



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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	16 April 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Counter Fraud Annual Report 2023/24
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**

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 2023/24.

This ensures compliance with the Welsh Government Directives for Countering Fraud in the NHS and the NHS Counter Fraud Authority Requirements of the Government Functional Standard GovS 013: Counter Fraud.

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

Cefndir / Background

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 2023/24.

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
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	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
Partion / 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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Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

**HYWEL DDA UNIVERSITY
HEALTH BOARD**

**COUNTER FRAUD ANNUAL REPORT
2023/24**



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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 and Involve
- Prevent and 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 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.

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 and Risk Assurance Committee (ARAC) on a regular basis of progress made against the planned activity throughout the year.

Table to illustrate Resource position 2023/24

AREA OF ACTIVITY	Resource Allocated (days) 2023/24	Resource Used (days)
STRATEGIC GOVERNANCE	40	41
INFORM AND INVOLVE	85	86
PREVENT AND DETER	120	121
HOLD TO ACCOUNT	175	175
TOTAL	420	423

Cost	£
Proactive costs (Strategic Governance, Inform and Involve, Prevent and Deter)	£66,363
Reactive costs (Hold to Account)	£46,828
Total costs for counter fraud, bribery, and corruption work	£113,191

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 2023/24, the Counter Fraud Team carried over twelve active cases from the previous year, received and recorded thirty-seven new referrals, of which thirty-seven investigations were commenced and closed. Twelve cases will remain open and under review at the end of this financial year and will be carried over into the next. Of these twelve, several 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 and two are currently with the Crown Prosecution Service.

Of those investigations that were finalised, two cases resulted in arrests being made, 3 criminal sanctions were applied, including one successful prosecution at Swansea Crown Court, one Police Caution and one Community Resolution Order. A further 10 civil sanctions were instigated, including the recovery of funds totalling £64,273 and 9 internal disciplinary referrals. This is in addition to the proactive undertaken and reported throughout the year. At the time of writing, a further two cases are currently with the Crown Prosecution Service for a decision to prosecute and one case is currently being prepared for advice. It is anticipated that a decision to prosecute will be made in Q1 of 2024/25.

It is noted that the number of referrals received is consistent with last years, however, there has been an increase in pro-active related work, including increased awareness training and local pro-active exercises, which include the review of fraud related risks, which have been issued and reported to the relevant directorates. There is an increase in the number of referrals received in comparison to 3 years ago, however, this is down to three factors, namely:

- The introduction of the Counter Fraud mandatory ESR training, which has resulted in greater awareness and development of an anti-fraud culture in the organisation, with Health Board employees being more aware and confident in reporting concerns.
- Face to face / online interactions have increased significantly over the past 12 months, resulting in better staff engagement and a greater awareness of how to report concerns, in particular with regards to local contacts and reporting streams.



- There have been improvements as to how reports are received, this includes the ability to make anonymous referrals online or by reporting concerns via an online reporting tool.

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 the booking of annual leave. Although there was insufficient evidence to demonstrate a crime had occurred, a system weakness was identified, which resulted in 8 risk assessments being completed and actions completed to mitigate the risk across the directorate concerned.

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 Workforce and OD. 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; a Pro-active Exercise into compliance was undertaken and reported to the committee during 2023/24 and further work on this issue was undertaken as part of the National Fraud initiative. Further work on this topic will be undertaken in 2024/25 as part of the planned Contract Monitoring and due Diligence exercise.

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. In order to fully assess risks associated with Contract Management and Due Diligence, a greater emphasis and focus on collaborative working will be required throughout 2024/25.

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 2024/25, including the monitoring of Risk Themes and



actions undertaken by directorates to address any weaknesses. This will be facilitated by way of continuing with the new Counter Fraud Risk processes implemented in 2023/24.

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). There has been an increase in partnership working between Dyfed Powys police and the LCFS, which has resulted in two arrests and one search of premises. This will continue into 2024/25, with a planned review of the existing Memorandum of Understanding.

