



**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	10 February 2026
TEITL YR ADRODDIAD: TITLE OF REPORT:	Counter Fraud Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Executive Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Ben Rees, Head of Counter Fraud

**Pwrpas yr Adroddiad (dewiswch fel yn addas)
Purpose of the Report (select as appropriate)**

Er Gwybodaeth/For Information

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

This report provides to the Audit and Risk Assurance Committee an update on the Counter Fraud work completed within Hywel Dda University Health Board (HDdUHB). This ensures compliance with the Welsh Government Directives for Countering Fraud in the NHS and the NHS Counter Fraud Authority Requirements of the Government Functional Standard GovS 013: Counter Fraud.

The report will present a breakdown as to how resource has been used within Counter Fraud, alongside an overview of key work areas completed against the 4 NHS Counter Fraud Authority standard areas.

Cefndir / Background

Main Report:
To evidence the provision of services within a sound governance framework.

Asesiad / Assessment

Main Report:
The Health Board is compliant with the Welsh Government Directives.

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is invited to receive for information the Counter Fraud Update Report and appended items.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.2 In particular, the Committee will review the adequacy of: 3.2.4 the policies and procedures for all work related to fraud and corruption as set out in National Assembly for Wales Directions and as required by the Counter Fraud and Security Management Service.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable.
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	3. Effective 4. Efficient
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	4. Learning, improvement and research
Amcanion Strategol y BIP: UHB Strategic Objectives:	1. Striving teams
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Counter Fraud Workplan 2025/26
Rhestr Termiau: Glossary of Terms:	LCFS – Local Counter Fraud Specialist/s CF – Counter Fraud CFS Wales – Counter Fraud Services Wales NHS CFA – NHS Counter Fraud Authority NWSSP – NHS Wales Shared Services Partnership LPE – Local Proactive Exercise FRA – Fraud Risk Assessment
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Not applicable.

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Not applicable.
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable.
Gweithlu: Workforce:	Not applicable.
Risg: Risk:	Not applicable.
Cyfreithiol: Legal:	Not applicable.
Enw Da: Reputational:	Not applicable.
Gyfrinachedd: Privacy:	Not applicable.
Cydraddoldeb: Equality:	Not applicable.



HYWEL DDA UNIVERSITY HEALTH BOARD

COUNTER FRAUD UPDATE

For Presentation 10 February 2026

The Counter Fraud workplan has been split into four generic areas for ease of activity reporting:

- Strategic Governance
- Inform and Involve
- Prevent and Deter
- Hold to Account

AREA OF ACTIVITY	2025/26 Resource (days)	Resource Used as at 31/01/2026	Resource Used (%) as at 31/01/2026)
STRATEGIC GOVERNANCE	40	30 days	75%
INFORM AND INVOLVE	85	68 days	80%
PREVENT AND DETER	130	103 days	80%
HOLD TO ACCOUNT	185	137 days	75%
TOTAL	440	338 days	77%

Work Area	<i>Summary of work areas completed</i>
Inform and involve	<ul style="list-style-type: none"> • All new inductees are required to complete the Health Board’s induction programme and the Counter Fraud mandatory training e-learning package. • Counter Fraud content was delivered to Nurses by way of presentations on the Medicines Management programme, with an additional 3 sessions / presentations being undertaken in the week prior to Christmas. These additional sessions were aimed at both new starters and Healthcare Support Workers. • In order to raise awareness of the pitfalls of working whilst sick, and NHS fraud in general, a New Year’s Counter Fraud message was circulated to staff via 4 separate channels, reaching over 1700 staff members. A link to the article can be found here: New Years Message from Counter Fraud • A further 4 Viva engage posts were circulated, highlighting emerging fraud trends. More than 3900 employees viewed these posts. • Counter Fraud currently sit on the quarterly HDdUHB Local Intelligence Network (LIN), at which advice is provided on current fraud trends associated with Controlled Drugs. Where applicable, relevant advice, including raising awareness of Fraud in the NHS, is provided.
Prevent and deter	<ul style="list-style-type: none"> • In line with the annual plan, a Procurement-based Local Proactive Exercise (LPE) has been completed, which looked at a sample of Standing Financial Instructions breaches. A LPE report has been appended to the In-Committee Counter Fraud report. • Work on a second LPE linked to IR35 compliance associated with Nurse bank agency workers has commenced and is expected to be completed in Quarter 4. • In response to a committee request into the reporting and monitoring of Fraud risks and recommendations, the Counter Fraud team have met with the Assurance and Risk team and the following actions agreed:

- A Counter Fraud / Assurance and Risk teams' channel has been created, on which all Counter Fraud identified risks and recommendations will be monitored via a live MS Excel document, titled 'Fraud Risk and Recommendations report.' The Head of Counter fraud will ensure that the document is kept up to date with all new material, including risk reports generated throughout the year. In addition, all recommendations and actions undertaken to mitigate the risk will be recorded, noting who has done what and when, with assistance from the Risk and Assurance team being provided when required.

