



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

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	18 April 2023
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Counter Fraud Annual Report 2022/23
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	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 & Risk Assurance Committee the Counter Fraud Annual Report of work completed throughout 2022/23.

**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 & Risk Assurance Committee is invited to receive for information the Counter Fraud Annual Report 2022/23.

**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.

Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	3. Striving to deliver and develop excellent services 6. Sustainable use of resources
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019</a>	10. Not Applicable

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Counter Fraud Workplan
Rhestr Termiau: Glossary of Terms:	LCFS – Local Counter Fraud Specialist/s
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg: Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Not Applicable

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



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd Prifysgol  
Hywel Dda  
University Health Board

---

**HYWEL DDA UNIVERSITY**

**HEALTH BOARD**

**COUNTER FRAUD ANNUAL REPORT**

**2022/23**



## CONTENTS

1	Introduction .....	3
2	Management Summary .....	5
3	Welsh Government Direction .....	9
4	NHS Counter Fraud Authority Quality Assurance Standards.....	16
4.1	Inform and Involve .....	17
4.2	Prevent and Deter .....	19
4.3	Hold to Account .....	21
4.4	Strategic Governance .....	23
5	Conclusion .....	24
	Appendix - Case and Sanction Information Overview .....	26



## 1 Introduction

NHS bodies in Wales must implement anti-fraud, bribery, and corruption measures in accordance with Welsh Government Directions on Counter Fraud Measures and the service agreement under section 83 of the Government of Wales Act 2006. This report has been written in accordance with such provisions and is produced annually to demonstrate how the directions and subsequent standards for delivery are achieved.

The Directions to NHS bodies identify functions and responsibilities in relation to Counter Fraud provision and prescribe through set standards for NHS bodies as to how best achieving compliance towards these directions. The Health Board is required to comply with NHS Counter Fraud Authority's fraud, bribery, and corruption standards for providers, and produces this annual report in compliance with the direction.

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 following work activity areas:

- Strategic Governance
- Inform & Involve
- Prevent & Deter
- Hold to account

The report will demonstrate and highlight the work completed under the 4 areas of activity as presented within 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 “Self-Review Tool” (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.

2021/22 saw the introduction of the new Government Functional Standards 013 – Counter Fraud and NHS Requirements, replacing the previous, Fraud, Bribery and Corruption Standards for NHS Bodies. 2022/23 was the final transitional year.

Hywel Dda University Health Board Counter Fraud provision was resourced based on 2 FTE Local Counter Fraud Specialists (LCFS) overall:

- Ben Rees (Lead LCFS)
- Terry Slater (LCFS)

For ease of reference, the report follows the four key areas of action assessed through the NHS Protect Quality Assurance Framework which links to the National Counter Fraud Strategy for Wales. 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 & Risk Assurance Committee (ARAC) on a regular basis of progress made against the planned activity throughout the year.

**Table to illustrate Resource position 2022/23**

AREA OF ACTIVITY	Resource Allocated (days) 2022/23	Resource Used (days)
STRATEGIC GOVERNANCE	50	51
INFORM AND INVOLVE	90	93
PREVENT AND DETER	100	115
HOLD TO ACCOUNT	180	183
<b>TOTAL</b>	<b>420</b>	<b>442</b>



Cost	£
<b>Proactive costs (Strategic Governance, Inform and Involve, Prevent and Deter)</b>	£55,854
<b>Reactive costs (Hold to Account)</b>	£39,464
<b>Total costs for counter fraud, bribery, and corruption work</b>	<b>£95,318</b>

Please note, the days worked is higher than planned, due to a reduced level of forecasted absence. This additional resource does not impact the cost of providing an LCFS function, given that both team members are directly employed by the Health Board.

## 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 2022/23, the Counter Fraud Team carried over 16 active cases from the previous year, received and recorded 43 new referrals, of which 47 investigations were investigated and closed. 12 cases remain open and under review at the end of this financial year and will be carried over into the next. Of the 12 that have been carried over, a number are at the stage where a Voluntary Interview Under Caution (VIUC) is required, or a VIUC has been undertaken and further investigative actions have been identified.

