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Audit Wales Counter Fraud

Presenter: Audit Wales

'Gwella ein Perfformiad' - Mynd i'r Afael â Thwyll yng Nghymru

'Raising Our Game' - Tackling Fraud in Wales

Effectiveness of Counter-Fraud Arrangements – Hywel Dda University Health Board

HDdUHB Counter Fraud Management Response

'Gwella ein Perfformiad' Mynd i'r Afael â Thwyll yng Nghymru

Adroddiad Archwilydd Cyffredinol Cymru

Gorffennaf 2020



Paratowyd yr adroddiad hwn i'w gyflwyno i'r Senedd o dan ddeddfau Llywodraeth Cymru 1998 a 2006 a Deddf Archwilio Cyhoeddus (Cymru) 2004.

Roedd tîm astudio Archwilio Cymru yn cynnwys Rachel Davies, Christine Nash ac Ian Hughes, dan gyfarwyddyd Mike Usher.

Mae'r Archwilydd Cyffredinol yn annibynnol o'r Senedd ac o lywodraeth. Mae'n archwilio ac yn ardystio cyfrifon Llywodraeth Cymru a'r cyrff cyhoeddus sy'n gysylltiedig â hi ac a noddir ganddi, gan gynnwys cyrff y GIG. Mae ganddo'r pŵer i gyflwyno adroddiadau i'r Senedd ar ddarbodaeth, effeithlonrwydd ac effeithiolrwydd y defnydd a wna'r sefydliadau hynny o'u hadnoddau wrth gyflawni eu swyddogaethau, a sut y gallent wella'r defnydd hwnnw.

Mae'r Archwilydd Cyffredinol hefyd yn archwilio cyrff llywodraeth leol yng Nghymru, mae'n cynnal astudiaethau gwerth am arian mewn llywodraeth leol ac yn arolygu cydymffurfiaeth gydag anghenion Mesur Llywodraeth Leol (Cymru) 2009.

Mae'r Archwilydd Cyffredinol yn ymgymryd â'i waith gan ddefnyddio staff ac adnoddau eraill a ddarperir gan Swyddfa Archwilio Cymru, sydd yn fwrdd statudol wedi'i sefydlu ar gyfer y nod hwnnw ac i fonitro a chynghori'r Archwilydd Cyffredinol.

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Archwilio Cymru yw enw ymbarél Archwilydd Cyffredinol Cymru a Swyddfa Archwilio Cymru, sy'n ddau endid cyfreithiol ar wahân â'u swyddogaethau cyfreithiol eu hunain. Mae gan yr Archwilydd Cyffredinol swyddogaethau archwilio ac adrodd ar gyrrff cyhoeddus yng Nghymru. Mae gan Swyddfa Archwilio Cymru swyddogaethau darparu adnoddau, megis staff, er mwyn arfer swyddogaethau'r Archwilydd Cyffredinol, a monitro a chynghori'r Archwilydd Cyffredinol. Pan fo hynny'n berthnasol, mae testun y ddogfen hon yn nodi swyddogaethau'r Archwilydd Cyffredinol a swyddogaethau Swyddfa Archwilio Cymru. Nid yw Archwilio Cymru yn endid cyfreithiol ac nid oes ganddo unrhyw swyddogaethau.

Cewch aildefnyddio'r cyhoeddiad hwn (heb gynnwys y logos) yn rhad ac am ddim mewn unrhyw fformat neu gyfrwng. Os byddwch yn ei aildefnyddio, rhaid i chi ei aildefnyddio'n gywir ac nid mewn cyd-destun camarweiniol. Rhaid cydnabod y deunydd fel hawlfraint Archwilydd Cyffredinol Cymru a rhaid rhoi teitl y cyhoeddiad hwn. Lle nodwyd deunydd hawlfraint unrhyw drydydd parti bydd angen i chi gael caniatâd gan ddeiliaid yr hawlfraint dan sylw cyn ei aildefnyddio.

Am fwy o wybodaeth, neu os ydych angen unrhyw un o'n cyhoeddiadau mewn ffurf ac/neu iaith wahanol, cysylltwch â ni drwy ffonio 029 2032 0500 neu drwy e-bostio post@archwilio.cymru. Rydym yn croesawu galwadau ffôn yn Gymraeg a Saesneg. Gallwch ysgrifennu atom hefyd, yn Gymraeg neu'n Saesneg, a byddwn yn ymateb yn yr iaith rydych chi wedi ei defnyddio. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in English.

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Rhagair gan yr Archwilydd Cyffredinol

- 1 Ym mis Mehefin 2019, cyhoeddais adroddiad a oedd yn cynnwys trosolwg o hyd a lled twyll yn y sector cyhoeddus yng Nghymru, ynghyd â disgrifiad o drefniadau atal twyll ar draws Llywodraeth Cymru, y GIG a llywodraeth leol. Nodais fod y symiau a gollir yn flynyddol yng Nghymru oherwydd twyll a gwallau'n sylweddol – ac y gallent fod rhwng £100 miliwn ac £1 biliwn. Mae Arolwg Troseddu Cymru a Lloegr yn cydnabod bod twyll yn un o'r troseddau mwyaf cyffredin yng nghymdeithas yr oes sydd ohoni.
- 2 Fodd bynnag, mae rhai uwch-arweinwyr yn y sector cyhoeddus yn amheus ynghylch y lefelau o dwyll sydd yn eu sefydliadau. O ganlyniad, maent yn gyndyn o fuddsoddi mewn trefniadau atal twyll ac maent yn rhoi blaenoriaeth isel i'r gwaith o ymchwilio i achosion o dwyll posibl y mae'r Fenter Twyll Genedlaethol yn tynnu eu sylw atynt, er bod llawer o enghreifftiau o adenillion da ar fuddsoddiad i'w gweld yn y maes hwn. Mae eu safbwynt yn mynd yn groes i'r holl ymchwil a gyflawnir gan arweinwyr cydnabyddedig yn y maes, megis y Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth (CIPFA) a Swyddogaeth Atal Twyll Llywodraeth y DU. Mae'r adroddiad diweddaraf hwn sy'n archwilio effeithiolrwydd trefniadau atal twyll mewn dros 40 o gyrff y sector cyhoeddus yng Nghymru wedi gweld nad yw'r amheuaeth honno, lle mae'n codi, yn seiliedig ar unrhyw waith lleol o bwys i atal twyll nac ar unrhyw asesiadau cadarn o'r risgiau o dwyll.
- 3 Ond rydym hefyd yn gwybod bod twyllwyr yn ymddangos cyn gynted ag y bydd cyfle'n codi. Hyd yma mae 15 o unigolion wedi cael eu carcharu am dwyllo'n dilyn trasiedi'r tân yn Nhŵr Grenfell. Roedd twyllwyr a sgamwyr wrth eu gwaith yn sydyn yn gynharach eleni tra oedd y llifogydd yn ne Cymru yn dinistrio cartrefi a bywydau pobl leol. Gwelwyd cynnydd enfawr mewn gweithgarwch twyllodrus, yn enwedig mewn seiberdroseddu, yn ystod y pandemig COVID-19 presennol. Rwy'n croesawu'r camau rhagweithiol y mae Llywodraeth Cymru wedi'u cymryd i godi ymwybyddiaeth ar draws y sector cyhoeddus yng Nghymru o'r risg hon.

- 4 Gall cyrff y sector cyhoeddus leihau'r risgiau dan sylw drwy feithrin y diwylliant sefydliadol cywir a ategir gan drefniadau cadarn ar gyfer atal twyll. Gan fod llawer o awdurdodau lleol wedi buddsoddi cyn lleied mewn trefniadau atal twyll, dim ond ychydig o'r elfennau allweddol sydd ganddynt ar waith. Er bod y sefyllfa'n gyffredinol yn fwy cadarn o lawer ar draws y GIG yng Nghymru, ceir agenda heriol o hyd o safbwynt sicrhau bod trefniadau atal twyll yn addas ar gyfer y degawd nesaf oherwydd bod globaleiddio a dyfodiad technoleg ddigidol wedi creu risgiau newydd, a chyfleoedd newydd, i'r twyllwyr.
- 5 Cefais fy nghalonogi gan ymateb cadarnhaol Llywodraeth Cymru i'm hadroddiad yn 2019 ac, yn dilyn y gynhadledd undydd a drefnwyd gan y Pwyllgor Cyfrifon Cyhoeddus ym mis Gorffennaf 2019, gan ymrwmiad yr Ysgrifennydd Parhaol (gweler **Atodiad 2**) i ddarparu arweinyddiaeth ar lefel Cymru gyfan er mwyn codi proffil gweithgarwch ym maes atal twyll.
- 6 Yn yr adroddiad diweddaraf hwn, sy'n seiliedig ar raglen fwy estynedig o waith maes, rydym yn nodi ystod sylweddol o gyfleoedd pellach i wella'r sefyllfa genedlaethol bresennol. Mae'r cyfleoedd hynny'n cynnwys:
 - a cryfhau arweinyddiaeth strategol, gwaith cydlynu a goruchwyliaeth ym maes atal twyll ar draws y sector cyhoeddus yng Nghymru;
 - b cynyddu capasiti a gallu ym maes atal twyll, yn enwedig ar draws llywodraeth leol, ac archwilio'r potensial i rannu adnoddau ac arbenigedd ar draws cyrff cyhoeddus;
 - c sicrhau'r cydbwysedd cywir rhwng gweithgareddau rhagweithiol ac adweithiol ym maes atal twyll;
 - ch gwella gwaith codi ymwybyddiaeth a hyfforddiant i staff ynghylch atal twyll; a
 - d gwerthuso'r risgiau o dwyll yn well a rhannu gwybodaeth am dwyll yn well, o fewn sectorau ac ar eu traws.
- 7 At hynny, ceir llawer o botensial i Gymru fanteisio lle bo'n briodol ar lawer o'r mentrau atal twyll sydd ar y gweill ar draws sector cyhoeddus ehangach y DU. Yn eu plith y mae Proffesiwn Atal Twyll Llywodraeth y DU, sef proffesiwn cydnabyddedig a sefydlwyd yn ddiweddar sydd â chymwyseddau clir a llwybrau clir o ran gyrfa, a'r ffocws cynyddol ar fynd i'r afael â thwyll drwy wneud defnydd mwy clyfar o wyddor dadansoddi data.

- 8 Wrth i mi gyhoeddi'r adroddiad hwn, mae Cymru yn dal i ymgodymu ag effeithiau'r pandemig COVID-19. Mae'r adroddiad hwn yn cynnwys darlun amserol o rai o'r ffyrdd y mae twyllwyr wedi gweithredu'n gyflym yn ystod y misoedd diwethaf i ecsbloetio'r pandemig er mwyn gwneud elw troseddol. Rwyf eisoes wedi cymryd camau i ehangu rhychwant ein Menter Twyll Genedlaethol er mwyn galluogi awdurdodau lleol yng Nghymru i gynnal archwiliadau o gymhwysedd unrhyw geisiadau am grantiau cymorth COVID-19. Rwyf hefyd yn bwriadu mynnu y dylai pob awdurdod lleol, ynghyd â Llywodraeth Cymru, anfon data ynghylch grantiau a thaliadau COVID-19 i'r Fenter Twyll Genedlaethol er mwyn helpu i ganfod ceisiadau twyllodrus.



Adrian Crompton

Archwilydd Cyffredinol
Cymru

Crynodeb ac argymhellion

Sicrhau bod y trefniadau ar gyfer atal a chanfod twyll yn y sector cyhoeddus yng Nghymru yn effeithiol

Mae'r adroddiad hwn yn archwilio saith '**thema allweddol**' y mae angen i bob corff cyhoeddus ganolbwyntio arnynt wrth wella eu perfformiad o safbwynt mynd i'r afael â thwyll yn fwy effeithiol:

- arweinyddiaeth a diwylliant;
- fframweithiau rheoli risg a sicrhau rheolaeth;
- polisïau a hyfforddiant;
- capasiti ac arbenigedd;
- offer a data;
- cydweithio; ac
- adrodd a chraffu.

Ar gyfer pob un o'r themâu yn eu tro, mae'r adroddiad yn archwilio:

- pam y mae'r thema yn bwysig;
- beth y gwnaeth ein gwaith maes ar gyfer archwilio ei nodi o safbwynt arferion gweithio presennol a'u heffeithiolrwydd ar draws y 40 o gyrff y sector cyhoeddus yng Nghymru a archwiliwyd gennym (ac a restrir yn **Atodiad 1**); a
- beth sy'n gorfod digwydd nesaf i sicrhau gwelliant.

Mae ein **hargymhellion ar gyfer gwella**, a gaiff eu cyfeirio at bob corff cyhoeddus yng Nghymru sydd o fewn cylch gwaith yr Archwilydd Cyffredinol, fel a ganlyn:

Thema

Arweinyddiaeth a diwylliant



Beth sy'n gorfod digwydd nesaf?

- A1** Dylai Llywodraeth Cymru wella ei harweinyddiaeth strategol ym maes atal twyll ar draws y gwasanaeth cyhoeddus yng Nghymru, a chyflawni rôl gydlynus os yw hynny'n bosibl iddi, gan gydnabod bod cyrff unigol yn parhau'n gyfrifol am eu gweithgareddau eu hunain ym maes atal twyll.
- A2** Dylai pob corff cyhoeddus hyrwyddo pwysigrwydd diwylliant da o ran atal twyll, a hyrwyddo ei bwysigrwydd yn weithredol er mwyn rhoi hyder i staff ac aelodau'r cyhoedd na chaiff twyll ei oddef.

Fframweithiau rheoli risg a sicrhau rheolaeth



- A3** Dylai pob corff cyhoeddus gynnal asesiadau cynhwysfawr o'r risgiau o dwyll, gan ddefnyddio staff sydd â'r sgiliau priodol ac ystyried gwybodaeth genedlaethol yn ogystal â gwybodaeth sy'n benodol i sefydliad.
- A4** Dylai asesiadau o'r risgiau o dwyll gael eu defnyddio fel adnodd byw a'u hintegreiddio yn y fframwaith cyffredinol ar gyfer rheoli risg, er mwyn sicrhau bod y risgiau dan sylw'n cael eu rheoli'n briodol a'u huwchgyfeirio fel y bo raid.