The Counter Fraud Team has taken a proactive approach to fraud risks throughout 2023/24, responding to emerging risks when required. This includes a review of the current reporting mechanism for reporting and recording Fraud Risks has been undertaken in partnership with Assurance and Risk and the following agreed:

- Risk owners can allocate themes to their risks, which allows the Health Board to share risk information on specific areas with relevant experts as part of the second line of defence. Risk themes provides assurance that a holistic approach to risk management is undertaken and enables the Health Board to better identify the risk appetite, risk capacity and total risk exposure in relation to each risk, group of similar risks, or generic type of risk. Fraud themed risks are shared by the Assurance and Risk Team with the Local Counter-Fraud specialist on a bi-monthly basis to allow them to provide necessary advice to risk owners to help them in developing/improving organisational controls, i.e., policies, procedures, systems, processes, to reduce the risk to the Health Board.
- Where the Local Counter-fraud team identifies a risk, the Local Counter Fraud Specialist will liaise with the relevant Executive Director setting out the concerns, and for a risk assessment to be undertaken by the directorate and added to Datix, where appropriate. The Counter Fraud Department will maintain a register of risks identified and confirmation that relevant communication has been issued the directorate concerned by way of an email trail and confirmation of receipt. The onus will be on the directorate to review the need for a risk assessment and complete where necessary. The Counter Fraud Department, where requested, will assist in advising the directorate concerned of the risks identified, providing advice on strengthening existing controls or developing new



opportunities to mitigate the threat. This will include potential testing of controls by way of targeted pro-active exercises.

It is deemed that this approach will allow the LCFS to assess fraud risk in line with both Health Board procedures and NHS Counter Fraud Authority Standards. This work will continue to develop into 2024/25 with an emphasis on fully embedding processes by the end of the financial year.

NHS Counter Fraud Authority Thematic Assessments have been undertaken throughout the year and the findings have been reported back via the authority.

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.

This year has seen a significant increase in the number of Finance related policies / standard operating procedures being reviewed. It is encouraging to see that a Counter Fraud input is being considered as part of the routine review process.

A renewed focus on this type of counter fraud activity is being driven by NHS Counter Fraud Authority. Increased capture of data is proposed in this area to attempt to provide insight into the impact of counter fraud work in the form of savings made (or fraud losses prevented), to highlight and measure the effectiveness of work in this area. A new standardised formula to calculate the value of pro-active work has been approved by the cabinet office and rolled out by the Counter Fraud Authority, with a view that it will be operational from Q1 2024/25.

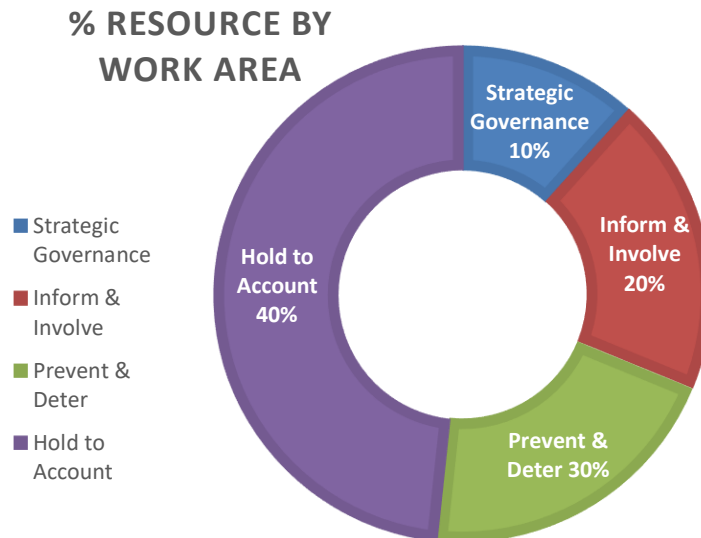
Fraud alerts and staff alerts around Counter Fraud have been frequently issued, including fraud and drug alerts, utilising a variety of mediums to deliver such messages. These include staff briefings, global email, newsletters, and occasionally social media platforms. The drug fraud alerts have also 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 2023/24 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)	<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"> (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)	<p>Each NHS body must require its Chief Executive and Director of Finance to monitor and ensure compliance with these Directions.</p>	Achieved
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"> (a) enable the CFS to have access to its premises. (b) put in place arrangements which will enable the CFS to have access, as appropriate, to the NHS body’s staff; and (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. 	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
3 (4)	<p>Nothing in paragraph 1(b) contravenes any right a member of staff may otherwise have to refuse to be interviewed.</p>	N/A



