



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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	14 April 2026
TEITL YR ADRODDIAD: TITLE OF REPORT:	Counter Fraud Annual Report 2025/26
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Executive Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Benjamin Rees, Head of Local Counter Fraud Services

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) throughout 2025/26.

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 NHS Counter Fraud Authority standard areas.

Cefndir / Background

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

Asesiad / Assessment

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 Annual Report 2025/26.

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:	2025/26 Counter Fraud Annual Workplan.
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.



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Hywel Dda
University Health Board

**HYWEL DDA UNIVERSITY
HEALTH BOARD**

**COUNTER FRAUD ANNUAL REPORT
2025/26**



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1 Introduction

Hywel Dda University Health Board maintains a professionally accredited Local Counter Fraud Service delivered by two full-time Local Counter Fraud Specialists (LCFS), who in 2025/26 provided 420 operational working days. This is some 20 days less than planned in the annual work plan, however, this is accounted for by way of annual leave purchased by the team and absence days through ill health. The 420 days worked in 2025/26 mirrors what was planned for and worked in 2024/25.

This service ensures that the organisation meets its statutory obligations in relation to fraud, bribery, and corruption. Historically, counter fraud activity was structured around four key principles under Welsh Government Directions:

Key Principle 1: Strategic Governance – ensuring robust governance arrangements that embed anti-crime measures at all levels of the organisation. This includes maintaining effective communication with senior leaders and ensuring ongoing oversight through the Audit and Risk Assurance Committee.

Key Principle 2: Inform and involve – promoting awareness of fraud risks across the Health Board to foster a workforce that is informed, vigilant, and intolerant of fraud, bribery, and corruption. Effective and varied communication channels will remain central to this principle.

Key Principle 3: Prevent and deter – identifying and mitigating anomalies indicative of fraud and developing a fraud-resistant environment that minimises opportunities for wrongdoing.

Key Principle 4: Hold to Account – ensuring that all suspicions of fraud are investigated promptly and professionally, with appropriate sanctions and redress applied to reinforce a zero-tolerance approach.

These principles continue to underpin the Health Board's counter fraud culture and remain essential to maintaining organisational resilience. However, as the national framework for NHS-funded services has evolved, the Health Board is now required to operate in full accordance with the Government Functional Standard GovS 013: Counter Fraud (GovS 013).

GovS 013 sets out mandatory expectations for managing fraud, bribery, and corruption across government and the wider public sector. The NHS Counter Fraud Authority (NHSCFA) provides oversight and requires organisations to complete an annual RAG-rated self-assessment (SRT), which is externally validated.



The report will seek to provide detail of the work carried out by the Health Board that relates to anti-fraud, bribery, and corruption over the preceding financial year. The Welsh Government directions and standards have been developed to support NHS organisations in implementing appropriate measures to counter fraud, bribery and corruption and are presented under the four key areas of work referenced above.

The report will demonstrate and highlight the work completed in line with the Government Functional Standards 013 – Counter Fraud and NHS Requirements to meet those standards is available at:

[Government Functional Standard 013 Counter Fraud | NHS Counter Fraud Authority | NHSCFA](#)

The report will also reference the SRT as part of the Quality Assurance process, which presents an overall RAG rating for each of the key areas of activity. The report style follows a prescribed format as recommended within the NHS Counter Fraud Authority’s annual report template. The report gives details of work carried out by the LCFS. The information referred to in this report contributes to the Counter Fraud strategy for the Health Board.

The Counter Fraud Work Plan provides a more detailed account of the specific tasks undertaken by the Counter Fraud Officers. This Work Plan is used to inform the Audit and Risk Assurance Committee (ARAC), on a regular basis, of progress made against the planned activity throughout the year.

Table to illustrate Resource position 2025/26

AREA OF ACTIVITY	Resource Used (days)	Resource Used (%)
STRATEGIC GOVERNANCE	38 days	75%
INFORM AND INVOLVE	85 days	80%
PREVENT AND DETER	127 days	80%
HOLD TO ACCOUNT	170 days	75%
TOTAL	420	95%



Area	Days Used
Proactive work (Inform and Involve & Prevent and Deter)	250
Reactive work (Hold to account)	170

2 Management Summary

The main achievements highlighted in this report are as follows:

All key requirements of the Welsh Government Directions to NHS Bodies on Counter Fraud Measures have been achieved.