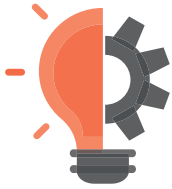
Polisïau a hyfforddiant



- A5** Mae angen i bob corff cyhoeddus gael cyfres gynhwysfawr wedi'i diweddarau o bolisïau a gweithdrefnau, sydd gyda'i gilydd yn strategaeth gydlynus ar gyfer adnabod a rheoli risgiau o dwyll ac ymateb iddynt.
- A6** Dylai staff sy'n gweithio ar draws y sector cyhoeddus yng Nghymru gael hyfforddiant ynghylch ymwybyddiaeth o dwyll fel y bo'n briodol i'w rôl, er mwyn gwella effeithiolrwydd sefydliadau o safbwynt atal twyll, ei ganfod ac ymateb iddo.
- A7** Dylid rhoi cyhoeddusrwydd i achosion lle caiff twyll ei ganfod a lle eir i'r afael ag ef yn llwyddiannus, er mwyn atgyfnerthu neges gadarn o'r brig na chaiff twyll ei oddef.

Thema

Capasiti ac arbenigedd



Beth sy'n gorfod digwydd nesaf?

- A8** Mae angen i bob corff cyhoeddus greu digon o gapasiti i sicrhau bod gwaith atal twyll yn cael adnoddau effeithiol, fel bod ymchwiliadau'n cael eu cynnal yn broffesiynol ac mewn modd sy'n arwain at gosbi'r tramgwyddwyr yn llwyddiannus ac at adennill colledion.
- A9** Dylai pob corff cyhoeddus fod yn medru cael gafael ar staff sydd wedi cael hyfforddiant ynghylch atal twyll ac sy'n bodloni safonau proffesiynol cydnabyddedig.
- A10** Dylai pob corff cyhoeddus ystyried modelau a fabwysiadwyd mewn rhannau eraill o'r DU, sy'n ymwneud â chyfuno / rhannu adnoddau er mwyn sicrhau bod cynifer ag sy'n bosibl o staff ar gael sydd â'r sgiliau priodol.

Offer a data



- A11** Mae angen i bob corff cyhoeddus ddatblygu a chynnal ymatebion deinamig a hyblyg ym maes atal twyll, sy'n cynyddu'r tebygolrwydd y bydd camau gorfodi llwyddiannus yn cael eu cymryd ac sy'n ategu'r agwedd o'r brig nad yw'r sefydliad yn goddef twyll.
- A12** Dylai pob corff cyhoeddus archwilio a chroesawu cyfleoedd i arloesi gyda gwyddor dadansoddi data, er mwyn cryfhau trefniadau ar gyfer atal a chanfod twyll.

Cydweithio

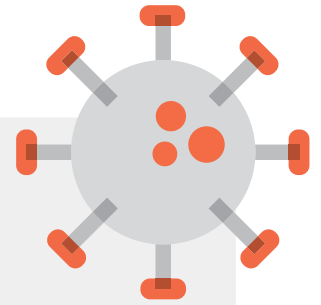


- A13** Dylai cyrff cyhoeddus weithio gyda'i gilydd, dan Ddeddf yr Economi Ddigidol a chan ddefnyddio datblygiadau ym maes gwyddor dadansoddi data, i rannu data a gwybodaeth er mwyn helpu i ganfod twyll a brwydro yn ei erbyn.

Adrodd a chraffu



- A14** Mae angen i gyrff cyhoeddus grynhoi gwybodaeth am golledion ac adenillion a rhannu gwybodaeth â'i gilydd am dwyll er mwyn creu darlun cenedlaethol mwy cywir, cryfhau rheolaeth, gwella gwaith monitro a hybu camau gweithredu a gaiff eu targedu.
- A15** Rhaid i bwyllgorau archwilio ddechrau ymwneud yn llawn ag atal twyll, gan ddarparu cymorth a chyfeiriad, monitro a dwyn swyddogion i gyfrif.



Y pandemig COVID-19: astudiaeth achos ynghylch sut y mae sgamwyr a thwyllwyr yn barod i ecsbloetio argyfwng

Rydym yn gwybod o brofiad bod twyllwyr yn ymddangos cyn gynted ag y bydd cyfle'n codi. Hyd yma mae 15 o unigolion wedi cael eu carcharu am dwyllo'n dilyn trasiedi'r tân yn Nhŵr Grenfell. Roedd twyllwyr a sgamwyr wrth eu gwaith yn sydyn yn gynharach eleni tra oedd y llifogydd yn ne Cymru yn dinistrio cartrefi a bywydau pobl leol.

Yn ôl y disgwyl, gwelwyd cynnydd enfawr mewn gweithgarwch twyllodrus, yn enwedig mewn seiberdroseddu, yn ystod y pandemig COVID-19 presennol.

Adroddwyd ynghylch yr achosion positif cyntaf o COVID-19 yn y DU ar 31 Ionawr 2020. Erbyn hynny, roedd y twyllwyr a'r sgamwyr wedi bwrw iddi ac wrthi eisoes yn gweithio'n ddiwyd.

Cafodd Action Fraud, sef canolfan y DU ar gyfer adrodd ynghylch twyll, ei adroddiad cyntaf ynghylch twyll yn ymwneud â COVID-19 ar 9 Chwefror. Ers hynny, mae nifer yr adroddiadau wedi cynyddu'n sylweddol ledled y DU – cafwyd adroddiadau ar y cyfryngau ynghylch nifer ddigynsail o sgamiau sy'n gysylltiedig â'r feirws.

Rydym wedi gweld enghreifftiau o arfer da gan rai cyrff cyhoeddus a sefydliadau yng Nghymru wrth iddynt nodi'r risgiau o dwyll a'u rhannu â chyrrff eraill a dinasyddion. Mae Llywodraeth Cymru wrthi'n trafod â Swyddfa'r Cabinet yn Llywodraeth y DU ac wrthi'n rhannu ei chanllawiau a'r gwersi a ddysgwyd ganddi ynghylch atal twyll â gweddill y gwasanaeth cyhoeddus yng Nghymru, gan gynnwys arweinwyr atal twyll mewn awdurdodau lleol. Mae swyddogion Llywodraeth Cymru wedi cytuno i gadw a datblygu'r grŵp hwn ar ôl y pandemig COVID. At hynny, mae'r wybodaeth a gafwyd o'r cyfarfodydd hyn wedi cynorthwyo'r Pennaeth Atal Twyll i rannu gwybodaeth am dwyll â Swyddfa'r Cabinet ac â'r tri arweinydd arall atal twyll yn y gweinyddiaethau datganoledig.

Ond a yw ymateb y sector cyhoeddus yng Nghymru wedi bod yn adweithiol yn hytrach nag yn rhagweithiol? Beth y gallwn ei wneud yn well? Er bod globaleiddio wedi bod yn fanteisiol i'r twyllwyr, gall hefyd fod yn fanteisiol i arbenigwyr atal twyll; cawsom wybod yn gynnar am sgamiau filoedd o filltiroedd i ffwrdd ychydig wythnosau cyn i'r achos cyntaf o COVID-19 gael ei ganfod yn y DU.

Y pandemig COVID-19: astudiaeth achos ynghylch sut y mae sgamwyr a thwyllwyr yn barod i ecsbloetio argyfwng

Rydym o'r farn bod y pandemig COVID-19 yn cynnig cyfle pwysig i weithwyr ym maes atal twyll yng Nghymru ddod ynghyd (drwy ddulliau priodol) a myfyrio ynghylch cyflymder ac effeithiolrwydd eu hymateb i'r sgamwyr a'r twyllwyr.

Gallai'r materion allweddol a'r argymhellion a nodir yn yr adroddiad hwn helpu i bennu agenda neu fframwaith ar gyfer digwyddiad o'r fath. Ni chafwyd erioed gyfle mwy amserol i arweinwyr y sector cyhoeddus yng Nghymru ac arbenigwyr atal twyll ystyried:

- sut mae creu arweinyddiaeth strategol, gwaith cydlynu a goruchwyliaeth gryfach ym maes atal twyll ar draws y sector cyhoeddus yng Nghymru;
- sut mae gwneud y defnydd gorau o gapasiti a gallu ym maes atal twyll, ac archwilio'r potensial i gael trefniadau, adnoddau ac arbenigedd a rennir;
- sut mae sicrhau cydbwysedd gwell rhwng gweithgareddau rhagweithiol ac adweithiol ym maes atal twyll;
- sut mae codi ymwybyddiaeth ymhlith gweithwyr a rhoi'r hyfforddiant angenrheidiol i'r sawl sydd fwyaf tebygol o ddod ar draws twyll; a
- sut mae gwerthuso risgiau o dwyll yn fwy effeithiol a rhannu gwybodaeth am dwyll o fewn sectorau ac ar eu traws.

Felly, beth yr ydym yn ei wybod yn barod am ymateb y twyllwyr i'r pandemig?

Mae twyllwyr wedi elwa ar nifer o ffactorau, er enghraifft:

- mae mwy o bobl yn treulio amser ar-lein yn siopa ac yn rhyngweithio'n gymdeithasol â'i gilydd. Caiff pobl hŷn eu hystyried yn bobl sy'n arbennig o agored i niwed, oherwydd bod ganddynt lai o sgiliau cyfrifiadurol yn gyffredinol a'u bod yn fwy tebygol o gael eu twyllo gan sgamiau megis e-bost gwe-rwydo a chyfleoedd i archebu cynnyrch ffug megis masgiau wyneb a hylif diheintio.
- mae patrymau gweithio wedi newid ar fyr rybudd, sy'n gallu gadael gwendidau mewn prosesau a gweithdrefnau.
- mae swm digynsail o arian cyhoeddus wedi'i roi mewn ystod o gynlluniau cymorth ariannol newydd ac arloesol ar gyfer busnesau ac unigolion.

Y pandemig COVID-19: astudiaeth achos ynghylch sut y mae sgamwyr a thwyllwyr yn barod i ecsbloetio argyfwng

Roedd twyllwyr a sgamwyr wedi gallu bwrw iddi'n gyflym am nifer o resymau:

- maent yn dda iawn am werthuso risgiau ac ecsbloetio gwendidau a all fod ar lefel prosesau neu ar lefel unigolion;
- mae ganddynt offer a methodolegau cadarn ac maent yn gallu eu haddasu ar fyr rybudd i gyfle newydd; ac
- nid ydynt yn cydnabod ffiniau daearyddol a gallant fod yn effeithiol drwy weithio ar eu pen eu hunain a thrwy gydweithio ag unigolion sydd o'r un anian â nhw.

Mae mwy o enghreifftiau nag y gellir sôn amdanynt yma o dwyll a sgamiau'n ymwneud â COVID-19 yn ymddangos. Fodd bynnag, mae nifer o themâu'n dod i'r amlwg:

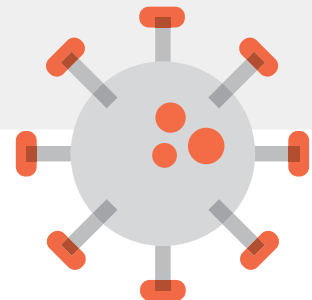
- roedd yr adroddiadau cyntaf yn ymwneud â gwerthu cyfarpar diogelu personol megis masgiau wyneb a hylif diheintio'r dwylo, a chitiau profi. Roedd yr eitemau fel rheol yn ffug, neu'n aml nid oeddent yn cyrraedd ar ôl talu amdanynt¹.
- roedd yr adroddiadau nesaf a ymddangosodd yn ymwneud ag e-bost gwe-rwydo. Er enghraifft, mewn un e-bost honnwyd bod y neges yn cael ei hanfon gan yr Adran Gwaith a Phensiynau i ofyn i'r unigolyn am fanylion cerdyn debyd neu gredyd, a bod hawl gan yr unigolyn i gael ad-daliad treth gyngor.
- wrth i sylw ac adnoddau sefydliadau gael eu dargyfeirio at ddulliau newydd o weithio, ac wrth i lawer o staff gael eu hatal dros dro rhag gweithio, cynyddodd nifer yr ymosodiadau seiberddiogelwch er mwyn dwyn data sensitif o ran busnes a data personol.
- wrth i nifer gynyddol o bobl weithio gartref yn dilyn cyfyngiadau ar symud ledled y DU, dechreuodd ymgyrchoedd gwe-rwydo dargedu rhaglenni y dibynnir arnynt wrth weithio o bell, yn enwedig rhaglenni poblogaidd ar gyfer galwadau cynadledda, a thargedu cwmnïau dosbarthu parseli.

1 Cyflwynodd y GIG yng Nghymru drefniadau i leihau'r risg hon o dwyll ac ni ddatblygodd yn broblem.

Y pandemig COVID-19: astudiaeth achos ynghylch sut y mae sgamwyr a thwyllwyr yn barod i ecsbloetio argyfwng

- wrth i'r ffocws cenedlaethol droi at brofi ac olrhain pobl, cafodd rhwyd y twyllwyr ei thaflu'n ehangach a dechreuodd dargedu pawb yn ddiwahân, fel y gwelwyd mewn neges destun ffug a oedd yn ceisio twyllo pobl i gredu eu bod wedi bod mewn cysylltiad â rhywun a gafodd brawf positif am y feirws ac a oedd yn cyfeirio'r bobl hynny at wefan er mwyn iddynt gael rhagor o wybodaeth. Yna, roedd y ddolen gyswilt yn cael ei defnyddio i gynaeafu data personol ac ariannol.

Byddai ymateb diguro o safbwynt atal twyll yn golygu bod arbenigwyr atal twyll wedi nodi'r risgiau o leiaf yr un mor gyflym â'r twyllwyr, os nad yn gynt. Byddai hefyd yn golygu bod ganddynt yr offer cywir i atal a chanfod twyllwyr sy'n ecsbloetio unrhyw gyfleoedd newydd; a bod yr ymateb o safbwynt atal twyll wedi symud yn gyflym drwy gydweithio a rhannu gwybodaeth yn effeithiol.





**Diwylliant ac
arweinyddiaeth
ar draws y sector
cyhoeddus
yng Nghymru**

01

Pam y mae'r thema yn bwysig?

- 1.1 Mae Arolwg Troseddu Cymru a Lloegr yn cydnabod bod twyll yn un o'r troseddau mwyaf cyffredin yng nghymdeithas yr oes sydd ohoni. Mae pob punt a gaiff ei dwyn o'r sector cyhoeddus yn golygu bod llai o arian ar gael i'w wario ar wasanaethau allweddol megis iechyd, addysg a gwasanaethau cymdeithasol. Gall cyrff y sector cyhoeddus leihau'r risgiau sy'n deillio o dwyll drwy sicrhau bod ganddynt y diwylliant sefydliadol cywir a ategir gan drefniadau effeithiol ar gyfer atal twyll.
- 1.2 Mae arweinyddiaeth gref yn sefydlu'r agwedd briodol o frig sefydliad ac mae'n chwarae rhan hollbwysig yn y broses o feithrin diwylliant o safonau moesegol uchel. Mae'n bwysig bod uwch-reolwyr yn arwain drwy esiampl a'u bod yn anfon neges glir na fydd twyll o du mewn na thu allan i'r sefydliad yn cael ei oddef. Gall agwedd gadarn ar y brig godi proffil risgiau o dwyll a hyrwyddo'r safonau a'r dulliau gweithredu gorau ym maes gwaith atal twyll.