This new process will allow for better monitoring of progress against each risk, outcomes and where applicable, the frequency of risk reviews. A summary of this document will be presented to the In-Committee session throughout the year.
- To assist in the administration of recording and allocating the identified risks to risk owners, Counter Fraud will be exploring the use of AMAT, an incident management system, to track the progress of recommendations made. This process is to commence in full at the beginning of Quarter 1 2026/27; however, Counter Fraud will be testing the system / process in February and March 2026, with a view to assessing the system's effectiveness in managing the administration of Fraud Risk identification Reports.
- In order to migrate all previously identified and reported risks into this new process, Counter Fraud have reviewed all previously recorded matters and migrated each one into the 'Fraud Risk and Recommendations report.' All risks will now go through the new review process as part of the 2026/27 workplan. A summary of the previously identified and reported risks has been appended to the In-Committee report.
- Counter Fraud have developed a Fraud Risk Strategy, which outlines our mission and approach to identifying, assessing, mitigating, and reporting of fraud risks, a copy of this has been appended to this report, Appendix 1 refers.
- The Public Sector Fraud Authority (PSFA) – part of the UK Government's Cabinet Office and HM Treasury – oversees the National Fraud Initiative (NFI) across the UK. Audit Wales leads the exercise in Wales under the

Auditor General's powers in the Public Audit (Wales) Act 2004. The Auditor General's Code of Data Matching Practice summarises the key legislation, and controls, governing the exercise in Wales. The Auditor General has mandated that unitary local authorities, NHS bodies, police forces, and fire and rescue authorities participate in the NFI. NFI helps prevent and detect fraud by sharing and matching sets of data electronically. Further information on the initiative can be found here, [National Fraud Initiative | Audit Wales](#).

Final data sets were released in January 2025. Work on the initiative is now nearing completion, with only one match remaining open, due to ongoing enquiries.

To date, the exercise has assisted in the recovery of approximately £33,000. Enquiries associated with the work are nearing completion, with only one report remaining open; a breakdown of each exercise and a summary of activity undertaken has been provided below:

Match Type	Purpose of the match	Total Matches	Opened	Reviewed and closed	Remaining	Remarks
Payroll to Payroll	To identify individuals who may be committing employment fraud by failing to work their contracted hours because they are employed elsewhere or are taking long-term sickness absence from one employer and working for another employer at the same time. The criteria for a match are a person having one full-time post plus at least one other post elsewhere.	86	86	85	1	1 enquiry remains open. This matter is linked to an ongoing investigation into an offence of Fraud by False Representation. NWSSP is leading on the case as the subject concerned is a substantive employee of theirs.
Payroll to Pension	To identify cases where employees who have gone back into employment after drawing a pension that could result in an abatement of pension.	110	110	110	0	Enquiries undertaken include working with NWSSP Pensions to ensure each entry is valid and compliant.

							No issues have been identified, and all matches are now closed.
	Payroll to Creditors	The match identifies instances where an employee and creditor are linked by the same bank account or the same address to identify employees with interests in companies with which your organisation is trading. This may indicate potential undeclared interests and possible procurement corruption or where a member of staff has set up a creditor with their own bank details in order to receive payments they are not entitled to.	24	24	24	0	All matches are now complete, resulting in no concerns being identified.
	Payroll to companies' house	To identify potential undeclared interests that have given a pecuniary advantage. To do this NFI have matched payroll data to companies' house information and then to your creditors data. The reports are split between those highlighting employees who appear to be registered directors of companies that the employing body has traded with and those where the employees address appears to have links to the company directors or the company.	49	49	49	0	All matches are now complete, resulting in no concerns being identified.
Hold to Account	<ul style="list-style-type: none"> New referrals have been received into the department over the last two months, with significant work being undertaken. A detailed report of all new, existing, and closed investigations has been provided to the Committee via an In-Committee report. 						