During 2025/26, the Counter Fraud Team carried over 11 active cases from the previous year and received and recorded 60 new referrals; of which, 60 investigations were undertaken and closed. 11 cases will remain open and under review at the end of this financial year and will be carried over into the next. Of the 11, 3 are at the stage where a Voluntary Interview Under Caution (VIUC) has either been completed or awaiting completion.

Of the investigations that were closed, 7 civil sanctions were instigated, including the recovery of funds totaling £99,627 and 2 internal disciplinary referrals. Of the 2 internal disciplinary referrals, 1 member of staff resigned prior to the completion of proceedings and 1 member of staff received a final written warning. This is in addition to the proactive activities undertaken and reported throughout the year.

It is noted that the number of referrals has increased from 55 during 2024/25 to 60 this year and this can be attributed to the introduction of mandatory training, an increase in pro-active work and the development of the Health Board's NHS Fraud Awareness programme.

It is important to note that not all referrals received were crimes, some of these would have been concerns or system weaknesses, which would have been reviewed and actioned accordingly.

In conjunction with the Health Board's Workforce and Organisational Development Directorate, all cases developed that were linked to a current employee were referred to the relevant workforce contact, and subsequent workforce reviews / disciplinary cases were completed following the sharing of intelligence around the Counter Fraud findings.



Additionally, as a matter of professional routine practice, where investigations involved members of professional bodies, referrals were made to each respective body, allowing them the opportunity to consider undertaking their own investigations with regards to the conduct of the specific individual involved. Such relationships and professional working practices will continue through the current working period, and continued liaison will remain for cases carried forward.

Communication and awareness development have been utilised on a targeted basis throughout the year. Training was provided to high-risk staff groups such as Procurement, Medical and Nursing teams, which includes Overseas Nurses and Doctors, and the Estates and Finance directorates. This sits alongside the mass awareness programme which utilised mass communications to deliver the counter fraud message via face-to-face awareness events, e-newsletters, social media, global email system, staff alerts and bulletin board.

There has been a notable increase in the number of staff contacting the Counter Fraud Team to request advice and assistance in relation to concerns around risk or system weaknesses. This meets the intended strategy of evolving the Team from being a contact to report 'when things go wrong', to a contact point to reach out to for mitigation advice and support.

The LCFS has continued to support the Corporate Governance Team in raising awareness around the requirements of the Standards of Behaviour Policy. Specifically, the requirement around Declaration of Interests and Gifts, Hospitality and Sponsorship.

The LCFS continue to work closely with NHS CFS Wales Regional Team to provide appropriate information and to liaise on all referrals with particular use made of the financial investigation capabilities of the Regional Team including use of Proceeds of Crime Act powers. Casework was reported on a quarterly basis for the NHS Counter Fraud Authority to monitor activity nationally.

Liaison between both internal and external auditors has been maintained, in conjunction with regular review of Audit Papers submitted by internal audit via ARAC. In addition, the Local Counter Fraud Champion and Board Secretary provide a governance link to the Counter Fraud Department, raising any concerns when appropriate.

Updates are presented and reviewed where audit reveals a potential fraud risk or system vulnerability for the Counter Fraud Team to assess. The key focus has been retained with fraud awareness and the improvement of early involvement of the Counter Fraud officers through partnership working as main priorities.



The application of recommendations identified at the conclusion of each Counter Fraud investigation is also considered essential in reducing the opportunities for loss through fraud. The Counter Fraud team, responding to a committee request, has strengthened how fraud risks and recommendations are monitored. A shared Counter Fraud / Assurance and Risk channel has been established, supported by a live Fraud Risk and Recommendations Report in Excel, which will be continually updated with new risks, actions taken, and responsible officers. This enables improved tracking of progress, outcomes, and review frequency, with regular summaries reported to the Audit and Risk Assurance Committee. All previously identified risks have now been migrated into this new system, meaning all future monitoring will follow the updated process as part of the 2026/27 workplan. To underpin these improvements, the team has also developed a Fraud Risk Strategy, setting out the organisation's approach to identifying, assessing, mitigating, and reporting fraud risks.