Beth welsom ni?

- 1.3 Heblaw am yn y GIG, ceir diffyg dull gweithredu strategol, arweiniad, gwaith cydlynu a goruchwyliaeth drosfwaol.
- 1.4 Yn GIG Cymru mae Gwasanaeth Atal Twyll y GIG² yn darparu arweinyddiaeth, sgiliau ymchwilio arbenigol, cymorth ac arweiniad i'r sector ac mae Grŵp Llywio Atal Twyll³ yn darparu cyfeiriad strategol a goruchwyliaeth. Mae'r model hwn ar gyfer arweinyddiaeth yn cynnig dull cydgysylltiedig o atal twyll ar draws y GIG yng Nghymru ynghyd â diwylliant da o atal twyll, a ategir gan broses integredig ar gyfer craffu ar y trefniadau. Mae'r fframwaith cyfreithiol sy'n benodol i GIG Cymru ynghyd â lefelau buddsoddi'n sicrhau bod gan atal twyll broffil uchel a systemau cadarn ar gyfer gorfodi ac ar gyfer adennill colledion. Ar lefel leol, roedd arweinyddiaeth strategol yn amlwg mewn Byrddau Iechyd gan fod neges gyson yn cael ei rhannu, yn fewnol ac yn allanol, na chaiff twyll ei oddef.

2 Caiff ei letya gan Bartneriaeth Cydwasanaethau GIG Cymru

3 Is-grŵp o Fforwm Cyfarwyddwyr Cyllid Cymru Gyfan

- 1.5 Ar draws awdurdodau lleol ceir diffyg arweinyddiaeth strategol, arweiniad, gwaith cydlynu a goruchwyliaeth ar lefel y sector cyfan ym maes atal twyll. Yn yr awdurdodau unigol, gwelsom ddatganiadau mewn polisïau a dogfennau strategol, a oedd o blaid peidio â goddef twyll. Ond gellir gwneud mwy o lawer i atgyfnerthu'r agwedd o'r brig ar lefel ymarferol. Gwelsom enghreifftiau lle mae'r tîm arwain yn hyrwyddo'n weithredol bwysigrwydd diwylliant da o atal twyll, drwy ymgyrchoedd codi ymwybyddiaeth, drwy lythyrau newyddion i staff a thrwy ymwneud yn weithredol â thimau atal twyll. Ond mewn llawer o awdurdodau, gwelsom hefyd nad oedd fawr ddim tystiolaeth bod y neges yn cael ei hanfon o'r brig ac nad oedd fawr ddim blaenoriaeth yn cael ei rhoi i waith atal twyll. Yn aml roedd blaenoriaethau'n cystadlu â'i gilydd ac, o ganlyniad, nid oedd fawr ddim amser yn cael ei neilltuo i waith atal twyll ac roedd proffil y gwaith hwnnw'n aml yn isel.
- 1.6 Mae'r sefyllfa'n gymysg o safbwynt Llywodraeth Ganolog. Yn Llywodraeth Cymru, gwelsom dystiolaeth fod atal twyll yn cael ei gymryd o ddifrif a bod tîm bach wedi sicrhau llawer o ganlyniadau llwyddiannus, er ei fod yn tueddu i roi pwys ar gyflawni gwaith adweithiol yn hytrach na gwaith rhagweithiol. Cawsom ein calonogi o weld bod Llywodraeth Cymru wedi derbyn y ddau argymhelliad a wnaed gan y Pwyllgor Cyfrifon Cyhoeddus yn dilyn ein hadroddiad cyntaf. Fodd bynnag, ceir bwloch o hyd y mae angen mynd i'r afael ag ef o ran arweinyddiaeth.
- 1.7 Ar draws y cyrff llywodraeth ganolog eraill a archwiliwyd gennym, nid oes blaenoriaeth mor uchel yn cael ei rhoi bob amser i atal twyll. Ymddengys mai un o'r rhesymau am hynny yw'r ffaith bod nifer yr achosion o dwyll a ganfyddir ac yr adroddir yn eu cylch yn fach iawn; mae'n rheswm sy'n codi cwestiwn anodd, sef a yw hynny oherwydd diffyg buddsoddi mewn gwaith atal twyll neu oherwydd bod nifer y troseddau sy'n digwydd yn fach mewn gwirionedd. Wedi dweud hynny, mae'r ail esboniad yn mynd yn groes i'r holl ymchwil a gyflawnir gan arweinwyr cydnabyddedig yn y maes, megis CIPFA a'r Asiantaeth Troseddu Cenedlaethol.

- 1.8 Mae'r bygythiad a achosir gan dwyll yn cael ei gydnabod yn gynyddol yn y DU hefyd. Er enghraifft, mae Llywodraeth y DU wrthi'n gweithio i sicrhau bod llywodraeth ganolog, a'r sector cyhoeddus yn ehangach, yn fan lle caiff twyll ei ganfod yn weithredol a lle ymdrinnir ag ef yn gadarn. Mae Llywodraeth y DU wrthi'n trawsnewid ei holl agwedd at atal twyll drwy:
- a sefydlu swyddogaeth atal twyll;
 - b datblygu a lansio Safon Swyddogaethol Llywodraeth y DU (GovS013);
 - c sefydlu 'Proffesiwn Atal Twyll y Llywodraeth' er mwyn datblygu pobl a chynyddu gallu;
 - ch darparu cyngor arbenigol i weddill y llywodraeth ynghylch sut mae ymdrin â thwyll;
 - d darparu gwasanaethau arbenigol er mwyn cynorthwyo cyrff cyhoeddus; ac
 - dd cydweithio â llywodraethau tramor er mwyn dod ag arbenigedd pellach i'r DU.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

- A1** Dylai Llywodraeth Cymru wella ei harweinyddiaeth strategol ym maes atal twyll ar draws y gwasanaeth cyhoeddus yng Nghymru, a chyflawni rôl gydlynw os yw hynny'n bosibl iddi, gan gydnabod bod cyrff unigol yn parhau'n gyfrifol am eu gweithgareddau eu hunain ym maes atal twyll. Wrth wneud hynny, gallai ystyried:
- ffurfio partneriaethau strategol â'r sawl sydd â rhan allweddol i'w chwarae'n genedlaethol ac yn rhyngwladol;
 - datblygu a chyflwyno strategaeth a gweledigaeth Cymru gyfan ar gyfer atal twyll;
 - argymhell/hyrwyddo safonau gofynnol ar gyfer trefniadau atal twyll yn y sector cyhoeddus, sy'n debyg i'r trefniadau a sefydlwyd gan Lywodraeth y DU;
 - codi statws staff atal twyll drwy gydnabod bod atal twyll yn broffesiwn sydd â chymwyseddau hanfodol;
 - cefnogi'r sectorau eraill drwy gynnig cyfleoedd o ran cyllid Buddsoddi i Arbed, er enghraifft, a chefnogi'r gwaith o ddatblygu cymwyseddau proffesiynol ar draws y sector cyhoeddus yng Nghymru; a
 - darparu cyngor ac arweiniad amserol ynghylch pynciau 'llosg' drwy gasglu a dosbarthu gwybodaeth bwysig a dadansoddi tueddiadau.
- A2** Dylai pob corff cyhoeddus hyrwyddo pwysigrwydd diwylliant da o ran atal twyll, a hyrwyddo ei bwysigrwydd yn weithredol er mwyn rhoi hyder i staff ac aelodau'r cyhoedd na chaiff twyll ei oddef.



Fframweithiau rheoli risg a sicrhau rheolaeth

02

Pam y mae'r thema yn bwysig?

- 2.1 Mae twyllwyr yn mynd yn fwyfwy soffistigedig ac maent yn gwerthuso cyfleoedd a risgiau mewn amser real. Yn aml, nid yw'r systemau ar gyfer rheoli a lleihau risg mewn cyrff cyhoeddus yn gallu dal i fyny â'r newidiadau i natur ac effaith twyll posibl. Creodd y llifogydd diweddar yn ne Cymru gyfleoedd ar gyfer sgamiau o fewn diwrnodau i'r llifogydd ddigwydd. Mae arbenigwyr diogelwch wedi adrodd ynghylch cynnydd enfawr mewn gweithgarwch twyllodrus yn ystod y pandemig COVID-19, oherwydd ei fod wedi creu cyfleoedd dirifedi i dwyllwyr (gweler yr **Astudiaeth Achos ar dudalen 10**).
- 2.2 Dylai asesiad o'r risgiau o dwyll fod yn arfarniad gonest o'r risgiau, sy'n defnyddio ystod o ffynonellau megis gwybodaeth genedlaethol, gwybodaeth leol, adroddiadau archwilio, ymarferion rhannu syniadau a chanlyniadau paru data. Dylai asesiadau risg fod yn ddogfennau byw a dylid eu hadolygu'n gyson. Ar ôl nodi'r risgiau, gall cyrff eu gwerthuso wedyn gan asesu eu tebygolrwydd ac asesu'r effaith pe bai'r twyll yn digwydd. Dim ond pan gaiff risgiau eu nodi a'u gwerthuso'n gywir y gall cyrff cyhoeddus fynd i'r afael â nhw mewn modd cymesur sy'n seiliedig ar flaenoriaethau, a rhoi camau gweithredu a rheolaeth briodol ar waith i reoli neu leihau'r risgiau hynny.
- 2.3 Mae'n bwysig bod gan sefydliadau fframwaith effeithiol ar gyfer sicrhau rheolaeth, er mwyn helpu i leihau'r risgiau a nodwyd. Gall amgylchedd cryf ar gyfer rheolaeth fewnol helpu i atal twyll rhag digwydd yn y lle cyntaf, a chanfod twyll os oes achos o dwyll wedi digwydd. Bydd twyllwyr yn ceisio osgoi'r fframweithiau a sefydlwyd ar gyfer sicrhau rheolaeth, felly mae'n bwysig bod fframweithiau sicrhau rheolaeth yn cael eu hadolygu'n rheolaidd. Mae rhaglen gref o reolaeth, sy'n golygu bod twyllwyr yn wynebu posibilrwydd go iawn y gallai eu twyll gael ei ganfod, yn helpu i leihau'r risg. Pan gaiff achosion o dwyll eu darganfod, dylai fframweithiau sicrhau rheolaeth gael eu hadolygu er mwyn nodi gwendidau a chyflwyno gwelliannau. Mae gan dimau archwilio mewnol arbenigedd ym maes dylunio fframweithiau sicrhau rheolaeth a rhoi prawf arnynt, a dylent gyflawni gwaith ar systemau allweddol gan ddefnyddio dull gweithredu sy'n seiliedig ar risg.

Beth welsom ni?

- 2.4 Mae ansawdd gwaith asesu a lleihau risgiau ym maes atal twyll yn amrywio'n sylweddol yn y sector cyhoeddus yng Nghymru, ac mae lle'n gyffredinol i wella ansawdd ac amseroldeb y gwaith hwnnw.
- 2.5 Yn y GIG, caiff Rhybuddion Cenedlaethol am Risgiau o Dwyll eu llunio gan Awdurdod Atal Twyll y GIG. Caiff y rhain eu dosbarthu fel mater o drefn i bob Arbenigwr Atal Twyll Lleol a phob Cyfarwyddwr Cyllid ar draws GIG Cymru. At hynny, mae'n ofynnol i'r Arbenigwyr Atal Twyll Lleol gynnal eu hasesiadau lleol eu hunain o risg. Mae hwn yn ofyniad cymharol newydd, a gwelsom fod yr asesiadau hynny'n dal i gael eu datblygu a'u sefydlu. Mae Strategaeth Mynd i'r Afael â Thwyll y GIG yn cydnabod mai un her allweddol ar gyfer y sector yw'r angen i ddatblygu dadansoddiad cynhwysfawr o risgiau penodol o dwyll er mwyn sicrhau bod adnoddau atal twyll yn cael eu cyfeirio at y meysydd mwyaf priodol yn y sector. Mae'r Grŵp Llywio Atal Twyll wedi cynnal asesiad cyffredinol o risg ac wedi llunio mapiau sicrwydd ar gyfer pob un o'r prif agweddau ar dwyll. Bydd y mapiau hynny'n cael eu defnyddio i dargedu'r maes y bydd gwaith rhagweithiol yn digwydd ynddo.
- 2.6 Drwy ein gwaith, gwelsom fod rhai awdurdodau lleol a chyrrff llywodraeth ganolog wedi cynnal asesiadau o'r risgiau o dwyll ond bod yna lawer nad oeddent wedi paratoi asesiad o'r fath ers sawl blwyddyn. Nid oedd gan rai cyrrff yn y sectorau hyn unrhyw asesiad o'r risgiau o dwyll, ac felly nid oeddent wedi asesu'n gywir pa mor debygol oedd y risg na beth fyddai ei heffaith. Heb yr elfen allweddol hon, ni all cyrrff gyfeirio adnoddau'n briodol na lleihau'n ddigonol y risg o ddiodef colledion oherwydd twyll. O ganlyniad, nid yw strategaethau a rhaglenni gwaith ar gyfer atal twyll yn arbennig o ddefnyddiol na pherthnasol gan nad ydynt yn targedu'r prif feysydd risg.
- 2.7 Drwy ein gwaith, gwelsom hefyd ei bod yn bosibl nad oedd asesiadau risg, hyd yn oed lle'r oeddent yn cael eu cynnal, yn cael eu hintegreiddio yn y fframwaith ehangach ar gyfer rheoli risg. Ni chaiff twyll ei adlewyrchu fel rheol mewn cofrestrau risg corfforaethol. Ni welsom lawer o systemau cydgysylltiedig ar gyfer sicrhau bod risgiau o dwyll yn cael eu cyfleu, eu perchenogi a'u monitro'n briodol yn y corff a gâi ei archwilio. Yn hytrach, caiff asesiadau o'r risgiau o dwyll eu hystyried yn aml yn ddogfennau annibynnol nad ydynt yn elwa ar unrhyw berchenogaeth gorfforaethol nac unrhyw gamau gweithredol i reoli'r risg a nodir ynddynt. O ganlyniad i'r dull hwn o weithredu, ni chaiff risgiau o dwyll eu rhannu'n ddigonol ar draws adrannau.

