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PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	17 October 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
Sefyllfa / Situation 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. The report will present a breakdown as to how resource has been used within Counter Fraud, alongside an overview of key work areas completed against the 4 NHS Counter Fraud Authority standard areas.
Cefndir / Background Main Report: To evidence the provision of services within a sound governance framework.
Asesiad / Assessment Main Report: The Health Board is compliant with the Welsh Government Directives.
Argymhelliad / Recommendation The Audit & Risk Assurance Committee is invited to receive for information the Counter Fraud Update Report and appended items.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.2 In particular, the Committee will review the adequacy of:

	3.2.4 the policies and procedures for all work related to fraud and corruption as set out in National Assembly for Wales Directions and as required by the Counter Fraud and Security Management Service.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable.
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	3. Effective 4. Efficient
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	4. Learning, improvement and research
Amcanion Strategol y BIP: UHB Strategic Objectives:	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 Termau: 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 17 October 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 30/09/2023	Resource Used (Percentage as at 30/09/2023)
STRATEGIC GOVERNANCE	40	16	40%
INFORM AND INVOLVE	85	41	48%
PREVENT AND DETER	120	53	44%
HOLD TO ACCOUNT	175	92	52%
TOTAL	**420**	**202**	**48%**

Work Area	Summary of work areas completed
Inform and Involve	• 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. Due to a suspension in the intake of overseas nurses for this financial year, the Counter Fraud department will provide its final 2023/24 presentation in October 2023. • A Counter Fraud awareness session has been delivered to the Primary Care Team, including those covering GP services and Community Pharmacy Teams, highlighting key issues, including working whilst sick and the need to declare outside interests that conflict with Health Board employment. The session has generated a potential enquiry into dispensing claim irregularities. • Work continues on the new Inform / managers passport programme in partnership with Learning development, which includes the development of a new Counter Fraud awareness session, designed to be delivered virtually and to include breakout sessions to encourage audience participation. The first session is expected to be delivered in Quarter 3.
Prevent and Deter	• 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.

- As at 3 October 2023, it is noted that there are no risks assigned with the fraud theme. Risk 1669 – Recruitment (pre-employment checks), which was previously aligned to the theme was closed on 27 September 2023 after confirmation received from the Head of Resourcing and Utilisation, as fewer than 1% of new starters in the previous 12 months commenced prior to full DBS checks being completed (with risk assessments undertaken in the interim), and on receipt of DBS checks, none were returned with a positive DBS result.

- A Fraud Prevention Notice (FPN), highlighting a growing trend of fraud offences in relation to person impersonating medical professionals for financial gain has been received and appended to this report, Appendix 1 refers. The FPN has been shared with relevant stakeholders, including the risk owners, Workforce and

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Occupational Development. The risk highlighted has been categorised as high and arrangements are afoot to collaboratively assess the threat, which will include reviewing existing controls and developing new where required.

Initial observations are that controls exist to mitigate the risk, these include relevant right to work and identification checks, however, the service will now be asked to assess the risk, documenting controls and provide and log a risk assessment where applicable.

Consideration should be made to evaluate the effectiveness of these controls by way of a pro-active exercise which can be undertaken by the Counter Fraud department. One such exercise has been discussed with Nurse Bank and can be actioned when required.

- A risk assessment in connection with risks identified as part of a recent Internal Audit Report on Theatre Loan Trays and Consumables has been undertaken with the Head of Theatres and a copy of the assessment has been appended to this report, appendix 2 refers. To summarise, the directorate have confirmed that the practice of loaning theatre trays to external bodies has been suspended indefinitely. As such, the risk of fraud was discussed with both the Directorate lead and the service Risk Manager, and it was deemed that the threat has been terminated. As such, the matter has not been reported onto Datix. The department have been advised that should the process be brought back into operation, there will be a need to assess existing controls, with a view of developing a standard operating procedure to effectively manage services provided..

- Enquiries linked to the National Fraud Initiative have continued, with work linked to the initiative, taking priority over the last 6 weeks. This has resulted in a significant increase in matches reviewed, including:

  ➤ 147 Payroll to Payroll matches, where NFI has identified 147 employees who have secondary employment. Work has been undertaken to identify whether relevant declarations of interest have been submitted followed by enquiries into any episodes of working whilst sick. To date, two matches have been progressed to an initial assessment of facts, however, to date no offences have been proven.

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	54 Payroll to Phone or Email matches, where 108 employees are said to share personal contact details. The majority of these enquiries relate to scenarios where relatives are employed by the organisation and have entered the same contact details on ESR. To date, no concerns have been identified. 146 Payroll to Pension matches, where NFI has identified that 146 Health Board employees are also in receipt of an NHS Pension. Checks are undertaken to establish that relevant retire / return processes have been followed and that none of those matched are not being overpaid. 130 Payroll to Creditor or Companies house, where NFI has identified employees who are either listed on companies' house as being involved with a registered business OR are linked to an organisation who provide goods or services to the Health Board. - In addition to the above, NWSSP Procurement will be assisting with reviewing matches linked to duplicate invoices / creditor matches. NWSSP have completed a sample of these checks and have marked the matches as complete, providing confirmation that no matches of concern have been identified. It is hoped that all NFI matches will have been reviewed or marked as completed by the end of October 2023.
Hold to Account	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.
Strategic Governance	- 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.