Greater communication between the LCFS and external organisations has continued to result in improved levels of intelligence, in accordance with Data Protection and legal sharing provisions, including greater collaboration between the Police and NHS Wales Shared Services Partnership (NWSSP) functions, such as Post Payment Verification (PPV).

The LCFS has strengthened collaborative working across the Health Board, ensuring consistent reporting of fraud cases and trends and reinforcing a zero-tolerance approach to fraud. They have identified and reported policy weaknesses in established fraud cases and worked with Corporate Governance to update the Standards of Behaviour policy and review the effectiveness of the Declaration of Interest process.

Targeted staff alerts and communications have significantly increased engagement, with more staff proactively seeking advice to mitigate fraud risks—demonstrating a positive cultural shift from reactive reporting to preventative support. The LCFS has also fraud-proofed internal policies and procedures in response to identified risks.

Through the recommended Post Payment Verification (PPV) workplan and joint working with Primary Care leads, the team has identified a fraud case and secured civil recovery. A series of proactive exercises were undertaken relating to IR35 compliance, declarations of interest, medication dispensing, rostering, ID badge controls, right-to-work concerns, GOS claiming, and procurement breaches.



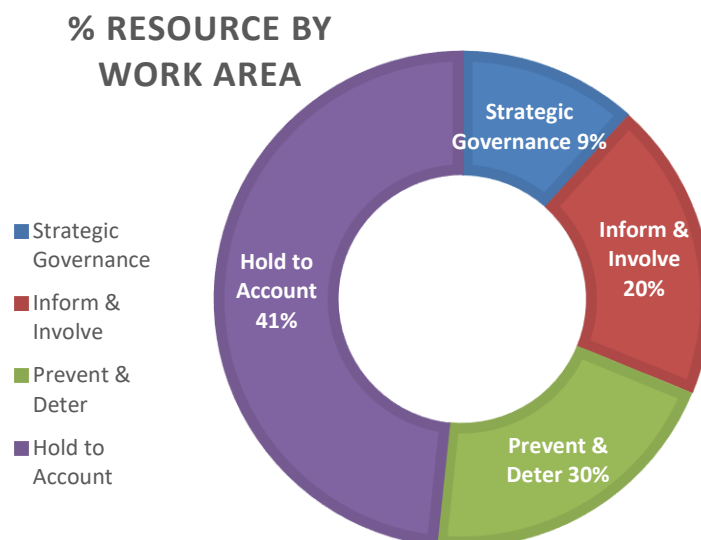
The team continued full participation in the National Fraud Initiative (NFI), contributing to national data-matching exercises led by Audit Wales and the Public Sector Fraud Authority. The latest NFI cycle supported the recovery of approximately £33,000.

The LCFS continue to develop and embed an anti-fraud culture across the Health Board through an ongoing programme of awareness, training, and engagement. A comprehensive suite of fraud awareness materials was delivered in multiple formats, including induction resources, mandatory ESR e-learning, and targeted sessions for higher-risk groups such as Estates, Medical Staffing, Primary Care teams, and student cohorts. Tailored virtual and face-to-face training was provided in partnership with relevant departments, with positive evaluation feedback used to further refine learning content.

Communication channels were enhanced, with increased use of Viva Engage, global messages, updated intranet pages, and digital newsletters, improving reach and staff engagement. Fraud Awareness Week was delivered both in person and online, supported by daily communications to staff and the public.

Over the year, the Counter Fraud Team delivered 39 awareness events, 44 deterrence exercises, and 19 fraud prevention activities, alongside an ESR mandatory training compliance rate of 83.14%. Additional presentations were delivered to Medicines Management teams and first-year Nursing Students at Aberystwyth University, embedding counter-fraud principles early in the professional education journey.