Of those investigations that were finalised, 17 civil sanctions were applied, including the recovery of funds totalling £62,843 and 5 internal disciplinary referrals were made. This is in addition to the proactive pieces of work undertaken and reported throughout the year.



In comparison to 2021/22 financial year, the following is noted:

- Two less referrals were received.
- In 2022/23 the Counter Fraud Team closed one more case.
- 2022/23 will see 12 cases being carried forward, as opposed to 16 the previous year.
- In 2022/23, recoveries from reported cases increased from £23,000 the previous year to £62,843. This is predominantly due to an increase in Overpayment of Salary Referrals.

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

In conjunction with the Health Board's Workforce & 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 Finance, Community Nursing Teams, Medical and Nursing teams and Workforce and OD. Fraud awareness training was also delivered in response to emerging fraud risks such as staff who work within Mortuary services and Procurement, where an increase in Fraud was identified at a National Level.

This work was undertaken in parallel with the annual 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; a proactive exercise into compliance has been commenced and was reported to ARAC in Quarter 1 of 2022/23.

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 provides 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; to this end, a greater emphasis will be placed on the monitoring and progression of Counter Fraud Recommendations during 2022/23.

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). In



addition, the Hywel Dda University Health Board Counter Fraud Team has instigated and developed an all-Wales Fraud Risk working group, with a view of sharing knowledge and experience of existing and emerging Fraud Risks.

The Counter Fraud Team has taken a proactive approach to fraud risks throughout the year, responding to emerging risks as identified, raising awareness of emerging risks as they develop, by way of issuing intelligence bulletins, which noted known modi operandi, known offenders and means of mitigation. This work resulted in reviews of existing procedures, risk assessments and actions to mitigate risks going forward. This is an area of work that needs to develop into 2023/24, where further work is planned to embed and develop an anti-fraud risk culture within the organisation. These actions will be undertaken in line with revised NHS Counter Fraud Authority Standards and wider strategy to give greater weighting to prevent fraud.

Advice has also been provided for managers, patients, contractors, and staff when required, and the service is able to demonstrate that it is an asset for improving systems, as well as applying appropriate sanctions where those systems may have been abused. Policy and departmental documentation reviews have been completed as a matter of routine during all enquiries, and fraud proofing advice offered and implemented where required.

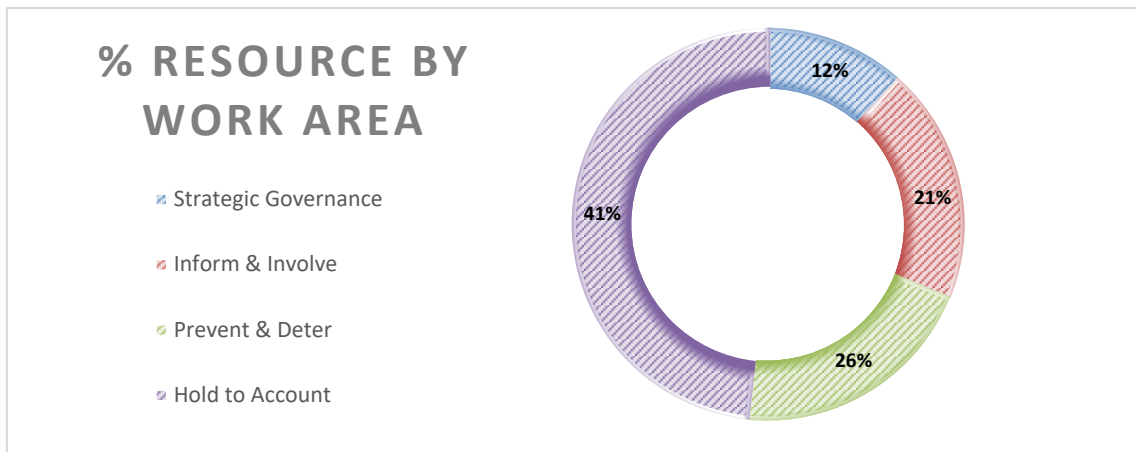
The Counter Fraud team continues to play a role in reviewing both Finance and other Health Board related policies / standard operating procedures, providing input to reduce the risk of Fraud, Bribery and Corruption and developing best practice. It is encouraging to see that a Counter Fraud input is being considered as part of the routine review process.