Report Provided by:
Ben Rees - Lead Local Counter Fraud Specialist
For presentation; 17 October 2023

Report agreed by:
Huw Thomas
Director of Finance

FRAUD PREVENTION NOTICE
Impersonating a medical professional

Priority Action	High	X	Moderate		Low	

Background Information

The NHSCFA has identified a growing trend of fraud offences in relation to impersonating a medical professional.

The identified trend is in relation to bank/agency staff where a person registers with an agency, meets all the identification and qualification requirements, and books on to several shifts. However, a completely different person arrives to work the shift.

Despite this Fraud Prevention Notice (FPN) focusing on bank/agency staff, the NHSCFA has seen an increase in cases involving substantive posts where someone is interviewed, satisfies the NHS employers requirements but another unknown person undertakes the role.

NHS organisations rely on agencies to undertake the required employment checks to ensure the person is qualified and has the right to work in the UK. Nevertheless, further controls appear to fail when the agency worker attends the NHS organisation, and no ID checks are undertaken to ensure the person working the shift is the same person they are expecting. In many cases the person attending the shift will arrive late to ensure that the pressure to begin work overrides checking ID.

The NHS is one of the largest employers in the world and relies upon the use of agency workers to maintain its service of care. The NHS workforce structure can therefore appear more transient than other workplace settings, with staff covering multiple organisations; it is therefore important to remain vigilant of this type of fraud risk. This type of fraud can have very serious patient safety implications as well as the financial and reputational risks

to NHS organisations.

How the fraud operates

This type of fraud can occur when policies and procedures are not followed, due to the extreme capacity and staffing issues that the NHS is facing, resulting in identification checks not being completed on the employees first day of employment / first agency shift.

In one case, an agency nurse, booked onto hundreds of shifts across multiple counties, but an unknown number of unqualified people posed as the original nurse and worked the shifts instead. This type of fraud raises significant concerns for patient safety.

In addition, there are significant risks of potential human trafficking and modern slavery as the identity of the person undertaking the work is unknown. If modern slavery is suspected, immediate action should be taken in accordance with the NHS organisation's modern slavery statement. Many of these cases exhibit behaviour seen within organised crime groups (OCG), where there is the potential for the OCG to remain in control of vulnerable people who are forced to work the agency shifts. The medical professional may also be forced into facilitating this type of fraud.

In most cases it has been by pure chance that the agency member was recognised as not being who they said they were. For example, by sheer chance a manager who sat on the interview panel for an NHS substantive post walked past the office on the new staff members' first day and recognised that the person in attendance was not the same person as the successful applicant. In other cases, the issue came to light over time because of the poor performance of the temporary worker and inability to treat or assist with treating patients.

Prevention advice

This type of fraud relies on ID checks not being undertaken when a new worker arrives at the beginning of their shift.

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

Pre-employment checks

When contracting staff from an agency or other external third-party provider, NHS organisations must assure themselves (usually through robust auditing) that the agency carries out pre-employment checks in compliance with the NHS Employment Standards. The fraud risk increases if NHS organisations are using off framework agencies.

During an interview, prospective staff should be asked to show photographic ID to ensure that the photograph is a true likeness of the person presenting for the interview. It is best practice for this to take place in person and to be in physical possession of the original documents. ID must be checked again when the individual first takes up the position.

Clear instructions should be given to all new staff that photographic ID will be required and inspected before any shift is undertaken. This should form part of an induction checklist for all new/temporary workers and checked against the ID provided during the interview process. If it is not provided, the member of staff should be sent home.

Employee management

If a new or temporary worker is withdrawn, reluctant to undertake duties (especially clinical duties), or attempts to conceal their identity (for example wearing a face mask when not required) consider whether this could be a red flag that they are not who they claim. Raise staff awareness of the risk of impersonating a medical professional.

Managers should be vigilant for any poor/underperformance. Immediate action should be taken (in line with organisational policy) to protect patient safety if someone is suspected of impersonating a medical professional.

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.

Action to take.

Raise staff awareness to the risk of staff fraud involving working elsewhere / multiple employments, in particular to all to staff dealing with the recruitment and applications process and all managers of remote workers – This action is already being implemented by Counter Fraud as part of the annual awareness program and online E-Learning course. However, other key stakeholders will be asked to raise awareness of this topic.

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 Circulated to Workforce and OD.

Consider a local proactive exercise (LPE) in either raising staff awareness, control testing, or detection. – This action has been considered and discussed with the Head of Nurse Bank. Consideration will now be made to complete the exercise in the coming month (in agreement with the service).