Area of Activity Overview





As per previous years, the 2025/26 work overview illustrates how a significant amount of work activity fell around the area of Hold to Account; however, there has been a slight decrease in time spent investigating crimes, with a shift towards more time being spent on proactive activities. It is hoped that this trend will continue, to a point where we are able to prevent more than we investigate.

3 Welsh Government Direction

The following grid identifies the key requirements under Welsh Government (WG) Directions July 2006 and outlines current activity within each section. The table illustrates that, in line with WG directions, supported through compliance with the standards for Wales, Hywel Dda University Health Board Counter Fraud provision is illustrating positive performance in delivery of its Counter Fraud Strategy.

Para.	Instruction	Action taken by health body
2 (1)	Each NHS body must take all necessary steps to counter fraud in the NHS in accordance with these Directions and in accordance with. (a) the NHS Counter Fraud and Corruption Manual; and (b) the policy statement “Applying appropriate sanctions consistently” published by the CFS, (c) and having regard to guidance or advice issued by the CFS.	Achieved
2 (2)	Each NHS body must require its Chief Executive and Director of Finance to monitor and ensure compliance with these Directions.	Achieved

Para.	Instruction	Action taken by health body
3 (1)	<p>Each NHS body must co-operate with the CFS to enable the CFS efficiently and effectively to carry out its counter fraud functions and in particular each NHS body must, subject to the following paragraphs of this direction.</p> <p>(a) enable the CFS to have access to its premises.</p> <p>(b) put in place arrangements which will enable the CFS to have access, as appropriate, to the NHS body's staff; and</p> <p>(c) supply such information including files and other data (whether in electronic or manual form) as the CFS may require for the purposes of the CFS counter fraud functions.</p>	Achieved
3 (2)	<p>In the case of information required under paragraph (1)(c) in connection with the CFS responsibility for quality inspection, fraud measurement, National Proactive Exercises (NPEs) and fraud prevention reviews, inspections and instructions, an NHS body must respond to any request from the CFS as soon as reasonably practicable.</p>	Achieved
3 (3)	<p>In the case of information required under paragraph (1)(c) for the purposes of investigations relating to the CFS' counter fraud functions, an NHS body must respond to a request as soon as reasonably practicable and in any event within seven days from the date the request was made.</p>	Achieved



Para.	Instruction	Action taken by health body
3 (4)	Nothing in paragraph 1(b) contravenes any right a member of staff may otherwise have to refuse to be interviewed.	N/A
3 (5)	Nothing in paragraph 1(c) or direction 7(f) obliges or permits an NHS body to supply information which is prohibited from disclosure by or under any enactment, rule of law or ruling of a court of competent jurisdiction or is protected by the common law.	N/A
3 (6)	<p>Without prejudice to the generality of direction 2(1)(a), each NHS body must comply with the requirements specified in the NHS Counter Fraud and Corruption Manual concerning.</p> <ul style="list-style-type: none"> (a) the arrangements for reporting fraud cases to the LCFS and to the NHS body's audit committee and auditors. (b) the arrangements for agreeing to undertake a criminal prosecution and to refer a matter to the police. (c) the confidentiality of information relevant to the investigation of suspected fraud. (d) the arrangements for the LCFS to report weaknesses in fraud related systems to the CFS and the NHS body's audit committee and auditors; and (e) the arrangements for gathering information to enable the Director of Finance to seek recovery of money lost through fraud. 	Achieved
5 (1)	Each NHS body must nominate at least one person that it proposes to appoint as the body's LCFS within six weeks of the date on which these Directions come into force.	Achieved



Para.	Instruction	Action taken by health body
5 (2)	A person nominated under paragraph 5(1) may be either employed by the NHS body or a person whose services are supplied to it by an outside organisation.	Achieved
5 (3)	The name of the nominee must be notified to the CFSMS together with the information specified in the NHS Counter Fraud and Corruption Manual within 7 days of the nomination.	Achieved
5 (4)	Without prejudice to the generality of direction 2(1), before making a nomination each NHS body must consider any guidance issued by the CFSMS on the suitability criteria for an LCFS.	Achieved
5 (5)	After a nominee has. (a) been approved by the CFS as a person suitable for appointment. (b) successfully completed any training required by the CFS; and (c) been accredited by the Counter Fraud Professionals Accreditation Board, the NHS body may appoint the person as its LCFS.	Achieved