Fraud alerts and staff alerts around Counter Fraud have been frequently issued, including fraud and drug alerts, utilising a variety of mediums to deliver such messages. These include staff briefings, global email, newsletters, and occasionally social media platforms. The drug fraud alerts have also been subject to review and agreed actions through a structured delivery approach, with the LCFS sitting on the Local Intelligence Group for the region, alongside partners both internally and externally.

Applicable sanctions have been successfully utilised by the Counter Fraud team in its dealings with alleged fraud, bribery, or corruption. Evidence of criminal, civil and disciplinary sanctions can be demonstrated, ensuring that resource is put to best use. Sanctions are also essential in acting as effective deterrents.

This year has also seen the Lead LCFS, and Fraud Champion engage on a regular basis, enabling greater discussion of Fraud Risks and collaboration between both the Counter Fraud Department and the Corporate Governance Directorate.

### Area of Activity Overview



As per previous years, the 2022/23 work overview illustrates the fact that 41% of LCFS activity is linked to investigations.

### 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)	<p>Each NHS body must take all necessary steps to counter fraud in the NHS in accordance with these Directions and in accordance with.</p> <ul style="list-style-type: none"><li>(a) the NHS Counter Fraud and Corruption Manual; and</li><li>(b) the policy statement “Applying appropriate sanctions consistently” published by the CFS,</li><li>(c) and having regard to guidance or advice issued by the CFS.</li></ul>	<b>Achieved</b>
2 (2)	<p>Each NHS body must require its Chief Executive and Director of Finance to monitor and ensure compliance with these Directions.</p>	<b>Achieved</b>
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> <ul style="list-style-type: none"><li>(a) enable the CFS to have access to its premises.</li><li>(b) put in place arrangements which will enable the CFS to have access, as appropriate, to the NHS body’s staff; and</li><li>(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.</li></ul>	<b>Achieved</b>



Para.	Instruction	Action taken by health body
3 (2)	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.	<b>Achieved</b>
3 (3)	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.	<b>Achieved</b>
3 (4)	Nothing in paragraph 1(b) contravenes any right a member of staff may otherwise have to refuse to be interviewed.	<b>N/A</b>
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.	<b>N/A</b>



Para.	Instruction	Action taken by health body
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> <p>(a) the arrangements for reporting fraud cases to the LCFS and to the NHS body's audit committee and auditors.</p> <p>(b) the arrangements for agreeing to undertake a criminal prosecution and to refer a matter to the police.</p> <p>(c) the confidentiality of information relevant to the investigation of suspected fraud.</p> <p>(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</p> <p>(e) the arrangements for gathering information to enable the Director of Finance to seek recovery of money lost through fraud.</p>	<b>Achieved</b>
5 (1)	<p>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.</p>	<b>Achieved</b>
5 (2)	<p>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.</p>	<b>Achieved</b>
5 (3)	<p>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.</p>	<b>Achieved</b>



Para.	Instruction	Action taken by health body
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.	<b>Achieved</b>
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.	<b>Achieved</b>
5 (6)	Where an NHS body nominates a person, whose services are provided to it by an outside organisation, it must; (a) comply with the requirements of the CFS as to the suitability of the organisation in question. (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 (c) give to the CFS a copy of the contract under which the services of the LCFS are supplied to it.	<b>N/A</b>
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.	<b>N/A</b>
5 (8)	The procedures in paragraphs (3) to (6) also apply to a person nominated under paragraph (7).	<b>Achieved</b>