If you suspect modern slavery, report it to the Modern Slavery Helpline on 08000 121 700 or the police on 101. In an emergency always call 999. Don't leave it to someone else. Your information could save a life.

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.

Datix ref. and date of entry:	N/A	Any previous risk reference:	N/A
Name of person identifying risk:	Benjamin Rees	Contact email or phone:	Benjamin.Rees2@wales.nhs.uk

Risk Ownership

Executive Director:	Andrew Carruthers
Delegated risk owner:	Diane KNIGHT
Management or service lead:	Diane KNIGHT

Risk Location

Directorate:	Theatres	Service or Department:	Theatres / Operations

Risk Identification

Title of risk:	Loss of income linked to theatre tray loans				
Date risk identified:	15/08/2023		How risk was identified (risk source):	Internal Audit Report	
Type of Risk: (Choose one ✓)	Operational	X	Strategic		Project	

Risk Statement

Describe the risk, work activity, environment or process being assessed. What is the risk to the Health Board?

There is a risk that the lack of governance associated with the loaning of theatre trays to external providers will result in:

- An economic loss to the organisation through error or fraud.
- A risk of patient safety linked to the traceability of equipment that require decontamination.

The above risks where highlighted following an internal audit report, which provided limited assurance with respect to both.

This will lead to:

- A potential patient safety incident, which may result in financial penalties and reputational harm.
- An inability to accurately invoice creditors for services provided, therefore causing a loss of income to the organisation.
- A potential risk of fraud where there is little or no governance around the ordering, supply and invoicing of goods.

Location of the risk:	Theatres / Operations.		
What is the financial cost if the risk materialises:	£1000+	What is the financial cost based on?	Known errors.

Please ✓ the one DOMAIN under which this risk lies:

Safety, patient, staff or public	X	Quality, Complaints or Audit	X	Workforce & OD	
Statutory Duty or Inspection	X	Adverse Publicity or Reputation	X	Business Objectives or Projects	
Finance including Claims	X	Service/Business interruptions/disruptions		Environmental	

Risk Matrix	Likelihood →				
Impact ↓	Rare - 1	Unlikely - 2	Possible - 3	Likely - 4	Almost certain – 5
Catastrophic - 5	5	10	15	20	25
Major - 4	4	8	12	16	20
Moderate - 3	3	6	9	12	15
Minor - 2	2	4	6	8	10
Negligible - 1	1	2	3	4	5

Inherent Risk Score (Likelihood x Impact = Risk Score)
What is the score **WITHOUT** any control measures?

Using the risk matrix overleaf, evaluate the **inherent** risk rating. This is the risk score **WITHOUT** control measures in place.					
Inherent likelihood	5	**× Inherent impact**	4	**= Inherent risk rating**	20

Control Measures Currently in Place - List the current control measures in place to minimise the potential impact of harm and reduce the risk. These must be **IN PLACE AND WORKING** to be a control.

Control measures
Not Applicable – Following a review of the process in partnership with the Risk owner, Head of Risk and Assurance and Counter Fraud, it was noted that the loaning of equipment to external organisations has been suspended indefinitely. As such, the risks identified have been terminated and no longer pose a threat to the organisation. The department have been advised that should the process be brought back into operation, there will be a need to assess existing controls, with a view of developing a standard operating procedure to effectively manage services provided.

Current Risk Score (Likelihood x Impact = Risk Score)

Using the risk matrix below, identify the **current** risk rating. This is the risk score **WITH** control measures in place.					
Current likelihood	0	**× Current impact**	0	**= Current risk rating**	0

Risk Action Plan - Please specify actions that address the cause of the risk **(These should be clear and concise)**.

Actions must be SMART: Specific, Measurable, Achievable, Realistic and Time-bound.	**By whom**	**By when**	**Cost of action**
Not applicable – Risk terminated.			

Target Risk Score (Likelihood x Impact = Risk Score)

Using the risk matrix, identify the **target** risk rating. This is the risk score you are trying to achieve when the actions are put in place.					
Target likelihood	0	**× Target impact**	0	**= Target risk rating**	0

Risk Review & Monitoring (for management completion)

Identify the Lead Assurance Committee or Sub-Committee this risk should be reported to:	Audit & Risk Assurance Committee		
Identify the local management group this risk should be monitored at:			
Is this risk to be entered onto your service risk register in Datix? (yes/no)	No	**Frequency of review:**	Annual

Risk Matrix	**Likelihood →**				
Impact ↓	**Rare - 1**	**Unlikely - 2**	**Possible - 3**	**Likely - 4**	**Almost certain – 5**
Catastrophic - 5	5	10	15	20	25
Major - 4	4	8	12	16	20
Moderate - 3	3	6	9	12	15
Minor - 2	2	4	6	8	10
Negligible - 1	1	2	3	4	5