Para.	Instruction	Action taken by health body
5 (6)	<p>Where an NHS body nominates a person, whose services are provided to it by an outside organisation, it must:</p> <p>(a) comply with the requirements of the CFS as to the suitability of the organisation in question.</p> <p>(b) satisfy itself and the CFS that the terms on which those services are provided are such as to enable the LCFS to carry out his functions effectively and efficiently and in particular that he will be able to devote sufficient time to that NHS body; and</p> <p>(c) give to the CFS a copy of the contract under which the services of the LCFS are supplied to it.</p>	N/A
5 (7)	A further nomination must be made within 3 months of the date on which an NHS body learns that there is to be a vacancy for an LCFS.	N/A
5 (8)	The procedures in paragraphs (3) to (6) also apply to a person nominated under paragraph (7).	Achieved
6 (1)	Each NHS body must specify a job description for its LCFS which includes the operational and liaison responsibilities specified by the CFS.	Achieved
6 (2)	The job description under paragraph (1) must include a requirement that the LCFS must adhere to the CFPAB Principles of Professional Conduct as set out in the NHS Counter Fraud and Corruption Manual.	N/A

Para.	Instruction	Action taken by health body
6 (3)	An LCFS must report directly to the NHS body's Director of Finance.	Achieved
6 (4)	An LCFS must not undertake responsibility for or be in any way engaged in the management of security for any NHS body.	Achieved
7	Each NHS body must.	Achieved
	(a) require that in addition to the job description mentioned in direction 6(1), the LCFS and the Director of Finance agree, at the beginning of the financial year, a written work plan which outlines the LCFS's projected work for that financial year by reference to the seven generic areas of counter fraud activity set out in the NHS Counter Fraud and Corruption Manual.	
	(b) enable its LCFS to attend the NHS body's audit committee meetings.	Achieved
	(c) require its LCFS to keep full and accurate records of any instances of fraud or suspected fraud.	Achieved
	(d) require its LCFS to report to the CFS any weaknesses in fraud related systems of the NHS body and any other matters which may have fraud related implications for the NHS.	Achieved



Para.	Instruction	Action taken by health body
	(e) ensure that its LCFS has all necessary support including access to the CFS secure intranet site to enable him efficiently and effectively to carry out his responsibilities.	Achieved
	(f) subject to any contractual or legal constraint, require all of its staff to co-operate with the LCFS and in particular that those responsible for human resources disclose information which arises in connection with any matters (including disciplinary matters) which may have implications in relation to the investigation, prevention, or detection of fraud.	Achieved
	(g) enable its LCFS to receive training recommended by the CFS.	Achieved
	(h) require its LCFS, its other employees and any persons whose services are provided to the NHS body in connection with counter fraud work to have regard to guidance and advice on media handling of counter fraud matters which may be issued by the CFS.	Achieved
	(i) enable its LCFS to participate in activities in which the CFS is engaged, including national anti-fraud measures, where he is requested to do so by the CFS.	Achieved
	(j) enable its LCFS to work in conditions of sufficient security and privacy to protect the confidentiality of his work.	Achieved



Para.	Instruction	Action taken by health body
	(k) enable its LCFS generally to perform his functions effectively, efficiently, and promptly.	Achieved

4 NHS Counter Fraud Authority Quality Assurance Standards

NHS Counter Fraud Authority (NHSCFA) undertake an annual review of the counter fraud activity completed within the Health Board. The LCFS is required to complete a Self-Review Tool (SRT).

All NHS funded services are required to provide assurance against the Government Functional Standards 013 – Counter Fraud and NHS Requirements. This should be overseen by the organisation’s finance director and audit committee, and in line with the organisation's existing approach to assurance against counter fraud requirements.