Para.	Instruction	Action taken by health body
6 (1)	Each NHS body must specify a job description for its LCFS which includes the operational and liaison responsibilities specified by the CFS.	<b>Achieved</b>
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.	<b>N/A</b>
6 (3)	An LCFS must report directly to the NHS body's Director of Finance.	<b>Achieved</b>
6 (4)	An LCFS must not undertake responsibility for or be in any way engaged in the management of security for any NHS body.	<b>Achieved</b>
7	Each NHS body must.	<b>Achieved</b>
	(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>Achieved</b>
	(b) enable its LCFS to attend the NHS body's audit committee meetings.	<b>Achieved</b>
	(c) require its LCFS to keep full and accurate records of any instances of fraud or suspected fraud.	<b>Achieved</b>
	(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.	<b>Achieved</b>





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.	<b>Achieved</b>
	(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.	<b>Achieved</b>
	(g) enable its LCFS to receive training recommended by the CFS.	<b>Achieved</b>
	(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.	<b>Achieved</b>
	(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.	<b>Achieved</b>
	(j) enable its LCFS to work in conditions of sufficient security and privacy to protect the confidentiality of his work.	<b>Achieved</b>
	(k) enable its LCFS generally to perform his functions effectively, efficiently, and promptly.	<b>Achieved</b>



## 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).

From April 2021, 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
<b>Strategic Governance</b>	<b>GREEN</b>
<b>Inform and Involve</b>	<b>GREEN</b>
<b>Prevent and Deter</b>	<b>GREEN</b>
<b>Hold to Account</b>	<b>GREEN</b>
<b>Overall level</b>	<b>GREEN</b>

**Declaration**

I declare that the counter fraud, bribery, and corruption work carried out during 2021-22 has been self-reviewed against the Government Functional Standards 013 – Counter Fraud and NHS Requirements, and that the above rating has been achieved.

<b>Organisation</b>	<b>Hywel Dda University Health Board</b>
<b>Director of Finance / Chief Financial Officer / Executive Board Member Signature</b>	
<b>Date</b>	
<b>Date of last Local Counter Fraud Assessment</b>	<b>31 March 2023</b>

**4.1 Inform and Involve**

The LCFS have an on-going work programme with the NHS Counter Fraud Service (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 ESR E-Learning package to new starters and presentations to the following departments / teams:

- Overseas Nurses,
- Medicine Safety / Nursing Directorate,
- NWSSP Payroll and Procurement teams,
- Post Payment Verification Team,
- Finance, Estates, Workforce and OD, Recruitment and Mortuary Services,
- General Practitioners and Medical Staffing Groups, including Consultants and Junior 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 Finance and procurement teams, paying particular attention to fraud risks identified at a national level, such as Mandate Fraud.

Evaluations of sessions have been conducted, with positive comments received regarding the value of receiving these awareness sessions. Evaluations and feedback have informed 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 continues to operate a dedicated Twitter account to promote the Counter Fraud message and this year have developed a digital newsletter, which has embedded means of reporting fraud direct to the LCFS.

This year's Fraud Awareness Week was delivered using a hybrid approach, delivering both face to face and virtual presentations to various staffing groups. This included engaging with staff and the public at various Hospital and Primary Care settings, such as integrated Health Centres. In addition, daily electronic newsletters and animations were communicated to staff groups via the Global Messaging system and online resources, such as Health Board Social Media resources, highlighting Fraud Risks, reporting mechanisms, and making awareness materials available.

Examples of key work areas and successful outcomes include:

- Approximately 43 virtual or face to face awareness events were held throughout the year, resulting in awareness sessions being delivered to approximately 900 Health Board employees.
- Following an Audit Wales review, the Counter Fraud ESR e-learning has been made mandatory for all staff. Compliance currently stands at 76.23%, which is a significant improvement over the previous year. The following table illustrates our current position and areas for improvement, notably within Medical and Dental.