Para.	Instruction	Action taken by health body
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)	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. <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
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

Para.	Instruction	Action taken by health body
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
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.	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
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



Para.	Instruction	Action taken by health body
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
	(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



Para.	Instruction	Action taken by health body
	(j) enable its LCFS to work in conditions of sufficient security and privacy to protect the confidentiality of his work.	Achieved
	(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

Declaration

I declare that the counter fraud, bribery, and corruption work carried out during 2023/24 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 Signature	
Date	
Date of last Local Counter Fraud Assessment	28 March 2024

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 Mandatory ESR E-Learning package to new starters, Student placements, Medicine Safety Days, NWSSP Payroll and Post Payment Verification, Finance and Estates departments, 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 Nurse Bank, Recruitment and NWSSP Procurement Services.

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. The Team has also maintained and updated its intranet pages and made the transition to digital newsletters via MS Sway. 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 once again delivered online, with daily communications issued to both the staff and public, highlighting Fraud Risks, reporting mechanisms, and making awareness materials available.

Examples of key work areas and successful outcomes include:

- Several virtual presentations conducted to staff and key contacts. Following the induction programme being taken online, the LCFS provided updated literature for dissemination.
- ESR Counter Fraud Mandatory Training stands at 87% with 12,224 staff members successfully completing the package to date. Medical and Dental and Estates have the two lowest compliance rates, as such there will be a focus on these two directorates in the coming year.
- During 2023/24 the Counter Fraud Department has undertaken 32 awareness events, 35 deterrence exercises (including newsletters, global messages, or counter fraud activities) and 46 separate 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 continued online and successfully delivered to Health Board employees, raising awareness of Fraud and Health Board policies.
- Following a request by Learning and Development, the Counter Fraud Team have commenced a programme of Fraud Awareness to our Overseas Nurses and Doctors. This has resulted in presentations to every new starter in 2023/24. These sessions have not only included an input into our mission to reduce fraud within the NHS to an absolute minimum, but also details on identified fraud trends impacting overseas visitors, including details of known visa and rental type scams.
- In order to develop and improve working relationships with our NWSSP Partners, presentations were provided to NWSSP Procurement, 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. This resulted in the positive media coverage of a successful Fraud Case involving an overpayment of salary.

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.



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 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. Additionally, it is pleasing to see that over the past year, Counter Fraud have been asked to comment on a significant amount of Finance policies and Standard Operating Procedures as a matter of procedure, as opposed to a specific risk being identified. This has resulted in the LCFS undertaking 10 policy reviews over the course of the year.

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:

- Bank Holiday bookings
- Procurement – Lease Car Usage
- Overpayments of Salary
- Procurement – Contract Splitting. This exercise has been rolled over into 2024/25 as part of the Counter Fraud Authorities National Thematic Exercise into Procurement
- Declarations of Interest compliance

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 leads. Although these assessments produced low scores, they have identified current control measures, which can be tested by way of future pro-active exercises.

4.3 Hold to Account

The LCFS has 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 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. All current cases are logged on this system.



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 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 work, something which has been difficult to demonstrate over the years. This benchmarking data is expected to be available in Quarter 1 of the 2024/25 financial 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. An end of year report has been supplied alongside this report for discussion during the in-committee meeting.

The Counter Fraud Team has actively investigated and closed 37 investigations in the 2023/24 financial year, which included 12 cases carried over from the previous year. 37 new investigations were received and commenced. This work has resulted in the application of criminal, internal and civil sanctions. The overall recovery for HDdUHB in relation to fraud investigations stands at £64,273.

12 investigations will remain open and be carried forward into 2024/25 financial year for investigation.

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 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 measurable. 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.

Ben Rees
Lead Local Counter Fraud Specialist
Hywel Dda University Health Board

For presentation to Audit and Risk Assurance Committee: 16 April 2024.



Appendix - Case and Sanction Information Overview

Case Information	Number
Cases carried forward from previous year	12
Cases opened during period	37
Cases closed in period	37
Cases ongoing	12

Sanction Imposed	Number
Disciplinary referrals	9
Civil	10
Criminal	3