The previous NHS specific Standards have been aligned to the new NHSCFA Requirements, and the four areas of activity are:

Strategic Governance - (Organisational governance / Staff Resource / Training)

Inform and involve – (Fraud Awareness / development of Anti- Fraud Culture)

Prevent and deter – (Reducing opportunity / Policy review and improvement)

Hold to Account – (Detection and investigation of Fraud / Sanctions / Criminal Process)

Area of activity	RED / AMBER / GREEN
Strategic Governance	GREEN
Inform and involve	GREEN
Prevent and deter	GREEN
Hold to Account	GREEN



Overall level	GREEN
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Declaration

I declare that the counter fraud, bribery, and corruption work carried out during 2025/26 has been self-reviewed against the Government Functional Standards 013 – Counter Fraud and NHS Requirements, and that the above rating has been achieved.

Organisation	Hywel Dda University Health Board
Director of Finance / Chief Financial Officer / Executive Board Member	Huw Thomas Director of Finance
Signature	
Date	31 March 2026
Date of last Local Counter Fraud Assessment	31 March 2026

4.1 Inform and Involve

The LCFS have an on-going work programme with the NHS Counter Fraud Service Wales (NHS CFS Wales) to develop an Anti-Fraud Culture within the NHS. There is an anti-fraud, bribery and corruption policy in place that outlines the responsibilities of staff in countering Fraud and corruption within HDdUHB.

Fraud awareness materials and presentations have been provided in a variety of different formats, to include an Induction leaflet and Mandatory ESR E-Learning package to new starters, Student placements, Medicine Safety Days, Finance, Primary Care teams, including GP providers, Opticians and Pharmacists in addition to Medical Staffing Groups, including Overseas Doctors.

Bespoke virtual and face to face Counter Fraud learning has been provided to targeted staff groups, identified as higher risk of contact with fraud, such as the Estates Directorate, where a greater emphasis was placed on the importance of recording and maintaining accurate data linked to rostering systems. This training was delivered in partnership with the Rostering Department.



Evaluations of sessions have been conducted, with positive comments received regarding the value of receiving these awareness sessions. Evaluations and feedback have informed the tailoring of learning, to ensure that bespoke guidance can be offered.

Communications links have been enhanced and developed over this work period. The Counter Fraud Team now engages with employees via Viva Engage and Global messages. The Team has also maintained and updated its intranet pages and has published digital newsletters via this platform, which in turn notifies all staff of new additions to the platform via digital alerts issued by email and or Viva engage. This allows for a more interactive approach to delivering awareness, including utilising and embedding digital material into the documents.

This year's Fraud Awareness Week was delivered both face to face and online, with daily communications issued to both staff and the public, highlighting Fraud Risks, reporting mechanisms, and making awareness materials available.

Examples of key work areas and successful outcomes include:

- Several virtual and in person presentations conducted to staff and key contacts.
- Current ESR Counter Fraud Mandatory Training compliance stands at 83.14%.
- During 2025/26, the Counter Fraud Department has undertaken 39 awareness events, 44 deterrence exercises (including newsletters, global messages, or counter fraud activities) and 19 Fraud Prevention activities, which have been reported to CFS Wales throughout the year.
- The Fraud Awareness Week campaign was undertaken both in person and online, resulting in the circulation of promotional literature, placement of Fraud Reporting line details within key areas and presentations to various staff groups.
- The medicines management presentation has continued both online and in person, successfully delivering Counter Fraud presentations to both Health Board employees and Student Placement Nurses.
- Following a request from Aberystwyth University, the Counter Fraud Team has commenced a programme of Fraud Awareness to first year Nursing Students, embedding a counter fraud mindset from the commencement of their journey into the profession.

4.2 Prevent and Deter

The LCFS have effectively liaised with Health Board employees and relevant departments when reporting cases or fraud trends, to ensure that a consistent approach is taken, and the message is sent out that fraud will not be tolerated within the Health Board.