Staff Group	Assignment Count	Required	Achieved	Compliance %
Add Prof Scientific and Technic	424	424	322	75.94%
Additional Clinical Services	2700	2700	2197	81.37%
Admin and Clerical	2499	2499	2114	84.59%
Allied Health Professionals	798	798	627	78.57%
Estates and Ancillary	1042	1042	697	66.89%
Healthcare Scientists	209	209	179	85.65%
Medical and Dental	700	700	144	20.57%
Nursing and Midwifery	3493	3493	2765	79.16%
<b>Total</b>	<b>11865</b>	<b>11865</b>	<b>9045</b>	<b>76.23%</b>

- During 2022/23 the Counter Fraud Department has undertaken 51 deterrence exercises (including newsletters, global messages, or counter fraud activities) and 52 separate Fraud Prevention activities, which have been reported to CFS Wales throughout the year.
- The Fraud Awareness Week campaign was undertaken both virtually and online, resulting in the circulation of promotional literature both online and in person, and placement of Fraud Reporting line details within key areas.
- The medicines management presentation continued online and successfully delivered to Health Board employees, raising awareness of Fraud and Health Board policies.
- In order to develop and improve working relationships with our NWSSP Partners, presentations were provided to both Payroll (highlighting overpayments), Procurement and the Post Payment Verification Team (reference contractor fraud), with a view of promoting the need to report concerns at the outset and greater collaborative working to identify future risks / fraud trends via making better use of data analytics.

#### 4.2 Prevent and Deter

The LCFS have effectively liaised with the Health Board’s Communications Department 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 Workforce and Finance to review and update the Health Board's Overpayment and Underpayment policy and the Governance Team reference the Health Board's Standards of Behaviour policy.

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 in order 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 have also undertaken fraud-proofing of internal policies and procedures, both during the Global Consultation of such policies and also in response to fraud risks. Additionally, it is pleasing to see that over the past year, Counter Fraud has been asked to comment on a number of Finance policies and Standard Operating Procedures as a matter of procedure, as opposed to a specific risk being identified.

Following the recommencement of the Post Payment Verification (PPV) workplan, the LCFS have continued to monitor reports with the relevant Primary Care Lead officers. Links between the two departments continue to develop, with the LCFS working with the team to address areas of increased fraud risks. Further collaborative work is being undertaken with bi-monthly meetings at an all Wales and local level. This has resulted in the identification of a Fraud Case linked to vaccinations and a subsequent Civil Recovery.

The LCFS have undertaken several proactive exercises, some of which were linked to identified risks, these included:

- Recruitment procedures.
- Procurement and the use of Purchase Cards.
- Declarations of interest.



- Petty Cash / Patient Money.
- Overpayments of salary.

The LCFS have maintained their activity with regard to the National Fraud Initiative (NFI), carrying out checks across all matched data reports, updating privacy notices and submitting data for the next data exercise. The work has also supported other Public Sector Organisations in their NFI activity.

Fraud Risk Assessments have been undertaken throughout the year, the findings of which have been discussed with relevant directorates, including NWSSP Procurement, Finance, Hywel Dda Charities and Pathology, resulting in means of control and mitigation being identified and implemented. In order to increase understanding of existing and emerging risks, the Counter Fraud Team has established an all-Wales review group, who will meet on a bi-monthly basis to review risks and develop and share best practice with regards to developing controls and means of mitigation. The group will be attended by an LCFS representative from each NHS Wales Health Board, in addition to NWSSP and Counter Fraud Services Wales. The first meeting is scheduled to take place in April 2023.

### 4.3 Hold to Account

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

The LCFS receive 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 new crime reporting system, Clue3. All current cases are logged on this system, with each new case being assessed by Counter Fraud Services Wales.

