



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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	15 August 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Counter Fraud Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, 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**

<p><u>Sefyllfa / Situation</u></p> <p>This report provides to the Audit & 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.</p> <p>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.</p>
<p><u>Cefndir / Background</u></p> <p>Main Report: To evidence the provision of services within a sound governance framework.</p>
<p><u>Asesiad / Assessment</u></p> <p>Main Report: The Health Board is compliant with the Welsh Government Directives.</p>
<p><u>Argymhelliad / Recommendation</u></p> <p>The Audit & Risk Assurance Committee is invited to receive for information the Counter Fraud Update Report and appended items.</p>

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:	3. Striving to deliver and develop excellent services 6. Sustainable use of resources
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 2023/24
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 15 August 2023

The NHS Protect Standards are set in four generic areas:

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

AREA OF ACTIVITY	Resource Allocated (days) 2023/24	Resource Used (days) as at 31/07/2023	Resource Used (Percentage as at 31/07/2023)
STRATEGIC GOVERNANCE	40	10.5	26%
INFORM AND INVOLVE	85	26.5	31%
PREVENT AND DETER	120	35	30%
HOLD TO ACCOUNT	175	59.5	34%
TOTAL	420	131.5	31%

Work Area	<i>Summary of work areas completed</i>
Inform and Involve	<ul style="list-style-type: none"> • All new inductees have completed the Health Board’s induction programme and the Counter Fraud mandatory training programme. A new Counter Fraud E-learning package has been created and is in operation. • Counter Fraud content on the Health Board’s Medicines Safety learning days has again been delivered to Nurses by way of virtual sessions. • Counter Fraud presentations continue to be delivered to the Overseas Nurses Cohort, raising awareness of Fraud, Bribery and Corruption, in addition to recent frauds involving immigration and rental properties. • A Counter Fraud awareness session has been delivered to the Gynaecology and Sexual Health Service, highlighting key issues, including working whilst sick and the need to declare outside interests that conflict with Health Board employment. The session generated two enquiries linked to secondary employment, which have both been resolved. • Confirmation has been received that a Counter Fraud Awareness session will be delivered to all new Managers Passport attendees, the first session being delivered in Quarter 3.
Prevent and Deter	<ul style="list-style-type: none"> • A Fraud Prevention Notice (FPN), highlighting a growing trend of fraud offences in relation to staff working elsewhere during their contracted NHS business hours, has been received and appended to this report, Appendix 1 refers. The FPN has been shared with relevant stakeholders. The risk highlighted has been categorised as low, however, actions have already been undertaken to minimise the risk to the Health Board. LCFS Slater will be attending an online seminar on this topic, which is being hosted by the Counter Fraud Authority on 2 August 2023 , with a view to identifying examples of good practice.

A review of existing policies and procedures has been completed and the Health Board has in place relevant safeguards to govern secondary employment, where the need to declare is outlined in our employee contracts and referenced in the Health Board's standards of behaviour policy, which includes a link to the relevant digital forms.

- The Counter Fraud Department has included this topic within its Counter Fraud Awareness programme, highlighting criminal cases linked to this area to reinforce the message.
- The Health Board maintains registers of interest, which includes mandatory returns for high-risk groups.
- The Health Board has in place both a policy covering Time Off In Lieu (TOIL) and flexible working. These policies have recently been reviewed by workforce (June / July 2023) and will be included in future Counter Fraud presentations / awareness materials.
- Processes have been reviewed and assessed by way of Local Proactive Exercises (LPE) being undertaken by the LCFS, which included an exercise earlier this year into Declarations of Interest. There is an ongoing investigation into TOIL management within the Theatres department.
- A recruitment based LPE was undertaken last year, where the recruitment check process was reviewed, this included the referencing process. A fraud risk assessment was completed and submitted via Datix.
- A LPE into the recruitment processes linked to Agency Staff providers was completed in 2020/2021, which assessed the processes undertaken by external partners with regards to employment checks.

The risk identified within the FPN is low, however, upon completion of the LPE into TOIL management, a local assessment will be undertaken and reported to the committee in October 2023. Given that the last exercise linked to outside agencies was in 2020/2021, it is recommended that a further exercise be completed by the end of the financial year.