The LCFS provide reports on policy weaknesses in each case where fraud is established to both CFS Wales and relevant department within the Health Board, most recently working with Corporate Governance to review and update the Health Board's Standards of Behaviour policy, as well as undertaking a local proactive exercise into the effectiveness of the Health Board's Declaration of Interest process.

Staff alerts displayed on the Health Board website and circulated through mass communications have also encouraged engagement and demonstrated real advantages to maintaining an anti-fraud culture. There has been a significant increase throughout the year in staff seeking advice and guidance to reduce the risk of fraud in their respective areas of work. This represents a shift from the Counter Fraud Team being viewed as a contact point for referral of information for investigation, to an asset to be utilised to prevent fraud from occurring.

The LCFS has also undertaken fraud-proofing of internal policies and procedures, both during the Global Consultation of such policies but also in response to fraud risks.

Following the recommencement of the Post Payment Verification (PPV) workplan, the LCFS has continued to monitor reports with the relevant Primary Care Lead officers. Further collaborative work is being undertaken with bi-monthly meetings at an all Wales and local level. This has resulted in the identification of Fraud Case and subsequent Civil Recovery. The LCFS has undertaken several Pro-Active exercises, some of which were linked to identified risks, these included:

- IR35 compliance.
- Declaration of Interest.
- Dispensing processes linked to Semaglutide type medication.
- Time off in lieu (TOIL) accrual managed through allocate rostering systems.
- Allocation of HB endorsed ID badges.
- Right to work / Impersonating registered Nurses / Healthcare Support Workers.
- General Ophthalmic Services (GOS) Claiming.
- Procurement – Breach of SFI.



The Counter Fraud team has continued to participate in the National Fraud Initiative (NFI), which is overseen by the Public Sector Fraud Authority (PSFA) – part of the UK Government’s Cabinet Office and HM Treasury. 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, with work being completed at the end of October that same year. The exercise has assisted in the recovery of approximately £33,000. 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	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 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	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	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	All matches are now complete, resulting in no concerns being identified.

Throughout the year, risk assessments have been undertaken and reported to Audit and Risk Assurance Committee. 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 Audit and Risk Assurance In-Committee session throughout the year.

- 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.

To further support this approach, Counter Fraud have developed a Fraud Risk Strategy, which outlines our mission and approach to identifying, assessing, mitigating, and reporting of fraud risks.

4.3 Hold to Account

The LCFS has continued to work with internal and external audit services, including Assurance and Risk and workforce leads, to ensure that counter fraud work was carried out in accordance with the Counter Fraud Strategy.

The LCFS receives information from several sources and processes are in place to ensure referrals are prioritised and investigated. As part of the required reporting processes, all notified concerns are reported utilising the Counter Fraud Authorities crime reporting system, Clue3.

Clue3 ensures the effective and secure recording of sensitive information relation to ongoing investigation. The system will allow for users to accurately document the types of investigations being undertaken, outcomes and systems weaknesses at an all-Wales level. This will enable the Counter Fraud Authority to release more accurate benchmarking and trend analysis data throughout 2026/27.

In addition, the system allows users to record data associated with pro-active exercises undertaken at a local level, including any fraud risks identified and potential savings produced. This information will allow the Counter Fraud Authority to demonstrate a financial value associated with Pro-active / risk-based activity.

Update reports on current case positions have been supplied to ARAC on a bimonthly basis. The reports are discussed during the In-Committee section of the meeting, to ensure confidentiality of investigation and fairness to investigation subjects. An end of year report has been supplied alongside this report for discussion during the In-Committee meeting.



During 2025/26, the Counter Fraud Team carried over 11 active cases from the previous year and received and recorded 60 new referrals; of which, 60 investigations were undertaken and closed. 11 cases will remain open and under review at the end of this financial year and will be carried over into the next. Of the 11, 3 are at the stage where a Voluntary Interview Under Caution (VIUC) has either been completed or awaiting completion.

Of the investigations that were closed, 7 civil sanctions were instigated, including the recovery of funds totaling £99,627 and 2 internal disciplinary referrals. Of the 2 internal disciplinary referrals, 1 member of staff resigned prior to the completion of proceedings and 1 member of staff received a final written warning. This is in addition to the proactive activities undertaken and reported throughout the year.