- 2.8 Gwelsom rywfaint o arfer da o safbwynt rhannu gwybodaeth am y risgiau o dwyll. Wrth ymateb i'r pandemig coronafeirws, cyhoeddodd Llywodraeth Cymru fwletin am y risgiau o dwyll yn gynnar ym mis Ebrill 2020, gan nodi'r risgiau a oedd yn dod i'r amlwg i'r sector cyhoeddus yng Nghymru. Cyn i fwletin Llywodraeth Cymru gael ei gyhoeddi, cyhoeddodd Swyddogaeth Atal Twyll Llywodraeth y DU ei chanllaw ei hun: [Fraud Control in Emergency Management – COVID-19 UK Government Guidance](#). Mae'r canllaw yn tynnu sylw at bwysigrwydd asesu risg, gwirio taliadau'n effeithiol a sicrhau trefniadau o dan diwydrwydd dyladwy ac mae'n tynnu sylw at yr angen am drefniadau cadarn ar gyfer adennill arian a delir yn anghywir. At hynny, cafwyd enghreifftiau da mewn awdurdodau lleol o waith a wneir i godi ymwybyddiaeth o sgamiau ymhlith trigolion lleol.
- 2.9 Yn gyffredinol gwelsom fod gan gyrff cyhoeddus ar draws pob sector fframweithiau cadarn ar gyfer rheolaeth fewnol, a bod timau archwilio mewnol yn rhoi prawf ar fframweithiau sicrhau rheolaeth yn rhan o'u rhaglenni blynyddol o waith ym maes sicrwydd. Fodd bynnag, gwelsom nad yw timau archwilio mewnol bob amser yn ystyried y risgiau o dwyll sy'n gysylltiedig â systemau, yn rhan o'u rhaglenni gwaith. At hynny, lle caiff systemau a phrosesau newydd eu sefydlu, gwelsom nad yw sefydliadau bob amser yn defnyddio cysylltiadau ym maes atal twyll a thimau archwilio mewnol i geisio dylunio systemau fel nad yw'n bosibl eu twyllo.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

- A3** Dylai pob corff cyhoeddus gynnal asesiadau cynhwysfawr o'r risgiau o dwyll, gan ddefnyddio staff sydd â'r sgiliau priodol ac ystyried gwybodaeth genedlaethol yn ogystal â gwybodaeth sy'n benodol i sefydliad.
- A4** Dylai asesiadau o'r risgiau o dwyll gael eu defnyddio fel adnodd byw a'u hintegreiddio yn y fframwaith cyffredinol ar gyfer rheoli risg, er mwyn sicrhau bod y risgiau dan sylw'n cael eu rheoli'n briodol a'u huwchgyfeirio fel y bo raid.



Polisiau a hyfforddiant

03

Pam y mae'r thema yn bwysig?

- 3.1 Mae fframwaith cadarn o bolisïau yn galluogi sefydliadau i gyfarwyddo eu dull o atal twyll ac i hyrwyddo ymddygiad moesegol da. Dylai cyfres o bolisïau a gweithdrefnau fod ar waith, sy'n egluro beth a ddisgwylir a beth yw canlyniadau torri'r rheolau. Dylai codau ymddygiad egluro'r safonau a ddisgwylir gan weithwyr a thynnu sylw at bwysigrwydd datgan pob gwrthdaro o ran buddiannau a sefydlu rheolau ynghylch rhoddion a lletygarwch.
- 3.2 Mae rhoi cyhoeddusrwydd i achosion o dwyll a'r camau a gymerwyd i adennill colledion yn helpu i atgyfnerthu'r neges o'r brig na chaiff twyll ei oddef. Gall cyhoeddusrwydd helpu i atal eraill rhag gwneud drygioni, oherwydd gall dynnu sylw at ganlyniadau niweidiol eu gweithredoedd.
- 3.3 Yn aml, staff fydd yn sylwi gyntaf ar afreoleidd-dra neu dwyll posibl a nhw'n aml fydd y rheng flaen yn y frwydr yn erbyn twyll. Mae angen bod y staff dan sylw'n gallu cael gafael yn hawdd ar bolisi da ar atal twyll a chwythu'r chwiban fel eu bod yn deall eu rolau a'u cyfrifoldebau ac yn deall y broses y mae'n rhaid iddynt ei dilyn os ydynt yn amau twyll.
- 3.4 Mae hyfforddiant effeithiol yn helpu staff i ddehongli polisïau a chodau ymddygiad, ac yn rhoi'r hyder a'r sgiliau iddynt adrodd ynghylch achosion o dwyll a amheuir. Fodd bynnag, dylai hyfforddiant ac ymgyrchoedd codi ymwybyddiaeth gael eu hadolygu'n barhaus, a rhaid bod cysylltiad rhyngddynt a'r asesiadau risg byw fel bod unrhyw risgiau neu achosion newydd o dwyll sy'n wynebu cyrff cyhoeddus yn cael eu rhannu'n gyflym ymhlith staff a chontractwyr os yw hynny'n briodol.

Beth welsom ni?

- 3.5 Yn gyffredinol, gwelsom fod cyrff cyhoeddus wedi paratoi ac wedi cymeradwyo ystod o bolisïau sy'n egluro'r prosesau y dylid eu dilyn os yw'r staff yn amau eu bod wedi dod ar draws achos o dwyll. Fodd bynnag, gwelsom fod rhai polisïau wedi dyddio, bod rhai yn dal ar ffurf drafft, ac nad oedd rhai ar gael yn hawdd i'r staff.
- 3.6 Mae pob un o gyrff y GIG wedi datblygu strategaethau cynhwysfawr ar gyfer atal twyll (a gaiff eu llywio gan strategaeth genedlaethol droswaol) ond gwelsom mai ychydig yn unig o gyrff eraill y sector cyhoeddus oedd wedi gwneud hynny. Mae strategaethau o'r fath yn egluro dulliau clir o reoli risgiau o dwyll ynghyd ag ymatebion a chamau gweithredu, maent yn diffinio rolau a chyfrifoldebau, a cheir croesgyfeiriadau at bolisïau eraill fel ei bod yn hawdd i'r staff eu deall.

- 3.7 Mae gan y GIG bolisi o roi cyhoedduswydd yn rhagweithiol i achosion llwyddiannus o ganfod twyll. Mae Gwasanaeth Atal Twyll y GIG yn gwneud hynny drwy gyhoeddi datganiadau i'r wasg a thrwy gysylltu â'r cyfryngau yn lleol i drefnu cyfweiliadau a chyfleoedd hyrwyddo. Mae cyhoedduswydd yn helpu i godi ymwybyddiaeth o'r risgiau o dwyll ac mae hefyd yn atal staff a chontractwyr rhag twyllo. Drwy roi cyhoedduswydd i waith atal twyll a chodi ymwybyddiaeth o effeithiau twyll, mae'r GIG yn cynnwys staff, rhanddeiliaid allweddol a'r cyhoedd yn y frwydr yn erbyn twyll.
- 3.8 Ni welsom yr un lefel o waith rhagweithiol i roi cyhoedduswydd mewn sectorau eraill. Mae rhai awdurdodau lleol o'r farn bod rhoi cyhoedduswydd i achosion yn gallu niweidio eu henw da, ac maent felly'n gyndyn o gyhoeddi gwybodaeth o'r fath. Mae Llywodraeth Cymru yn cydnabod bod mwy y gellir ei wneud i roi cyhoedduswydd i achosion o dwyll. At hynny, mae'r lefelau isel iawn o dwyll a gaiff eu canfod mewn cyrff llywodraeth ganolog yn golygu nad oes fawr ddim cyhoedduswydd i'w gael a all weithredu fel dull pellach o atal twyll.
- 3.9 Yn ogystal, canfu ein gwaith archwilio fod lefelau'r hyfforddiant a'r gweithgarwch codi ymwybyddiaeth sy'n ymwneud yn benodol â gwaith atal twyll ar draws y sector cyhoeddus yng Nghymru yn amrywio'n helaeth. Gwelsom fod ychydig o gyrff cyhoeddus yn darparu hyfforddiant ynghylch ymwybyddiaeth o dwyll i bob un o'u staff. Mae rhai cyrff cyhoeddus eraill yn darparu hyfforddiant yn rhan o raglenni sefydlu staff newydd ond nid ydynt yn darparu'r hyfforddiant hwnnw i staff sydd wedi bod yn gweithio iddynt ers amser hir. Gwelsom rai enghreifftiau lle'r oedd sesiynau diweddarau hyfforddiant a modiwlau e-ddysgu yn cael eu darparu ar gyfer y staff, ond nid oedd yr enghreifftiau hynny'n gyffredin iawn. Nid yw llawer o gyrff yn darparu unrhyw hyfforddiant ynghylch atal twyll nac unrhyw ddigwyddiadau codi ymwybyddiaeth.
- 3.10 Mae'r canfyddiadau hyn yn awgrymu ei bod yn bosibl nad yw cyfran sylweddol o weithwyr y sector cyhoeddus yng Nghymru wedi cael unrhyw hyfforddiant o gwbl ynghylch ymwybyddiaeth o dwyll, neu nad ydynt wedi cael unrhyw hyfforddiant o'r fath ers sawl blwyddyn.
- 3.11 Ceir enghreifftiau da o weithgarwch codi ymwybyddiaeth yn y GIG, lle mae gan yr Arbenigwr Atal Twyll Lleol raglen waith barhaus er mwyn datblygu a chynnal diwylliant o atal twyll yn ei Fwrdd Iechyd. Mae'r rhaglen honno'n cynnwys paratoi cyflwyniadau a chyhoeddiadau er mwyn codi ymwybyddiaeth o dwyll. Ceir enghreifftiau hefyd lle mae Arbenigwyr Atal Twyll Lleol yn cynnal arolygon staff i fesur lefelau ymwybyddiaeth y staff o dwyll er mwyn gweithredu os oes raid. At hynny, mae'r GIG wedi datblygu pecyn e-ddysgu ar gyfer pob aelod o staff am ymwybyddiaeth o dwyll, a chaiff adroddiadau ynghylch lefelau cydymffurfio ar draws sefydliadau eu cyflwyno i'r Cyfarwyddwyr Cyllid bob chwarter. Fodd bynnag, hyd yn oed yn sector y GIG, nid yw hyfforddiant ynghylch atal twyll i staff newydd yn ofyniad gorfodol yn gyffredinol.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

- A5** Mae angen i bob corff cyhoeddus gael cyfres gynhwysfawr wedi'i diweddarau o bolisïau a gweithdrefnau, sydd gyda'i gilydd yn strategaeth gydlynus ar gyfer adnabod a rheoli risgiau o dwyll ac ymateb iddynt.
- A6** Dylai staff sy'n gweithio ar draws y sector cyhoeddus yng Nghymru gael hyfforddiant ynghylch ymwybyddiaeth o dwyll fel y bo'n briodol i'w rôl, er mwyn gwella effeithiolrwydd sefydliadau o safbwynt atal twyll, ei ganfod ac ymateb iddo.
- A7** Dylid rhoi cyhoeddusrwydd i achosion lle caiff twyll ei ganfod a lle eir i'r afael ag ef yn llwyddiannus, er mwyn atgyfnerthu neges gadarn o'r brig na chaiff twyll ei oddef.



Capasiti ac arbenigedd



04

Pam y mae'r thema yn bwysig?

- 4.1 Mae'n bwysig bod cyrff cyhoeddus yn penodi hyrwyddwr atal twyll, sy'n deall twyll ac sy'n arwain dull y sefydliad o weithredu ac ymateb. Mae angen bod cyrff cyhoeddus yn medru cael gafael ar ddigon o arbenigwyr atal twyll sydd â'r sgiliau priodol, er mwyn iddynt allu atal a chanfod achosion o dwyll a amheuir ac ymchwilio iddynt ac er mwyn iddynt allu diogelu eu hasedau. Wrth i risgiau o dwyll newid, dylai fod gan gyrff cyhoeddus adnoddau i ddarparu ymateb sy'n briodol i'r bygythiad.
- 4.2 At hynny, bydd staff medrus a phrofiadol yn helpu i sicrhau bod ymchwiliadau'n cael eu cynnal yn gywir a bod tystiolaeth yn cael ei chasglu a'i thrin yn gyfreithlon er mwyn cosbi tramgwyddwyr yn llwyddiannus ac adennill colledion.
- 4.3 Er bod ymchwiliadau'n hollbwysig, maent yn gallu cymryd llawer o amser ac yn gallu bod yn gostus, ac mae'r ffaith mai nifer fach ohonynt sy'n arwain at erlyn tramgwyddwyr yn llwyddiannus yn golygu nad yw cyrff cyhoeddus yn gallu dibynnu ar ymchwiliadau'n unig i fynd i'r afael â thwyll. Mae angen bod gan gyrff cyhoeddus y capasiti i atal twyll yn rhagweithiol ac ymchwilio'n adweithiol. Mae gwaith rhagweithiol yn cynnwys ymgyrchoedd codi ymwybyddiaeth o dwyll, hyfforddiant, dylunio polisiau a strategaethau a chryfhau rheolaeth er mwyn atal ymosodiadau.

Beth welsom ni?

- 4.4 Gwelsom yn aml fod capasiti annigonol yn her allweddol y mae cyrff cyhoeddus yn ei hwynebu wrth ymdrechu i frwydro yn erbyn twyll. Ar lawr gwlad, mae capasiti a sgiliau ym maes atal twyll yn amrywio'n helaeth ar draws cyrff y sector cyhoeddus yng Nghymru ac o fewn y cyrff hynny. Caiff y rhan fwyaf o'r capasiti ei neilltuo ar gyfer ymchwiliadau a gwaith ymatebol, a chaiff unrhyw gapasiti sydd dros ben ei ddefnyddio i gyflawni gwaith ataliol ym maes atal twyll.
- 4.5 Mewn llywodraeth leol, mae rhai swyddogion yn amheus ynghylch y lefelau o dwyll sydd yn eu sefydliadau ac yn cwestiynu'r angen am adnoddau ychwanegol. Fodd bynnag, prin yw'r adnoddau y mae'r awdurdodau lleol hynny'n eu dyrannu i drefniadau atal twyll, nid oes ganddynt asesiadau cadarn o'r risgiau o dwyll ac nid ydynt yn rhoi fawr ddim blaenoriaeth i fynd ar drywydd parau data a amlygir gan y Fenter Twyll Genedlaethol. Mae eu rhagdybiaethau ynghylch lefelau isel o dwyll yn mynd yn groes i'r holl ymchwil a gyflawnir gan arweinwyr cydnabyddedig yn y maes, megis CIPFA a'r Asiantaeth Troseddu Cenedlaethol.

