procedures:*

- ➔ Review and update the existing Procurement Policy Framework in light of the concerns raised, particularly around conflicts of interest and achieving Value for Money.
- ➔ Implement any changes proposed from the policy review including the requisite training and education.

##### *Systems:*

- ➔ Establish a new Procurement and Contract Management System.

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<sup>[1]</sup> Page 60, "Troubling Ambiguity: Governance in SA Health": A Report by the Hon Bruce Lander QC, Independent Commissioner Against Corruption".

<sup>[2]</sup> Page 60, "Troubling Ambiguity: Governance in SA Health": A Report by the Hon Bruce Lander QC, Independent Commissioner Against Corruption".

<sup>[3]</sup> Page 9, "Troubling Ambiguity: Governance in SA Health": A Report by the Hon Bruce Lander QC, Independent Commissioner Against Corruption".

<sup>[4]</sup> Page 9, "Troubling Ambiguity: Governance in SA Health". A Report by the Hon Bruce Lander QC, Independent Commissioner Against Corruption". The Commissioner states: 'I have become frustrated with the administration of public health services in South Australia. My frustration will come as no surprise to successive Chief Executives (CE) of SA Health and other senior officers, with whom I have been in regular communication.'

<sup>[5]</sup> SA Health Submission to the Parliamentary Committee on Occupational Safety, Rehabilitation and Compensation Inquiry Into Workplace Fatigue and Bullying in South Australian Hospitals and Health Services (February 2019).

<sup>[6]</sup> As defined in the Independent Commissioner Against Corruption Act 2012.

<sup>[7]</sup> <https://healthtranslationsa.org.au/our-work/platforms/clinical-research-governance/>

<sup>[8]</sup> Page 35, "Troubling Ambiguity: Governance in SA Health": A Report by the Hon Bruce Lander QC, Independent Commissioner Against Corruption".

<sup>[9]</sup> Independent Commissioner Against Corruption, *Troubling Ambiguity: Governance in SA Health* (Adelaide: ICAC, 2019), p. 8.

<sup>[10]</sup> ICAC, *Troubling Ambiguity*, p. 15.

<sup>[11]</sup> Office of the Commissioner for Public Sector Employment, "I Work for SA: Your Voice Survey", accessed 17 December 2019, <https://publicsector.sa.gov.au/about/office-for-the-public-sector/iworkfora-yourvoicesurvey/>