It is noted that the number of referrals has increased from 55 during 2024/25 to 60 this year and this can be attributed to the introduction of mandatory training, an increase in pro-active work and the development of the Health Board's NHS Fraud Awareness program.

It is important to note that not all referrals received were crimes, some of these would have been concerns or system weaknesses, which would have been reviewed and actioned accordingly. In addition, there have been referrals where an investigation has demonstrated that a crime had not occurred. In such scenarios, the LCFS will assess why the referrals were made and address any system weaknesses. An example of this involved a referral in connection with an employee not fulfilling their contractual hours. Upon review, the LCFS identified that the rostering system available to view by all staff had not been updated with a recently approved flexible working pattern, resulting in the assumption that the employee concerned was arriving to work late and leaving early. In this case, the LCFS was able to demonstrate that a crime had not occurred, although poor management of rostering system caused others to raise a concern. This has prompted the identification of fraud risks associated with the management of rostering systems, which was undertaken as part of a Local Proactive Exercise.

4.4 Strategic Governance

The Counter Fraud Work Plan agreed with the Director of Finance was presented to ARAC and quarterly monitoring reports submitted for information.

Meetings with Health Board Senior Managers have continued and the identification of further areas of risk from a local perspective, with the application of their professional experience



within the Health Board, has been achieved. One identified area being Procurement related fraud risk, which will be further explored as part of the 2026/27 work plan.

Throughout the year, both LCFS have attended conferences and training sessions provided by Counter Fraud Services Wales and the NHS Counter Fraud Authority in accordance with CFA requirements.

Submission of the return for NHS Counter Fraud Authority Quality Assurance Assessment was made within the due deadline. Throughout the year, quarterly returns for WG and NHS Counter Fraud Authority in relation to investigation statistics were provided.

The necessary support has been received from the Health Board, allowing LCFS to perform their functions effectively. Continued training for specialist delivery has been maintained for all staff.

Regular contact has been maintained between the Lead LCFS and Fraud Champion throughout the year, ensuring a top-down approach to developing an effective Counter Fraud Culture within the organisation.

5 Conclusion

The Health Board's Counter Fraud provision has demonstrated compliance with the requirements of the Welsh Government Directions to NHS Bodies on Counter Fraud Measures.

The overall green rating from the Quality Assurance assessment (SRT), demonstrates the continued efforts from the LCFS in working in an innovative way to achieve a balance of both reactive and proactive work to meet the NHS Counter Authority's Standards.

A key strategy from previous years has been to change the view amongst the wider Health Board of the Counter Fraud Team, from being a reactive unit for referral and investigation, to a proactive unit purposed to prevent fraud and reduce fraud risk. This is showing signs of taking effect, with increased contact seeking advice and assessment. This strategy will continue, whilst being mindful that the message around the importance of investigation should not be lost.

The Counter Fraud Team can demonstrate a continued trajectory of improvement across the service, with continued success shown across key measurables. Key areas of work for next year will be to maintain focus on inform and involve, continuing to raise awareness of Fraud, Bribery and Corruption and further embedding a counter fraud culture fostered over preceding years as well as further developing work associated with Prevent and Deter,



including building on Fraud Risk Analysis, identifying specific Fraud Risk based proactive exercises and recording outcomes on Clue3 against the Government Functional Standards 013 – Counter Fraud and NHS Requirements.

The Health Board's counter fraud provision has demonstrated compliance with the requirements of the Welsh Government Directions to NHS Bodies on Counter Fraud Measures.

Benjamin Rees

Head of Local Counter Fraud Services.

For presentation to Audit and Risk Assurance Committee: 14 April 2026.



Appendix - Case and Sanction Information Overview

Case Information	Number
Cases carried forward from previous year	11
Cases opened during period	60
Cases closed in period	60
Cases ongoing	11

Sanction Imposed	Number
Disciplinary referrals	2
Civil	7
Criminal	0