- 4.6 Dioddefodd awdurdodau lleol golled sylweddol i'w capasiti ym maes atal twyll pan gafodd y Gwasanaeth Sengl Ymchwilio i Dwyll, sy'n wasanaeth annibynnol, ei greu yn 2014. Mae'r gwasanaeth hwnnw'n bartneriaeth rhwng yr Adran Gwaith a Phensiynau, Cyllid a Thollau Ei Mawrhydi ac awdurdodau lleol ac mae'n ymdrin â thwyll sy'n gysylltiedig â budd-daliadau lles. Gadawodd mwyafrif yr arbenigwyr atal twyll y sector llywodraeth leol er mwyn gweithio i'r sefydliad newydd hwnnw. Mae nifer fach o awdurdodau wedi cadw staff profiadol a medrus ym maes atal twyll, ond timau archwilio mewnol yn bennaf sy'n gorfod cyflawni'r gwaith hwnnw erbyn hyn.
- 4.7 Drwy ein gwaith, gwelsom fod y trefniadau ar gyfer atal twyll yn fwy datblygedig yn gyffredinol yn yr awdurdodau lleol a oedd wedi cadw adnodd pwrpasol ac arbenigol ar gyfer atal twyll. Mewn awdurdodau lle caiff y gwaith atal twyll ei gyflawni gan dimau archwilio mewnol, gwelsom fod cyfaddawdu'n gorfod digwydd rhwng gwaith atal twyll a'r rhaglen gyffredinol o waith sy'n ymwneud â sicrwydd, oherwydd prinder adnoddau ac oherwydd blaenoriaethau sy'n cystadlu â'i gilydd.
- 4.8 Mewn rhai awdurdodau lleol, gwelsom hefyd fod sawl tîm yn chwarae rhan yn y gwaith o atal twyll, er enghraifft bod y tîm archwilio mewnol, tîm y dreth gyngor a'r tîm adnoddau dynol i gyd yn cyfrannu i'r gwaith. Er bod hynny'n ddefnyddiol o safbwynt ychwanegu capasiti, gwelsom ei fod yn gallu arwain at ddiffyg cydlynw ac integreiddio rhwng y timau dan sylw ac at ddiffyg eglurder yn y darlun cyffredinol o weithgarwch atal twyll.
- 4.9 Yn gyffredinol caiff mwy o adnoddau eu dyrannu i waith atal twyll yn y GIG nag mewn cyrff eraill yn y sector cyhoeddus, ac mae'r adnodd sy'n seiliedig ar Arbenigwyr Atal Twyll Lleol wedi cynyddu yn ystod y blynyddoedd diwethaf. Mae gan Wasanaeth Atal Twyll GIG Cymru dîm canolog sy'n ymchwilio i achosion mawr a chymhleth o dwyll ac sy'n darparu adnodd ymchwilio ariannol. Mae'r tîm hefyd yn darparu arweiniad, gwybodaeth a chymorth o ran ymchwilio i'r rhwydwaith o Gyfarwyddwyr Cyllid ac Arbenigwyr Atal Twyll Lleol sydd mewn cyrff iechyd yng Nghymru. At hynny, mae Cyfarwyddiadau Llywodraeth Cymru yn mynnu y dylai pob corff iechyd benodi o leiaf un Arbenigwr Atal Twyll Lleol sy'n weithiwr proffesiynol achrededig ym maes atal twyll. Yr Arbenigwyr Atal Twyll Lleol hyn yw'r prif bwyntiau cyswllt ar gyfer gwaith atal twyll yn eu cyrff iechyd perthnasol, ac mae ganddynt rôl allweddol i'w chwarae o safbwynt atal a chanfod twyll. Mae cynyddu lefelau staffio uwchlaw'r nifer sy'n ofynnol yn fater y penderfynir yn lleol yn ei gylch.

- 4.10 Mae'r cyfuniad o Arbenigwyr Atal Twyll Lleol a chymorth ac arweiniad gan Wasanaeth Atal Twyll y GIG a'r Grŵp Llywio Atal Twyll wedi arwain at drefniadau gwell ar gyfer atal twyll yn sector y GIG o'i gymharu â'r sectorau eraill. Fodd bynnag, er y caiff staff Arbenigwyr Atal Twyll Lleol eu rhannu'n aml rhwng Byrddau Iechyd unigol, ni chânt eu rhannu ar draws y sector cyfan. O ganlyniad, gall y ffaith mai nifer gymharol fach o staff atal twyll sydd mewn rhai Byrddau Iechyd achosi problemau os yw aelodau o staff yn absennol o'r gwaith. Hyd yn oed yn GIG Cymru, cydnabyddir yn gyffredinol y dylid cyflawni mwy o waith rhagweithiol.
- 4.11 Mae'r tîm atal twyll yn Llywodraeth Cymru yn fedrus ac yn brofiadol ac mae wedi llwyddo i sicrhau nifer o erlyniadau proffil uchel yn ystod y blynyddoedd diwethaf. Fodd bynnag, daeth adolygiad diweddar o Lywodraeth Cymru, a gynhaliwyd gan Asiantaeth Archwilio Mewnol y Llywodraeth yn 2017, i'r casgliad y gallai'r swyddogaeth atal twyll gyflawni mwy pe bai'n cael mwy o adnoddau. Mae'r tîm atal twyll yn gallu defnyddio adnoddau o'r tu mewn i Lywodraeth Cymru i gynorthwyo gydag ymchwiliadau lle bo'n briodol, a cheir cynlluniau i gynyddu'r adnoddau sydd gan y tîm yn y dyfodol agos.
- 4.12 At hynny, canfu ein harchwiliad fod cyrff cyhoeddus yng Nghymru yn gyffredinol yn dilyn dulliau traddodiadol o atal twyll, a'u bod yn canolbwyntio ar ganfod ac ymchwilio yn hytrach nag ar atal. Mae'r rhan fwyaf o gyrff cyhoeddus yn cydnabod y dylid gwneud mwy o waith rhagweithiol ac ataliol, ond maent hefyd yn cydnabod bod diffyg amser, adnoddau ac arbenigedd yn rhwystrau i newid y ffocws hwnnw.
- 4.13 Ni welsom lawer o enghreifftiau lle mae cyrff cyhoeddus y tu allan i'r GIG yng Nghymru yn cyfuno adnoddau, er mwyn helpu i leihau'r dyblygu ymdrech sy'n digwydd ac er mwyn gwella effeithlonrwydd ac effeithiolrwydd trefniadau atal twyll ar draws sectorau. Gallai cyfuno adnoddau fod o gymorth hefyd i wella parhad ac ychwanegu hyblygrwydd er mwyn addasu i anghenion a fydd yn newid yn y dyfodol.
- 4.14 Yn 2018, lansiodd Llywodraeth y DU y [Proffesiwn Atal Twyll](#) er mwyn gwella gallu cyffredinol i atal twyll ar draws y llywodraeth. Mae'r proffesiwn yn datblygu sgiliau staff arbenigol ac yn symud y tu hwnt i ffocws traddodiadol ymchwiliadau, gan roi mwy o bwys ar atal twyll a defnyddio gwyddor dadansoddi data. Mae aelodaeth ar draws adrannau Llywodraeth y DU wedi bod yn cynyddu'n gyson, ac mae Llywodraeth Cymru yn ymwneud â'r fenter. Mae'n ofynnol i sefydliadau sy'n ymuno â'r proffesiwn gael amgylcheddau dysgu sy'n cynorthwyo eu staff i ddatblygu a chynnal safonau proffesiynol.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

- A8** Mae angen i bob corff cyhoeddus greu digon o gapasiti i sicrhau bod gwaith atal twyll yn cael adnoddau effeithiol, fel bod ymchwiliadau'n cael eu cynnal yn broffesiynol ac mewn modd sy'n arwain at gosbi'r tramgwyddwyr yn llwyddiannus ac at adennill colledion.
- A9** Dylai pob corff cyhoeddus fod yn medru cael gafael ar staff sydd wedi cael hyfforddiant ynghylch atal twyll ac sy'n bodloni safonau proffesiynol cydnabyddedig.
- A10** Dylai pob corff cyhoeddus ystyried modelau a fabwysiadwyd mewn rhannau eraill o'r DU, sy'n ymwneud â chyfuno a / neu rannu adnoddau er mwyn sicrhau bod cynifer ag sy'n bosibl o staff ar gael sydd â'r sgiliau priodol.



Offer a data

05

Pam y mae'r thema yn bwysig?

- 5.1 Bydd swyddogaeth effeithiol ar gyfer atal twyll yn sicrhau bod gan y sawl sy'n gyfrifol amdani y methodolegau diweddaraf a'r offer cywir ar gyfer y gwaith. Rhaid i staff atal twyll wneud y defnydd gorau o ddata a gwybodaeth er mwyn:
 - a atal twyll drwy sicrhau bod systemau a phrosesau'n medru ei wrthsefyll;
a
 - b ymateb yn effeithiol i amheuon o dwyll.
- 5.2 Mae bygythiadau newydd o ran twyll yn ymddangos yn barhaus, ar lefel fyd-eang ac yn genedlaethol. Mae'n bwysig bod gan gyrff cyhoeddus ddulliau hyblyg ac arloesol o atal twyll, sy'n addas i oes ddigidol ac sy'n ddigon hyblyg i allu dal i fyny â thwyllwyr neu, yn well fyth, i allu achub y blaen arnynt.
- 5.3 Mae ymosodiadau seiber yn ddull amgen o gyflawni mathau traddodiadol o dwyll, megis dwyn asedau, arian neu eiddo deallusol. Canfu arolwg diweddaraf PricewaterhouseCoopers o droseddau economaidd byd-eang mai seiberdroseddu yw'r math mwyaf cyffredin o dwyll sy'n wynebu busnesau yn y DU erbyn hyn; am y tro cyntaf ers dechrau cynnal yr arolwg, mae wedi mynd yn fwy cyffredin na thwyll sy'n deillio o gamddefnyddio asedau. Gallwn weld hynny yn y cynnydd enfawr a fu yn nifer y sgamiau seiber sy'n gysylltiedig â'r pandemig COVID-19.
- 5.4 Mae atal twyll bob amser yn well na gorfod ymateb i dwyll sydd wedi digwydd. Erbyn hyn, mae llawer o sefydliadau'n ceisio sicrhau bod systemau'n medru gwrthsefyll twyll pan fydd yn cael ei gyflawni, gan ddefnyddio'r datblygiadau diweddaraf ym maes gwyddor dadansoddi data. Er enghraifft:
 - a mae Swyddfa'r Cabinet wedi datblygu offer ar-lein sy'n gallu ystyried 10,000 o gofnodion mewn saith eiliad er mwyn cynnal gwiriadau diwydrwydd dyladwy yng nghyswllt ceisiadau am grantiau; a
 - b mae'r Adran Gwaith a Phensiynau wedi bod yn treialu system Deallusrwydd Artiffisial sy'n canfod hawliadau twyllodrus drwy chwilio am batrymau ymddygiad penodol, megis ceisiadau am fudd-daliadau sy'n defnyddio'r un rhif ffôn neu sydd wedi'u hysgrifennu mewn arddull debyg. Yna, caiff gwybodaeth am unrhyw weithgarwch amheus ei throsglwyddo i ymchwilyr arbenigol.
- 5.5 Mae gwyddor dadansoddi data'n offeryn mwyfwy pwysig o safbwynt atal twyll yn ogystal â'i ganfod. Rydym yn ystyried yn adran nesaf yr adroddiad hwn sut y gall gyrff cyhoeddus rannu data er mwyn helpu i ddod o hyd i dwyll.

- 5.6 Nid yw technoleg soffistigedig a gwyddor dadansoddi data o fawr ddim gwerth os na chânt eu defnyddio'n effeithiol, ac mae angen adnoddau dynol sydd wedi cael hyfforddiant digonol i'w deall. Felly, mae'n bwysig bod cyrff cyhoeddus yn gallu cael gafael ar staff medrus ym maes gwyddor dadansoddi data, er mwyn sicrhau canlyniadau gwell o safbwynt atal twyll.
- 5.7 Mae gwybod beth y dylid ei wneud mewn achos o dwyll a amheuir yn gwella'r siawns o allu cymryd camau gorfodi llwyddiannus. Mae hefyd yn atgyfnerthu'r agwedd o'r brig nad yw'r sefydliad yn goddef twyll. Rhaid bod cynlluniau ymateb i dwyll yn rhoi cyfarwyddyd clir i bartïon perthnasol fel bod cyrff yn gallu ymateb yn sydyn ac yn briodol i honiadau. Dylai cynllun ymateb gael ei adolygu'n rheolaidd er mwyn sicrhau bod pob ymateb i dwyll yn briodol i gyfnodau newydd a risgiau newydd. Dylai cynllun ymateb egluro'r canlynol:
- a y broses o ymchwilio i dwyll, o'r adeg pan gaiff honiad ei dderbyn i'r adeg pan gaiff adroddiad ynghylch y canlyniadau ei lunio;
 - b rolau a gweithdrefnau ar gyfer cael tystiolaeth a chynnal cyfweiliadau;
 - c manylion ynghylch sut a phryd y dylid cysylltu â'r heddlu;
- ch ymrwymiad i fynd ar drywydd ystod o gosbau;
- d y trefniadau ar gyfer adrodd; ac
- dd sut y bydd y gwersi a gaiff eu dysgu'n cael eu defnyddio i gryfhau rheolaeth ar systemau a phrosesau.

Beth welsom ni?

- 5.8 Yn gyffredinol, gwelsom fod angen gwneud mwy o waith i ddiweddarau offer a methodolegau atal twyll er mwyn adlewyrchu'r oes newydd lle mae ymosodiadau seiber a throseddau a hwylusir gan dechnoleg ddigidol yn digwydd. Nid oedd gan lawer o'r awdurdodau lleol a'r cyrff llywodraeth ganolog y buom yn edrych arnynt, yn rhan o'n gwaith maes, bolisiau diogelwch gwybodaeth a oedd yn adlewyrchu'r risgiau sy'n gysylltiedig â seiberdroseddu. Roedd y sefyllfa'n fwy cadarnhaol yng nghyrrff GIG Cymru.