Strategic Governance

- Quarterly statistics have been submitted to Counter Fraud Service (CFS) Wales and in compliance with WG directions.
- On 22 January 2026, HDdUHB Counter Fraud were subject to an engagement visit from the NHS Counter Fraud Authority (NHSCFA). Representatives from the NHSCFA met with the Audit and Risk Assurance Committee Chair, Executive Director of Finance, Director of Corporate Governance / Fraud Champion, and the Counter Fraud Team.

The NHSCFA engagement visit aimed to seek assurance on the levels of compliance in NHS provider organisations with regards to GovS 013 NHS Requirements in addition to:

- Exploring opportunities to actively support the LCFS and Hywel Dda University Health Board with the resources NHSCFA and the fraud hub can provide.
- Highlight examples of good practice and communicate the findings across the sector.
- Report on their findings to relevant stakeholders.

Report Provided by:

Ben Rees - Lead Local Counter Fraud Specialist

For presentation; 10 February 2026.

Report agreed by:

Huw Thomas

Director of Finance



LOCAL COUNTER FRAUD SPECIALIST FRAUD RISK MANAGEMENT STRATEGY

Fraud Risk Management Strategy

Our mission is to proactively identify, assess, and mitigate fraud risks across the Health Board, protecting public funds and ensuring resources are used for the delivery of safe and effective patient care. We are committed to maintaining the highest standards of integrity, transparency, and accountability through robust fraud prevention, detection, and response measures aligned with national counter fraud standards.

Purpose

The Fraud Risk Assessment (FRA) provides a structured approach to identifying, evaluating, and documenting fraud risks across the Health Board. It helps build a comprehensive understanding of fraud exposure by assessing individual risks and associated controls, including their limitations.

An FRA is a fundamental component of an effective counter fraud strategy, and supports better decision-making by enabling the Health Board to take proactive steps such as enhancing controls, updating policies, or initiating audit and compliance activities.

While the FRA should align with the Health Board's overall risk management framework, it requires specialised knowledge, tools, and processes specific to fraud. A proactive approach to fraud risk identification helps strengthen Health Board resilience against financial crime and aligns with wider public sector accountability standards.

Methodology:

The template used by the Counter Fraud Team is based on the Government Counter Fraud Profession (GCFP) standard for Fraud Risk Assessment and is aligned with GovS 013, Component 3: Fraud, Bribery, and Corruption Risk Assessment.

The methodology was developed collaboratively by fraud and risk management professions, in consultation with the Institute of Risk Management, and formally endorsed by the GCFP's Board.

It provides a structured and consistent process for identifying fraud risks, assessing their likelihood and impact, evaluating control effectiveness, and prioritising them using the GCFP risk scoring matrix provided in this document. The methodology reflects international best practice and is recognised by partner agencies across sectors.

Approach

FRAs are developed by identifying fraud risks associated with specific operational or functional responsibilities within the Health Board. These risks should be grouped accordingly to reflect the structure of the Health Board and the nature of potential fraud exposers.

The Health Board's Counter Fraud team are expected to assess and score identified risks using the GCFP's standardised risk matrix. The NHS Counter Fraud Authority (NHSCFA) / NHS Counter Fraud Services Wales (NHSCFS Wales) may use these assessments to identify thematic risks and emerging trends across the wider health sector.

FRAs must be maintained as live documents, reviewed regularly, and updated as new risks, data, or typologies emerge.

Under NHS Functional Standards 013, Component 3, organisations are required to work closely with their local risk managers, to ensure FRAs are aligned with their internal risk management policies and frameworks and are appropriately reflected in the corporate risk register.

To that end, Counter Fraud and Assurance and Risk have created a dedicated MS Teams' channel, on which all Counter Fraud identified risks and recommendations will be monitored via a live MS Excel document, titled 'Fraud Risk and Recommendations Report.'

The Head of Counter fraud will ensure that the document is kept up to date with all new material, including risk reports generated throughout the year. In addition, all recommendations and actions undertaken to mitigate the risk will be recorded, noting who has done what and when, with assistance from the Risk and Assurance team being provided when required.

This information will be shared with the Audit and Risk Assurance Committee for ongoing monitoring and assurance.

Note

Although risk assessments will be undertaken using a template based on the Government Counter Fraud Professions (GCFP) standard for Fraud Risk Assessment, all risks that are identified and reported to Health Board risk owners will be done so in line with the Health Board's Risk Management Strategy ([Policy Number 156](#)).