- Two Fraud Risks have been assessed and reported via Datix to the relevant department, the first relates to over / underpayments of salary linked to consultant workplans and the second relates to time off in lieu linked to

	<p>Theatres. Both risks have already been mitigated by the departments and the final risk threat is expected to be low.</p> <ul style="list-style-type: none"> • A LPE linked to off-framework agency use continues and further work has been undertaken in partnership with the Nurse Bank Department to review invoices of high value. This work has included a review into why a high-cost resource was required, who made the request and whether the appropriate budgetary approvals were in place. We will report the outcome of this exercise to the Committee in October 2023. • The CF team continues to engage with Internal Audit, with future meetings planned throughout the year. In the most recent meeting, the recent Internal Audit Report on Theatre Loan Trays and Consumables was discussed, and information shared. Counter Fraud will now review identified risks with the directorate concerned, however, it is noted that certain practices highlighted that received a low assurance rating have been suspended, which for the interim, has reduced the likelihood of fraud. However, a review will still be required with a view to fraud proofing any new service level agreements. • Enquiries linked to the National Fraud Initiative have been commenced in partnership with NWSSP, who will be assisting with the review of procurement related data.
<p>Hold to Account</p>	<ul style="list-style-type: none"> • A number of new referrals have been received into the department over the last two months, with significant work being undertaken around these. These are noted within a separate report, for discussion during the closed In-Committee session.
<p>Strategic Governance</p>	<ul style="list-style-type: none"> • Quarterly statistics have been submitted to Counter Fraud Service (CFS) Wales and in compliance with WG directions.

- The LCFS attended a quarterly Post Payment Verification (PPV) meeting, during which issues relating to current error trends were raised and discussed, with a view to identifying potential risk areas. These meetings will continue throughout the year.
- The Lead LCFS and Fraud Champion continue to meet on a bi-monthly basis, offering both parties the opportunity to raise and discuss areas of concern.
- A new job description for the role of Counter Fraud Officer / Admin Support has been prepared for banding in preparation for potential recruitment campaign.

Report Provided by:
Ben Rees - Lead Local Counter Fraud Specialist
For presentation; 15 August 2023

Report agreed by:
Huw Thomas
Director of Finance



FRAUD PREVENTION NOTICE

Working Elsewhere

Priority Action	High		Moderate		Low	X
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Background Information

The NHSCFA have identified a growing trend of fraud offences in relation to staff working elsewhere during their contracted NHS business hours. Individuals are falsifying employment history and references to support their application and are actively seeking home-based employment. This type of fraud is increasing in frequency and NHSCFA have identified varying circumstances which NHS staff need to be aware of:

- An increasing number of both directly employed staff and short-term contracted staff recruited through non-framework agencies are involved in such frauds.
- The subject in one case supplied falsified employment history and references to support their applications.
- In another case, an individual was recruited into a short-term contract position through a non-framework agency and falsified a reference with a bogus email address to support their application.
- Fraudsters are actively seeking positions where they can work from home.
- This risk is increased when recruitment is undertaken by agencies with poor pre-employment screening practices (particularly non-framework agencies).
- The lack of adequate employment checks and lack of line management supervision of home-based working arrangements can allow this type of fraud to go undetected for some time.

How the fraud operates

This type of fraud can occur when a member of staff being paid by one NHS organisation,

is in fact simultaneously working for another (or several) organisations (often another NHS organisation). The individual may have falsified their employment history and references on their application and not declared their secondary or multiple employments to their employer(s).

This FPN highlights the various risks of this type of fraud when conducting a recruitment exercise as well as identifying individuals that may be working elsewhere.

Prevention advice

To protect against this type of fraud, please consider the following:

Pre-employment checks:

- Raise awareness with recruitment agencies working on behalf of your trust, human resources, payroll and line managers to be vigilant to this type of fraud.
- Agencies on a national framework should provide assurance that their preemployment screening practices are robust and meet the framework's expected standards. Where non-framework agencies are used, ensure that they are required and contracted to undertake robust and substantial pre-employment checks. Undertake regular audits on their procedures.
- Requests for employment history and references should be directed towards the human resources department or other relevant personnel function. This is to remove the risk of an individual directing the new employer to someone who may provide inaccurate or fraudulent information. Be cautious of bogus email addresses provided as a reference. Always seek to independently verify the legitimacy of reference contact details.
- Applicants should be required to sign an appropriate declaration when applying for a job, stating that the information given is true and complete, any deliberate omission, falsification or misrepresentation will be grounds for rejecting the application or subsequent dismissal, and where applicable, consent given that the organisation can seek clarification regarding professional registration details.
- Qualifications specified as a pre-requisite for the position must be checked.