- 5.9 Canfu ein hadolygiad ychydig yn unig o enghreifftiau lle caiff gwyddor dadansoddi data ei defnyddio fel dull o atal twyll. Caiff gwyddor dadansoddi data ei defnyddio ar raddfa ehangach i ganfod twyll, er enghraifft wrth fynd ar drywydd parau data a amlygir gan y Fenter Twyll Genedlaethol, ond mae gwaith archwilio blaenorol a gyflawnwyd gennym⁴ wedi dangos bod y graddau yr ymwneir â'r Fenter Twyll Genedlaethol yn amrywio'n sylweddol ar draws cyrff cyhoeddus yng Nghymru.
- 5.10 Gwelsom nad oedd gan rai awdurdodau lleol a chyrrff llywodraeth ganolog gynllun ymateb i dwyll, a gâi ei rannu â phob aelod o staff ac a oedd yn egluro y byddai camau'n cael eu cymryd i ymchwilio i bob honiad o dwyll. Roedd gan Lywodraeth Cymru gynllun ymateb i dwyll ond roedd ar ffurf drafft adeg ein gwaith archwilio ac nid oedd, felly, ar gael i'r staff. Unwaith eto, roedd y sefyllfa'n fwy cadarnhaol o lawer yn GIG Cymru.
- 5.11 Mae pob un o gyrff y GIG yn defnyddio'r un system rheoli achosion i gofnodi a monitro'r cynnydd a wneir yng nghyswllt achosion posibl o dwyll. Mewn sectorau eraill, ychydig o gyrff sydd â system rheoli achosion er bod gan rai lög ar ffurf taenlen sy'n cofnodi'r wybodaeth. Mae'r ffaith bod y wybodaeth a gesglir mor amrywiol yn golygu ei bod yn anodd iawn adrodd ynghylch y sefyllfa yng Nghymru gyfan o safbwynt lefel y twyll sy'n digwydd. Nid oedd gan lawer o awdurdodau lleol a chyrrff llywodraeth ganolog system rheoli achosion na chofnodion manwl, gan fod niferoedd yr achosion o dwyll a gâi eu canfod ac yr ymdrinnid â nhw'n fach iawn.
- 5.12 Mae mwyafrif y cyrff cyhoeddus y buom yn edrych arnynt yn ystyried yr ystod lawn o gosbau posibl (disgyblu, rheoleiddio, camau sifil a chamau troseddol) yn erbyn twyllwyr a byddant yn ceisio iawn, sy'n cynnwys adennill asedau ac arian, lle bo modd. Fodd bynnag, mae llawer o gyrff yn adrodd ynghylch lefelau mor isel o dwyll fel ei bod yn amhosibl cadarnhau eu honiadau. Os caiff unrhyw achosion mewnol o dwyll eu nodi, mae mwyafrif y cyrff yn tueddu i ymdrin â'r tramgwyddwyr drwy weithdrefnau disgyblu mewnol.

4 Yn ein [hadroddiad ym mis Hydref 2018 ynghylch y Fenter Twyll Genedlaethol](#), nodwyd bod 'mwyafrif y cyrff sector cyhoeddus yng Nghymru a gymerodd ran yn y Fenter Twyll Genedlaethol yn rhagweithiol o ran adolygu'r parau data, ond nid oedd nifer fach o gyfranogwyr yn adolygu'r parau yn brydlon nac yn effeithiol'.

5.13 Roedd mwyafrif y cyrff cyhoeddus y buom yn edrych arnynt yn myfyrio ynghylch y gwendidau a amlygwyd gan achosion o dwyll a llygredd a brofwyd, ac yn adrodd yn ôl wrth adrannau a thimau er mwyn iddynt sicrhau bod eu systemau'n medru gwrthsefyll twyll. Roedd y trefniadau yng nghyrrff lleol y GIG yn arbennig o gadarn, oherwydd nid yw achosion o dwyll yn eu systemau rheoli achosion nhw'n gallu cael eu cau heb fod sicrwydd yn cael ei roi bod unrhyw wendidau mewn systemau wedi'u hystyried a'u hunioni os oes raid.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

- A11** Mae angen i bob corff cyhoeddus ddatblygu a chynnal ymatebion deinamig a hyblyg ym maes atal twyll, sy'n cynyddu'r tebygolrwydd y bydd camau gorfodi llwyddiannus yn cael eu cymryd ac sy'n ategu'r agwedd o'r brig nad yw'r sefydliad yn goddef twyll.
- A12** Dylai pob corff cyhoeddus archwilio a chroesawu cyfleoedd i arloesi gyda gwyddor dadansoddi data, er mwyn cryfhau trefniadau ar gyfer atal a chanfod twyll.



Cydweithio

06

Pam y mae'r thema yn bwysig?

- 6.1 Nid yw twyllwyr yn parchu ffiniau daearyddol nac unrhyw ffiniau eraill. Mae hynny'n golygu na all cyrff unigol y sector cyhoeddus sefydlu trefniadau effeithiol ar eu pen eu hunain ar gyfer atal twyll. Rhaid iddynt gydweithio er mwyn sicrhau bod eu hymateb i dwyll gystal ag y gall fod.
- 6.2 Mae cydweithio'n agwedd fwyfwy pwysig ar wasanaeth cyhoeddus, yn enwedig yng nghyd-destun llai o gyllid a'r angen i gyflawni mwy gyda llai o adnoddau. At hynny, mae cydweithio yn un o'r 'pum ffordd o weithio' fel y diffinnir yn nogfen Llywodraeth Cymru, 'Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015: Yr hanfodion'⁵. Mae'n hanfodol, felly, bod cydweithio a rhannu gwybodaeth ac arfer da'n digwydd rhwng cyrff y sector cyhoeddus, y sector preifat a'r trydydd sector ar draws y DU ac yn rhyngwladol.
- 6.3 Gall cydweithio olygu rhannu pobl neu gyfuno adnoddau ac, i raddau mwy cyffredin y dyddiau hyn, rhannu gwybodaeth. Gall y wybodaeth honno gael ei rhannu rhwng adrannau, rhwng cyrff, ar draws gwahanol elfennau'r sector cyhoeddus, ac â rhanddeiliaid allweddol eraill megis awdurdodau gorfodi'r gyfraith a'r sector preifat. Gall y wybodaeth a rennir fod yn wybodaeth am natur achos o dwyll neu'n wybodaeth ynghylch pwy yw'r tramgwyddwyr.
- 6.4 Mae rhannu data er mwyn helpu i ganfod twyll yn faes sy'n esblygu'n gyflym, a chaiff ei hwyluso gan newidiadau yn y gyfraith. Daeth Deddf yr Economi Ddigidol yn gyfraith yn 2017, ac mae'n galluogi awdurdodau cyhoeddus i rannu data personol er mwyn atal twyll yn y sector cyhoeddus, ei ganfod, ymchwilio iddo ac erlyn pobl am ei gyflawni. Mae'r Ddeddf yn cydnabod y gallai ehangu'r arfer o rannu data wella'r gwaith o atal twyll, ei ganfod ac ymchwilio iddo, a hynny mewn nifer o ffyrdd sy'n cynnwys:
 - a gwella'r modd y mae unigolion a allai fod yn twyllu yn cael eu targedu, a gwella proffiliau risg mewn perthynas â nhw;
 - b symleiddio prosesau, a fydd yn galluogi'r llywodraeth i weithredu'n gynt; ac
 - c symleiddio'r dirwedd ddeddfwriaethol.

5 'Deddf Llesiant Cenedlaethau'r Dyfodol (Cymru) 2015: Yr hanfodion', Llywodraeth Cymru (2015)

Beth welsom ni?

- 6.5 Canfu ein gwaith maes ar draws 40 o gyrff y sector cyhoeddus yng Nghymru nad oedd trefniadau ar gyfer cydweithio wedi datblygu'n ddigonol, sy'n ategu canfyddiadau ein hadolygiad yn 2019.
- 6.6 Mewn awdurdodau lleol a chyrff llywodraeth ganolog, ceir rhai enghreifftiau da o gyrff yn gweithio ar y cyd ac o rai rhwydweithiau rhanbarthol, ond maent yn tueddu i fod yn drefniadau anffurfiol ac nid oes dull cyson o weithredu ar waith. Gall ffurfioli trefniadau helpu i wella atebolrwydd a llywodraethu a gall ddylanwadu ar ymrwymiad a chanlyniadau.
- 6.7 Yn gyffredinol, mae'r darlun yn fwy cadarnhaol ar draws cyrff lleol y GIG a Llywodraeth Cymru nag y mae mewn awdurdodau lleol a chyrff llywodraeth ganolog. Fodd bynnag, mae lle i bob corff cyhoeddus gydweithio'n agosach â'i gilydd ac â rhanddeiliaid eraill er mwyn mynd i'r afael â thwyll.
- 6.8 Oherwydd y dull haenog o atal twyll yn GIG Cymru ac oherwydd partneriaethau ffurfiol sydd wedi'u sefydlu ag Awdurdod Atal Twyll y GIG, mae modd cael gafael yn hwylus ar dimau arbenigol ymchwilio i dwyll, megis timau sy'n arbenigo mewn goruchwyllo, gwneud gwaith fforensig ar gyfrifiaduron, adennill asedau a chynnal ymchwiliadau ariannol. Mae Gwasanaeth Atal Twyll y GIG yng Nghymru yn darparu gwasanaethau goruchwyllo, adennill asedau a chynnal ymchwiliadau ariannol i GIG Cymru, ac mae Awdurdod Atal Twyll y GIG yn darparu gwasanaethau gwaith fforensig ar gyfrifiaduron a gwasanaethau cymorth arbenigol eraill i GIG Cymru dan delerau ei gytundeb blynyddol â Llywodraeth Cymru.
- 6.9 Nid yw'r trefniadau ffurfiol hyn ar gyfer cael gafael ar wasanaethau wedi'u sefydlu i raddau cystal mewn sectorau eraill, ond dywedodd y rhan fwyaf o sefydliadau wrthym y gallent gael gafael ar wasanaethau arbenigol pe bai angen. Roedd y lefel isel o dwyll a ganfyddir yn un o'r rhesymau a roddwyd dros ddiffyg partneriaethau ffurfiol rhwng cyrff y sector cyhoeddus.
- 6.10 At hynny, gwelsom fod hyd a lled y data a rennir yn amrywio'n sylweddol. Yn y rhan fwyaf o gyrff, roedd yr arfer o rannu data wedi'i gyfyngu fel rheol i'r Fenter Twyll Genedlaethol, er nad yw pob un o'r cyrff llywodraeth ganolog yn cymryd rhan yn y Fenter Twyll Genedlaethol ar hyn o bryd. Gwelsom nad yw rhai awdurdodau lleol yn buddsoddi llawer o adnoddau ar gyfer mynd ar drywydd parau data a amlygir gan y Fenter, ac yn aml dyma'r awdurdodau a oedd â threfniadau cyfyngedig ar gyfer atal twyll.

- 6.11 Ychydig iawn o enghreifftiau a oedd ar gael o sefydliadau'n gweithio yn fynych ar draws ffiniau mewnol ac allanol ac yn rhannu gwybodaeth. Y rhesymau cyffredin dros y diffyg cydweithio hwnnw oedd diffyg amser ac adnoddau, a phryderon ynghylch rhannu data.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

- A13** Dylai cyrff cyhoeddus weithio gyda'i gilydd, dan Ddeddf yr Economi Ddigidol a chan ddefnyddio datblygiadau ym maes gwyddor dadansoddi data, i rannu data a gwybodaeth er mwyn helpu i ganfod twyll a brwydro yn ei erbyn.



Adrodd a chraffu

07

Pam y mae'r thema yn bwysig?

- 7.1 Mae llunio amcangyfrif dibynadwy o gost twyll yn dasg anodd, ac mae'n arbennig o anodd ar gyfer y sector cyhoeddus yng Nghymru fel y nodwyd yn ein hadroddiad yn 2019. Er bod Llywodraeth y DU yn llunio amcangyfrif bob blwyddyn, nid yw'r amcangyfrif hwnnw'n cynnwys dadansoddiad ar gyfer pob un o weinyddiaethau datganoledig y DU. Mae dadansoddiad diweddaraf CIPFA yn amcangyfrif bod twyll yn costio £40.3 biliwn bob blwyddyn i'r sector cyhoeddus yn y DU. Mae Swyddfa'r Cabinet⁶ yn amcangyfrif bod colledion oherwydd twyll a gwallau'n cyfateb i rhwng 0.5% a 5% o'r gyllideb. Mae cymhwysu'r ystod ganrannol honno i wariant cyhoeddus blynyddol yng Nghymru, sef tua £20 biliwn, yn golygu bod amcangyfrif posibl o werth colledion oherwydd twyll a gwallau'n cyfateb i rhwng £100 miliwn ac £1 biliwn y flwyddyn. Felly, mae'r colledion yn sylweddol ac yn golygu bod llai o gyllid gwerthfawr ar gael i'n gwasanaethau cyhoeddus.
- 7.2 Yn aml, nid adroddir yn ddigonol ynghylch twyll oherwydd nad yw rhywfaint o'r gweithgarwch amheus a amlygir drwy barau data'r Fenter Twyll Genedlaethol, er enghraifft, yn cael ei ystyried yn dwyllodrus ac nad adroddir, felly, yn ei gylch. At hynny, nid yw rhai cyrff cyhoeddus yn adrodd ynghylch twyll oherwydd ei fod yn gallu denu sylw nas dymunir ac oherwydd y canfyddiad ei fod yn gwneud drwg i enw da sefydliad. Mae sefyllfa o'r fath yn golygu bod y darlun sy'n seiliedig ar wybodaeth genedlaethol yn anghyflawn.
- 7.3 Mae'r Fforwm Rhyngwladol Twyll yn y Sector Cyhoeddus⁷ wedi cydnabod bod canfod twyll yn beth da, a dyna yw un o'i brif egwyddorion ar gyfer ymdrin â thwyll a llygredd. Yn ôl y Fforwm, os nad yw cyrff yn canfod twyll ni allant frwydro yn ei erbyn, ac mae angen newid agwedd fel bod canfod twyll yn cael ei ystyried yn gam cadarnhaol a rhagweithiol.
- 7.4 Mae adrodd ynghylch twyll wrth y sawl sy'n gyfrifol am lywodraethu sefydliadau'r sector cyhoeddus yn bwysig, oherwydd mae'n sicrhau bod rheolwyr a phwyllgorau archwilio, er enghraifft, yn cael y wybodaeth y mae arnynt ei hangen i herio a chraffu. Er mwyn hwyluso atebolrwydd, dylai cyrff cyhoeddus roi copïau o adroddiadau ynghylch atal twyll, sy'n nodi niferoedd achosion a chanlyniadau, i bwyllgorau archwilio fel eu bod yn hollol ymwybodol o unrhyw faterion sy'n peri pryder a'u bod yn gallu dwyn rheolwyr a thimau atal twyll i gyfrif. At hynny, gall pwyllgorau archwilio hyrwyddo'r neges na chaiff twyll ei oddef, gan ategu'r ymdrechion a wneir gan dimau atal twyll.

6 Adroddiad Swyddfa'r Cabinet ynghylch y dirwedd o ran twyll ar draws y Llywodraeth, a gyhoeddwyd yn 2018

7 Canllaw ar gyfer cyrff cyhoeddus gan y Fforwm Rhyngwladol Twyll yn y Sector Cyhoeddus ynghylch rheoli twyll, a gyhoeddwyd ym mis Chwefror 2019

Beth welsom ni?