The new system ensures the effective and secure recording of sensitive information relation to ongoing investigation. The Clue3 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

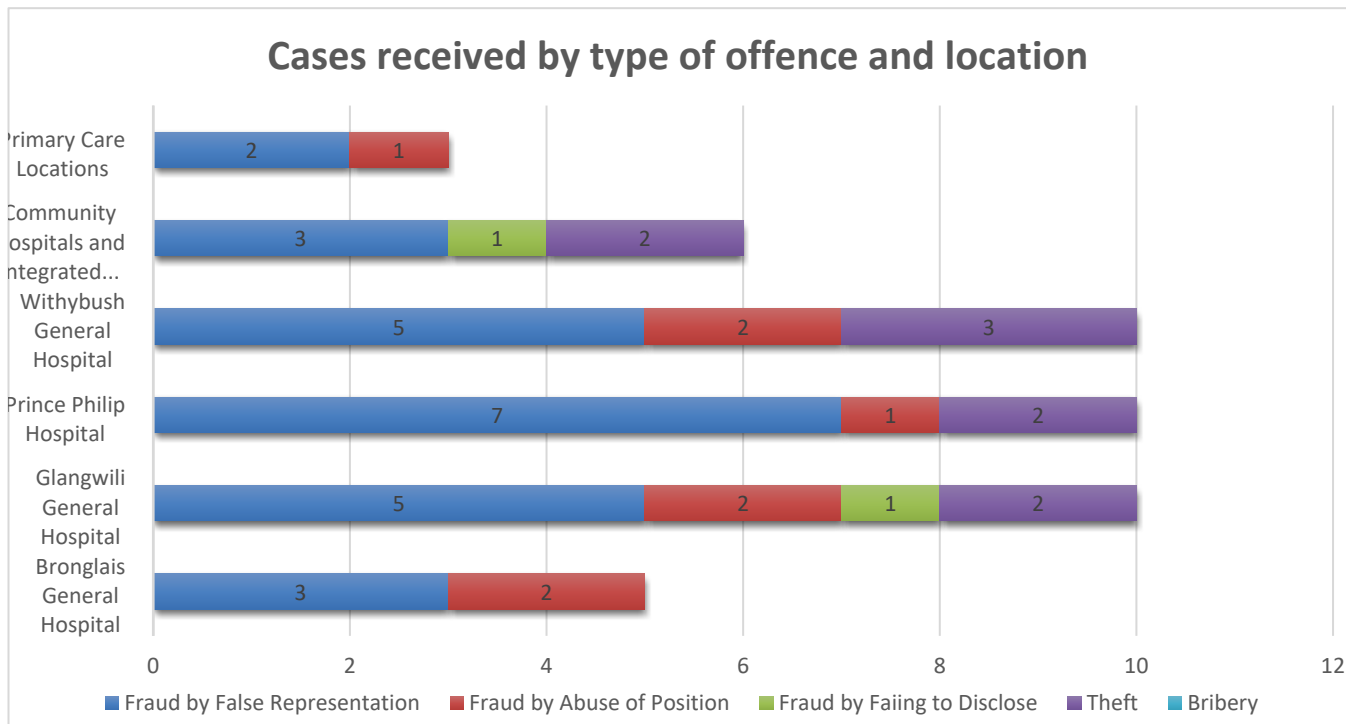


analysis data in the future. In addition, the new system will allow users to record data associated with proactive exercises undertaken at a local level, including any fraud risks identified and potential savings produced. This information will allow the Counter Fraud Authority to demonstrate a financial value associated with proactive work, something which has been difficult to demonstrate over the years. To date, this data has not been made available to the LCFS, however, it is hoped that it will be in the coming year.

Update reports on current case positions have been supplied to ARAC on a regular basis. The reports are discussed during the in-committee section of the meeting to ensure confidentiality of investigation and fairness to investigation subjects.