Where a qualification is essential for the position, employers must:

- Request original certificates and retain a copy on file.
 - o Check that the details on certificates match the information provided by the applicant in their application form.
- Contact the awarding body directly, where possible, to confirm the applicant's attendance, course details and grade awarded. Employers will be required to provide a copy of the applicant's consent to obtain any such information.
- Where the applicant has gained their qualifications overseas, employers will need to check that this qualification exists, that it is equivalent to the stated UK qualification and that the prospective employee does, in fact, hold the qualification. These checks should, wherever possible, be carried out directly with the awarding institution. Where this is not possible, employers should seek advice from the relevant country's UK embassy, consulate, or high commission. A robust process of dealing with temporarily/contracted staff, should be adopted.

Employee management

- A standard clause can be included in employment contracts or organisational policy to prohibit employees from undertaking any other employment without their employer's consent. If employees are allowed to carry out other work, for example with part time staff, they should still be required to inform their manager.
- Ensure conflicts of interests have been declared and are managed by the organisation.
- Contracts of employment (whether for substantive or contracted staff) should include the contracted hours and over what period of time and what days those hours should be worked, i.e., the required core working hours, and at what physical location the work has to be undertaken. Contracts should also include reference to organisational policy on multiple assignments.
- Working patterns must be managed and clear audit trails of employment information should be maintained.
- If an individual is found to be underperforming and not meeting the organisational needs, this may be a risk indicator. Possible signs may include where an individual regularly misses booked meetings, is not contactable during office hours, seems overwhelmed by their workload, is routinely missing deadlines, and producing poor quality outputs or performing poorly. Managers should ensure regular contact with

workers and set clear deadlines and expectations of performance. Poor performance should be actively managed in line with organisational policy.

- The Public Sector Fraud Authority (PSFA) has also issued guidance in respect of Dual working fraud in the public sector, with advice on risk indicators. It also gives examples of risk mitigation which could include integrity checks, oversight, and looking at workplace culture to combat fraud.

Action to take

Raise staff awareness to the risk of staff fraud involving working elsewhere / multiple employments, in particular to all staff dealing with the recruitment and applications process and all managers of remote workers – **ACTIONED AND COMPLETE**

Share this information with Human Resources and recruitment teams and agencies. Direct those departments within your organisation engaged in recruitment to the NHS Employers Employment Check Standards / Guidance, NHSCFA Payroll Guidance, and Public Sector Fraud Authority Dual Working Fraud Practice Guidance with the key information on checks to be carried out – **ACTIONED AND COMPLETE**

Consider a local proactive exercise (LPE) in either raising staff awareness, control testing, or detection. Contact the Fraud Hub Prevention team to identify potential avenues of LPE work on FraudHub@nhscfa.gov.uk. – **ACTIONED AND COMPLETE**

**FOR FURTHER INFORMATION OR TO BOOK A FRAUD AWARENESS SESSION
PLEASE CONTACT US ON THE DETAILS BELOW**

Contact Details

Your Local Counter Fraud Specialists are:

LCFS	Email address	Office number	Mobile number
Ben Rees	Benjamin.Rees@wales.nhs.uk	01267248627	07971 063736
Terry Slater	Terry.Slater@wales.nhs.uk	01267283025	07980 919347

You can also report an incident online by visiting:

[Report NHS fraud | Help fight fraud within the NHS | Report your fraud concerns and suspicions using a confidential online form \(cfa.nhs.uk\)](#)

Alternatively, the NHS Counter Fraud Authority has partnered up with Crimestoppers to provide a 24-hour fraud reporting hotline. If you prefer you can speak to an experienced call handler, in confidence, by dialing 0800 028 4060.