- 7.5 Mae'r trefniadau yn GIG Cymru ar gyfer cofnodi, casglu a rhannu gwybodaeth am golledion ac adenillion yn dilyn achosion o dwyll yn gadarn. Mae Gwasanaeth Atal Twyll y GIG yn casglu gwybodaeth gan bob corff iechyd fel mater o drefn am nifer yr achosion o dwyll ac am adenillion. Ceir adroddiadau bob chwarter a bob blwyddyn ynghylch perfformiad gweithredol, sy'n crynhoi gwybodaeth am adnoddau, atgyfeiriadau a gwaith y Gwasanaeth Atal Twyll a'r Arbenigwyr Atal Twyll Lleol sydd ym mhob corff iechyd. Caiff yr adroddiadau hynny eu hadolygu gan y Grŵp Llywio Atal Twyll a'u rhannu â Chyfarwyddwyr Cyllid a phwyllgorau archwilio pob corff iechyd, sy'n helpu i hwyluso cymariaethau ystyrion yn y sector. At hynny, mae Awdurdod Atal Twyll y GIG yn adrodd wrth Lywodraeth Cymru bob chwarter.
- 7.6 Yn gyffredinol mewn sectorau eraill, nid yw pwyllgorau archwilio yn cael cymaint o wybodaeth:
- yn Llywodraeth Cymru, nid yw'r Pwyllgor Archwilio a Sicrwydd Risg yn cael gwybodaeth fanwl am achosion o dwyll nac yn gofyn am wybodaeth o'r fath, er bod gwybodaeth am achosion o bwys a gweithgarwch atal twyll yn cael ei chynnwys yn yr adroddiad rheolaidd gan y Pennaeth Archwilio Mewnol;
 - yn y sector llywodraeth leol, mae llai na hanner yr awdurdodau'n adrodd yn rheolaidd ynghylch gwybodaeth am achosion o dwyll, colledion ac adenillion wrth eu pwyllgorau archwilio; ac
 - mae llai fyth o gyrrff llywodraeth ganolog yn adrodd ynghylch achosion o dwyll, sy'n adlewyrchu'r nifer fach iawn o achosion o dwyll a gaiff eu canfod a'u rheoli.
- 7.7 Mae absenoldeb trefniadau ar gyfer adrodd ynghylch gwybodaeth a threfniadau ar gyfer casglu a rhannu'r wybodaeth honno ar draws y sector cyhoeddus yng Nghymru yn peri pryder am nifer o resymau. Nid yw'n gwneud fawr ddim i helpu i atgyfnerthu'r neges o frig sefydliad i'r staff ac i randdeiliaid allanol na chaiff twyll ei oddef. Gallai hefyd olygu bod twyllwyr yn cael y neges anghywir, sef bod Cymru yn credu nad yw twyll yn flaenoriaeth, ac mae'n golygu ei bod yn anodd i wleidyddion ac uwchswyddogion y sector cyhoeddus asesu lefel y risg a'r ffordd orau o ymateb iddi.

- 7.8 Pan gaiff achosion o dwyll eu canfod, bydd timau archwilio mewnol (neu arbenigwyr atal twyll, os ydynt ar gael) yn rhoi adroddiadau a diweddariadau i'r pwyllgorau archwilio. At ei gilydd, fodd bynnag, nid yw pwyllgorau archwilio y tu allan i GIG Cymru wedi gwneud digon o waith rhagweithiol i adnabod y risg gynyddol o dwyll ac i ofyn y cwestiynau treiddgar angenrheidiol ynghylch y modd y caiff adnoddau eu paru â'r risg neu ynghylch y diffyg gwybodaeth a roddir am y risg o dwyll.

Beth y gall y sector cyhoeddus yng Nghymru ei wneud i wella?

Argymhellion

- A14** Mae angen i gyrrff cyhoeddus grynhoi gwybodaeth am golledion ac adenillion a rhannu gwybodaeth â'i gilydd am dwyll er mwyn creu darlun cenedlaethol mwy cywir, cryfhau rheolaeth, gwella gwaith monitro a hybu camau gweithredu a gaiff eu targedu.
- A15** Rhaid i bwyllgorau archwilio ddechrau ymwneud yn llawn ag atal twyll, gan ddarparu cymorth a chyfeiriad amlwg, monitro a dwyn swyddogion i gyfrif os caiff gwybodaeth annigonol ei darparu am weithgarwch atal twyll.



Atodiadau

- 1 Dulliau archwilio
- 2 Ymateb Llywodraeth Cymru i argymhellion y Pwyllgor Cyfrifon Cyhoeddus ym mis Gorffennaf 2019

1 Dulliau archwilio

Cafodd ein harchwiliad ei strwythuro o amgylch saith llinell ymholi allweddol er mwyn ein helpu i ateb y cwestiwn cyffredinol: 'A yw'r trefniadau ar gyfer atal a chanfod twyll yn y sector cyhoeddus yng Nghymru yn effeithiol?':

- A yw'r haen uchaf yn dangos ymrwymiad i atal twyll ac yn darparu'r arweinyddiaeth angenrheidiol i frwydro yn erbyn twyll?
- A oes gan y sefydliad strwythur addas a digon o adnoddau medrus i atal a chanfod twyll?
- A oes gan y sefydliad fframwaith cadarn o bolisïau i ategu trefniadau effeithiol ar gyfer atal twyll?
- A oes gan y sefydliad asesiad effeithiol o'r risgiau o dwyll ynghyd ag ymatebion priodol i broblemau sy'n dod i'r amlwg?
- A yw amgylchedd y sefydliad o ran rheolaeth fewnol yn ategu trefniadau effeithiol ar gyfer atal a chanfod twyll?
- A oes gan y sefydliad ymateb priodol i dwyll?
- A oes gan y sefydliad drefniadau priodol ar waith ar gyfer adrodd a chraffu, er mwyn sicrhau bod ei ddiwylliant a'i fframwaith atal twyll yn gweithredu'n effeithiol?

Cafodd gwaith maes yr archwiliad ei gyflawni gan ein timau archwilio lleol rhwng mis Tachwedd 2019 a mis Chwefror 2020. Roedd eu gwaith maes yn cynnwys:

- cyfweiliadau strwythuredig – cyfweiliadau ag unigolion allweddol er mwyn deall y trefniadau sydd ar waith ar gyfer atal twyll ym mhob corff a gafodd ei archwilio; ac
- adolygiadau o ddogfennau – fel rheol roedd y dogfennau hynny, os oeddent ar gael, yn cynnwys y strategaeth atal twyll, asesiad risg, cynlluniau gwaith, cofrestr risg gorfforaethol, cynllun ymateb i dwyll, codau ymddygiad, polisi chwythu'r chwiban, canllawiau a gweithdrefnau ar gyfer ymchwilyr lleol i dwyll ac adroddiadau/diweddariadau a ddarparwyd i'r pwyllgor archwilio ynghylch atal twyll.

At hynny, dosbarthodd y timau gais am wybodaeth graidd er mwyn casglu rhywfaint o wybodaeth yn uniongyrchol gan y cyrff a gafodd eu harchwilio.

Buodd tîm y prosiect yn casglu ac yn adolygu'r canfyddiadau lleol er mwyn tynnu'r negeseuon allweddol allan ohonynt i'w cynnwys yn yr adroddiad hwn. Mae ein timau archwilio wedi bod yn rhoi adborth wedi'i deilwra ynghylch eu canfyddiadau lleol i'r staff perthnasol ym mhob corff a gafodd ei archwilio.

Dyma'r cyrff a gafodd eu harchwilio'n rhan o'r astudiaeth hon:

Cyrff llywodraeth leol:

- Cyngor Bro Morgannwg
- Cyngor Bwrdeistref Sirol Blaenau Gwent
- Cyngor Bwrdeistref Sirol Caerffili
- Cyngor Bwrdeistref Sirol Castell-nedd Port Talbot
- Cyngor Bwrdeistref Sirol Conwy
- Cyngor Bwrdeistref Sirol Merthyr Tudful
- Cyngor Bwrdeistref Sirol Pen-y-bont ar Ogwr
- Cyngor Bwrdeistref Sirol Rhondda Cynon Taf
- Cyngor Bwrdeistref Sirol Torfaen
- Cyngor Bwrdeistref Sirol Wreccsam
- Cyngor Caerdydd
- Cyngor Dinas a Sir Abertawe
- Cyngor Dinas Casnewydd
- Cyngor Gwynedd
- Cyngor Sir Caerfyrddin
- Cyngor Sir Ceredigion
- Cyngor Sir Ddinbych
- Cyngor Sir Fynwy
- Cyngor Sir Penfro
- Cyngor Sir Powys
- Cyngor Sir y Fflint
- Cyngor Sir Ynys Môn

Cyrff GIG Cymru:

- Bwrdd Iechyd Prifysgol Aneurin Bevan
- Bwrdd Iechyd Prifysgol Betsi Cadwaladr
- Bwrdd Iechyd Prifysgol Caerdydd a'r Fro
- Bwrdd Iechyd Prifysgol Cwm Taf Morgannwg
- Bwrdd Iechyd Prifysgol Hywel Dda
- Bwrdd Iechyd Addysgu Powys
- Bwrdd Iechyd Prifysgol Bae Abertawe
- Addysg a Gwella Iechyd Cymru
- Ymddiriedolaeth GIG Felindre
- Ymddiriedolaeth GIG Iechyd Cyhoeddus Cymru
- Ymddiriedolaeth GIG Gwasanaethau Ambiwlans Cymru

Cyrff llywodraeth ganolog:

- Llywodraeth Cymru
- Awdurdod Cyllid Cymru
- Cyngor Celfyddydau Cymru
- Cyngor Cyllido Addysg Uwch Cymru
- Amgueddfeydd ac Oriolau Cenedlaethol Cymru
- Cyfoeth Naturiol Cymru
- Llyfrgell Genedlaethol Cymru
- Chwaraeon Cymru
- Comisiwn y Senedd

2 Ymateb Llywodraeth Cymru i argymhellion y Pwyllgor Cyfrifon Cyhoeddus ym mis Gorffennaf 2019

Argymhelliad y Pwyllgor Cyfrifon Cyhoeddus

Gofynnwn i Lywodraeth Cymru ystyried a oes posibilrwydd a chwmpas ar gyfer cefnogi tîm gwrth-dwyll cenedlaethol i weithio ledled Cymru i sicrhau bod staff sydd wedi'u hyfforddi'n briodol yn ymgymryd ag o leiaf lefel sylfaenol o waith gwrth-dwyll ym mhob ardal awdurdod lleol.

Gofynnwn i Lywodraeth Cymru ystyried beth yw'r ffordd orau iddi ddarparu arweinyddiaeth genedlaethol gryfach a chanllawiau o ansawdd gwell ar rannu gwybodaeth, i helpu i gryfhau a gwella effaith gweithgareddau gwrth-dwyll ar draws y sector cyhoeddus yng Nghymru.

Ymateb gan Ysgrifennydd Parhaol Llywodraeth Cymru

Mae Llywodraeth Cymru yn cydnabod ac yn llwyr gefnogi awdurdodau lleol i roi sylw i dwyll o fewn eu £8 biliwn o wariant refeniw cyffredinol.

Fel sefydliadau annibynnol dan arweiniad democrataidd, y 22 cyngor eu hunain sy'n bennaf gyfrifol am ganfod ac atal twyll. Yn unol â hynny, rydym yn disgwyl pob un ohonynt i ymroi'n llwyr i'r gwaith hwn, ac i wleidyddion lleol ddeall a darparu arweiniad.

Er mwyn gwneud yn siŵr bod yr argymhelliad yn cael ei ddeall ac yn cael blaenoriaeth, bydd swyddogion yn codi'r mater gyda'r Gweinidogion i sicrhau eitem ar agenda'r Cyngor Partneriaeth yn ogystal â'i Isbwyllgor Cyllid. Yn ddarostyngedig i gytundeb y Gweinidogion, byddwn yn gosod eitem ar yr agenda ar gyfer y cyfarfod nesaf posib.

Rwy'n cefnogi unrhyw ymgais i gynyddu'r ddealltwriaeth am dwyll ac i weithredu technegau arferion gorau yn gyson ar draws Sector Cyhoeddus Cymru. Mae cyfrwng eisoes yn bodoli i ddwyn ymarferwyr gwrth-dwyll a phartïon eraill ynghyd ac i ysgogi dealltwriaeth gyffredin o'r maes pwysig hwn.

Mae Pennaeth Gwrth-dwyll Llywodraeth Cymru yn Ddirprwy Gadeirydd Fforwm Twyll Cymru, elusen ddielw sy'n cael ei rhedeg gan fwrdd strategol o wirfoddolwyr. Ei nod yw helpu i atal twyll yng Nghymru drwy godi ymwybyddiaeth yn y sectorau cyhoeddus a phreifat ac ymysg unigolion. Yn benodol, mae'r amcanion a nodwyd yn cynnwys:

- dwyn y sectorau cyhoeddus a phreifat ynghyd i ymladd twyll a throseddau ariannol ac amddiffyn economi Cymru;

Argymhelliad y Pwyllgor Cyfrifon Cyhoeddus

Ymateb gan Ysgrifennydd Parhaol Llywodraeth Cymru

- hyrwyddo ymwybyddiaeth o dwyll ymysg ei aelodau, sefydliadau ac unigolion drwy'r rhanbarth
- creu diwylliant o arferion gorau drwy annog a datblygu strategaethau gwrth-dwyll i'w defnyddio gan yr aelodau
- sefydlu arferion gorau rhwng aelodau ar gyfer atal, ymchwilio a chanfod achosion o dwyll
- hyrwyddo amgylchedd agored a chydweithredol rhwng yr aelodau yn y sectorau cyhoeddus a phreifat.

Mae cryn dipyn o barch i'r Fforwm; yn 2017 bu'r Prif Weinidog presennol yn annerch ei gynhadledd flynyddol, gan amlinellu ei gefnogaeth i drefniadau gwrth-dwyll ar draws Cymru. Ymysg aelodau'r Fforwm mae Swyddfa Archwilio Cymru, yn ogystal â nifer o sefydliadau sector cyhoeddus a phreifat.

Felly, rwy'n credu y gall Llywodraeth Cymru sicrhau'r canlyniad y mae'n ei ddymuno drwy nodi strategaethau i gefnogi gwaith y Fforwm, codi ei broffil ymysg sector cyhoeddus Cymru a cheisio cael lefel uchel o ymrwymiad ganddynt i'w gefnogi. Byddaf yn gofyn i'r Swyddogion ymgysylltu â'r Fforwm i drafod strategaethau ar gyfer cryfhau ei effeithiolrwydd erbyn diwedd y flwyddyn galendr hon.

Rydym yn cytuno bod potensial i rannu data rhwng cyrff cyhoeddus Cymru i wella effaith gweithgarwch gwrth-dwyll. Mae cyflwyno Deddf yr Economi Ddigidol yn rhoi pwerau newydd i Lywodraeth Cymru a rhai cyrff cyhoeddus cofrestredig eraill yng Nghymru rannu data gyda'i gilydd, yn unol â'r drefn, er mwyn adnabod achosion posib o dwyll. Mae swyddogion yn gweithio i sefydlu trefn lywodraethu briodol ar gyfer datblygu'r defnydd o'r pwerau hynny yng Nghymru, a'r nod yw sefydlu panel erbyn diwedd y flwyddyn ariannol i ystyried defnyddiau posib y pwerau.