The Counter Fraud Team carried over 16 active cases from the previous year, received and recorded 43 new referrals, of which 47 investigations were investigated and closed in 2022/23. 12 cases remain open and under review at the end of this financial year and will be carried over into the next. Of those investigations that were finalised, 17 civil sanctions were applied, including the recovery of funds totalling £62,843 and 5 internal disciplinary referrals were made.

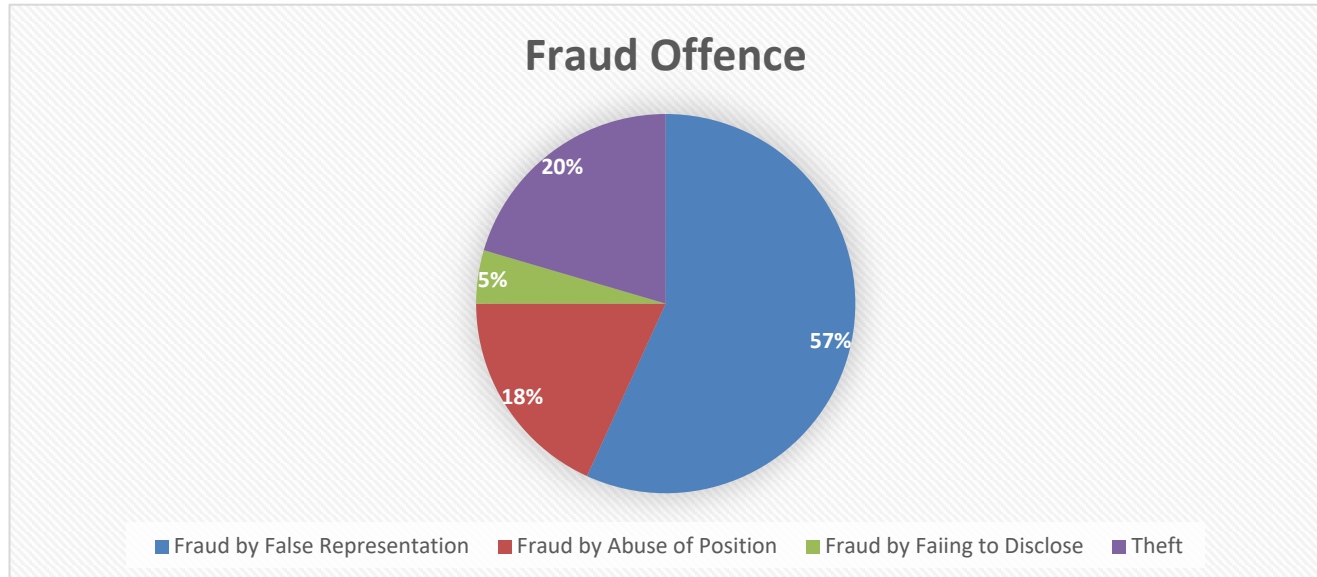
The following chart illustrates the types and volume of cases investigated in each of the three Health Board counties. Please note, the data used relates to cases received since 1 April 2022 and excludes those that were carried over from the previous reporting year.







You will note from the chart that 30 of the cases received during 2022/23 were at Glangwili General Hospital, Prince Philip Hospital and Wwithybush General Hospital with Fraud by false representation being the most common offence.



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.

#### 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.

The LCFS attended both Wales Counter Fraud Conferences, where further training was received in accordance with the NHS Counter Fraud Authority 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 the 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 that of 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.



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd Prifysgol  
Hywel Dda  
University Health Board

Counter Fraud Annual Report 2022/23

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.

**Ben Rees**

**Lead Local Counter Fraud Specialist**

**Hywel Dda University Health Board**

**For presentation to Audit and Risk Assurance Committee: 18 April 2023.**



## Appendix - Case and Sanction Information Overview

Case Information	Number
Cases carried forward from previous year	16
Cases opened during period	43
Cases closed in period	47
Cases ongoing	12

Sanction Imposed	Number
Disciplinary	5
Civil	17
Criminal	0