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'Raising Our Game' Tackling Fraud in Wales

Report of the Auditor General for Wales

July 2020



This report has been prepared for presentation to the Senedd under the Government of Wales Acts 1998 and 2006 and the Public Audit (Wales) Act 2004.

The Audit Wales study team comprised Rachel Davies, Christine Nash and Ian Hughes, under the direction of Mike Usher.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

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Foreword by the Auditor General

- 1 In June 2019, I published a report giving an overview of the scale of fraud in the Welsh public sector, together with a description of counter-fraud arrangements across the Welsh Government, the NHS and Local Government. I noted that the sums lost annually in Wales to fraud and error are significant – and could be anywhere between £100 million and £1 billion. The Crime Survey for England and Wales recognises fraud as being one of the most prevalent crimes in society today.
- 2 However, some senior public sector leaders are sceptical about the levels of fraud within their organisations. As a result, they are reluctant to invest in counter-fraud arrangements and assign a low priority to investigating cases of potential fraud identified to them by the National Fraud Initiative, even though there are many examples of a good return on investment in this area. Their stance runs contrary to all the research being done by recognised leaders in the field such as CIPFA and the UK Government's Counter Fraud Function. This latest report, which examines the effectiveness of counter-fraud arrangements at over 40 public-sector bodies in Wales, has found that where such scepticism arises, it is not based on any significant local counter-fraud work or robust fraud risk assessments.
- 3 But we also know that fraudsters appear the very instant that an opportunity presents itself. Fifteen individuals have to date been jailed for fraud in the light of the Grenfell fire tragedy. Fraudsters and scammers were quickly on the scene earlier this year whilst the flooding in South Wales was ruining the homes and lives of local people. There has been an explosion in fraudulent activity, and especially in cyber crime, during the current COVID-19 pandemic. I welcome the proactive steps which the Welsh Government has taken to raise awareness across the public sector in Wales about this risk.

- 4 Public sector bodies can mitigate these risks by having the right organisational culture supported by strong counter-fraud arrangements. Many local authorities have invested so little in counter-fraud arrangements that they have only a few of the key components in place. Whilst the position is generally much more robust across the NHS in Wales, there is still a challenging agenda to make counter-fraud fit for the next decade where globalisation and the advent of digital technology have created new risks, and opportunities, for the fraudsters.
- 5 I was heartened to see the Welsh Government's positive response to my 2019 report and, following the one-day conference organised by the Public Accounts Committee in July 2019, the Permanent Secretary's commitment (see **Appendix 2**) to provide Wales-wide leadership in raising the profile of counter-fraud activity.
- 6 In this latest report, based on a more extensive programme of field work, we identify a significant range of further opportunities to improve on the current national position, including:
 - a strengthening strategic leadership, coordination and oversight for counter-fraud across the Welsh public sector;
 - b increasing counter-fraud capacity and capabilities, especially across local government, and exploring the potential for sharing resources and expertise across public bodies;
 - c getting the right balance between proactive and reactive counter-fraud activities;
 - d improving awareness-raising and staff training in counter-fraud; and
 - e better evaluation of fraud risks and sharing of fraud information, both within and across sectors.
- 7 There is also significant potential for Wales to take advantage, where appropriate, of many of the counter-fraud initiatives underway across the wider UK public sector. These include the recent establishment of a recognised government counter-fraud profession, with defined competencies and career paths, and the increasing focus on tackling fraud by smarter use of data analytics.

- 8 As I publish this report, Wales continues to grapple with the effects of the COVID-19 pandemic. This report contains a timely illustration of some of the ways in which fraudsters have moved rapidly in recent months to exploit the pandemic for criminal gain. I have already taken steps to extend the scope of our National Fraud Initiative (NFI) to enable local authorities in Wales to undertake eligibility checks on applications for COVID-19 support grants. I am also proposing to mandate that all local authorities, together with the Welsh Government, should submit COVID-19 grant and payment data to the NFI, to help identify fraudulent applications.



Adrian Crompton

Auditor General for Wales



Summary and recommendations

Ensuring that the arrangements for preventing and detecting fraud in the Welsh public sector are effective

This report examines seven '**key themes**' that all public bodies need to focus on in raising their game to tackle fraud more effectively:

- leadership and culture;
- risk management and control frameworks;
- policies and training;
- capacity and expertise;
- tools and data;
- collaboration; and
- reporting and scrutiny.

For each theme in turn, the report examines:

- why it is important;
- what our audit fieldwork identified in terms of current working practices and their effectiveness across the 40 Welsh public sector bodies that we examined (listed in **Appendix 1**); and
- what needs to happen next to generate improvement.

Our **recommendations for improvement** which are addressed to all public bodies in Wales within the Auditor General's remit, are as follows:

Theme

What needs to happen next?

Leadership and Culture



- R1** The Welsh Government should enhance its strategic leadership of counter-fraud across the public service in Wales, playing a coordinating role where it can, while recognising that individual bodies remain responsible for their own counter-fraud activities.
- R2** All public bodies should champion the importance of a good anti-fraud culture and actively promote its importance to give confidence to staff and members of the public that fraud is not tolerated.

Risk management and Control framework



- R3** All public bodies should undertake comprehensive fraud risk assessments, using appropriately skilled staff and considering national intelligence as well as organisation-specific intelligence.
- R4** Fraud risk assessments should be used as a live resource and integrated within the general risk management framework to ensure that these risks are appropriately managed and escalated as necessary.

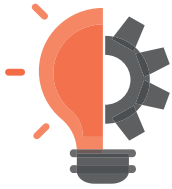
Policies and Training



- R5** All public bodies need to have a comprehensive and up-to-date set of policies and procedures which together represent a cohesive strategy for identifying, managing and responding to fraud risks.
- R6** Staff working across the Welsh public sector should receive fraud awareness training as appropriate to their role in order to increase organisational effectiveness in preventing, detecting and responding to fraud.
- R7** Cases where fraud is identified and successfully addressed should be publicised to re-enforce a robust message from the top that fraud will not be tolerated.

Theme

Capacity and Expertise



What needs to happen next?

- R8** All public bodies need to build sufficient capacity to ensure that counter-fraud work is resourced effectively, so that investigations are undertaken professionally and in a manner that results in successful sanctions against the perpetrators and the recovery of losses.
- R9** All public bodies should have access to trained counter-fraud staff that meet recognised professional standards.
- R10** All public bodies should consider models adopted elsewhere in the UK relating to the pooling /sharing of resources in order to maximise the availability of appropriately skilled staff.

Tools and Data



- R11** All public bodies need to develop and maintain dynamic and agile counter-fraud responses which maximise the likelihood of a successful enforcement action and re-enforces the tone from the top that the organisation does not tolerate fraud.
- R12** All public bodies should explore and embrace opportunities to innovate with data analytics in order to strengthen both the prevention and detection of fraud.

Collaboration

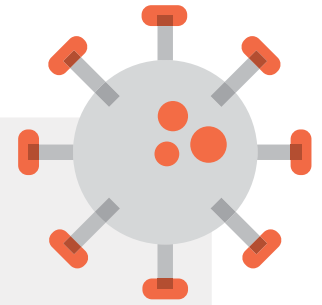


- R13** Public bodies should work together, under the Digital Economy Act and using developments in data analytics, to share data and information to help find and fight fraud.

Reporting and Scrutiny



- R14** Public bodies need to collate information about losses and recoveries and share fraud intelligence with each other to establish a more accurate national picture, strengthen controls, and enhance monitoring and support targeted action.
- R15** Audit committees must become fully engaged with counter-fraud, providing support and direction, monitoring and holding officials to account.



The COVID-19 pandemic: a case study in how scammers and fraudsters are ready to exploit a crisis

We know from experience that fraudsters appear the very instant that an opportunity presents itself. Fifteen individuals have to date been jailed for fraud in the light of the Grenfell fire tragedy. Fraudsters and scammers were quickly on the scene earlier this year whilst the flooding in South Wales was ruining the homes and lives of local people.

Predictably, there has been an explosion in fraudulent activity, and especially in cyber crime, during the current COVID-19 pandemic.

The first reported positive cases of COVID-19 were reported in the UK on 31 January 2020. By this time the fraudsters and scammers had mobilised and were already hard at work.

The first fraud report relating to COVID-19 was received on February 9 by Action Fraud, the UK's fraud reporting centre. Since that time, the number of reports has increased significantly across the UK – the media reporting an unprecedented number of scams linked to the virus.

We have seen examples of good practice by some public bodies and organisations in Wales in identifying the fraud risks and sharing them with other bodies and citizens. The Welsh Government is liaising with the UK Cabinet Office and is sharing its guidance and learning on counter-fraud with the rest of the public service in Wales, including Local Authority Counter Fraud leads. Welsh Government officials have agreed to maintain and develop this group post-COVID. The intelligence obtained from these meetings has also assisted the Head of Counter Fraud with fraud intelligence sharing with Cabinet Office and the three other devolved administration fraud leads.

But has the Welsh public sector response been more reactive than proactive? What can we do better? Whilst globalisation has benefited the fraudsters it can also be to the advantage of counter-fraud specialists; we had early notice of scams from thousands of miles away a few weeks before the first case of COVID-19 was identified in the UK.

The COVID-19 pandemic: a case study in how scammers and fraudsters are ready to exploit a crisis

We believe that the COVID-19 pandemic provides an important opportunity for the Welsh counter-fraud community to come together (by appropriate means) and reflect on the speed and effectiveness of its response to the scammers and fraudsters.

The key issues and recommendations set out in this report could help set an agenda or framework for such an event. There has never been a timelier opportunity for Welsh public sector leaders and counter-fraud specialists to consider how to:

- create stronger strategic leadership, coordination and oversight for counter-fraud across the Welsh public sector;
- make best use of counter-fraud capacity and capabilities and explore the potential for shared arrangements, resources and expertise;
- get a better balance between proactive and reactive counter-fraud activities;
- raise awareness amongst employees and provide the necessary training to those most likely to come across a fraud; and
- evaluate fraud risks more effectively and share fraud information both within and across sectors.

So, what do we already know about the fraudsters' response to the pandemic?

The mobilisation of fraudsters has benefited from a number of factors, for example:

- more people are spending time online to shop and socially interact. Elderly people are seen as particularly vulnerable, being generally less computer literate and more susceptible to scams such as phishing emails and ordering fake products such as face masks and sanitisers.
- working patterns have changed at short notice which can leave weaknesses in processes and procedures.
- an unprecedented amount of public money has been put into a range of new and innovative financial support schemes to businesses and individuals.

The COVID-19 pandemic: a case study in how scammers and fraudsters are ready to exploit a crisis

Fraudsters and scammers mobilised quickly for a number of reasons:

- they are very good at evaluating risks and exploiting vulnerabilities which can be at a process or at an individual level;
- they have well-established tools and methodologies and can adapt them at short notice to a new opportunity; and
- they do not recognise geographical boundaries and can be effective individually and by collaborating with like-minded individuals.

There are more examples of COVID-19 frauds and scams coming to light than can be mentioned here. There are, however, a number of themes emerging:

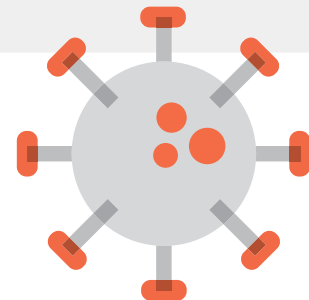
- the early reports related to the sale of Personal Protective Equipment such as face masks and hand sanitiser and testing kits. Typically, the items were fake or often failed to arrive after payment had been made¹.
- the next to emerge were phishing emails. For example, one claiming to be from the Department for Work and Pensions (DWP) asking the individual for debit or credit card details by saying that they are entitled to a council tax refund.
- as the attentions and resources of organisations were diverted to new ways of working and many staff were laid off, the incidence of cyber security attacks to steal business-sensitive and personal data increased.
- with more people working from home following the UK-wide lockdown, phishing campaigns then targeted applications that are being relied upon during remote working, in particular popular conference calling applications and parcel delivery firms.

1 NHS in Wales introduced arrangements to mitigate against this fraud risk and it did not become an issue.

The COVID-19 pandemic: a case study in how scammers and fraudsters are ready to exploit a crisis

- as the national focus turned to test and track, the fraudster's net became wide and indiscriminate, as shown by a fake text message attempting to dupe people into believing they have been in contact with someone who has tested positive for the virus, directing recipients to a website for more information. The link is then used to harvest personal and financial data.

A world-leading counter-fraud response would mean that counter-fraud specialists had identified the risks at least at the same pace as the fraudsters, if not sooner. It would also mean they had the right tools to prevent and detect fraudsters exploiting any new opportunities; and that the counter-fraud response was mobilised rapidly through effective collaboration and information sharing.





Culture and leadership across the Welsh public sector

01

Why is it important?

- 1.1 The Crime Survey for England and Wales recognises fraud as one of the most prevalent crimes in society today. Every pound stolen from the public sector means that there is less to spend on key services such as health, education and social services. Public sector bodies can mitigate the risks from fraud by having the right organisational culture supported by effective counter-fraud arrangements.
- 1.2 Strong leadership sets the appropriate tone from the top of an organisation and plays a crucial part in fostering a culture of high ethical standards. It is important that senior management leads by example and sends a clear message that fraud will not be tolerated either from inside or outside of the organisation. A strong tone at the top can raise the profile of fraud risks and promote the best standards and approaches in counter-fraud work.

What did we find?

- 1.3 Other than in the NHS there is an absence of any overarching strategic approach, guidance, coordination and oversight.
- 1.4 In NHS Wales, the NHS Counter Fraud Service² provides leadership, specialist investigation skills, support and guidance to the sector and a Counter Fraud Steering Group³ provides strategic direction and oversight. This leadership model delivers a coordinated approach to counter-fraud across the NHS in Wales and a good counter-fraud culture complemented by inbuilt scrutiny of the arrangements. The legal framework specific to the NHS Wales and the levels of investment give counter-fraud a high profile and robust enforcement and recovery mechanisms. At a local level, strategic leadership was evident within Health Boards through the dissemination of a consistent message, both internally and externally, that fraud is not tolerated.

2 Which is hosted by the NHS Wales Shared Services Partnership

3 A sub-group of the All Wales Directors of Finance Forum

- 1.5 Across local authorities there is an absence of sector-wide strategic leadership, guidance, coordination and oversight of counter fraud. Within the individual authorities we found statements espousing a zero tolerance of fraud in policies and strategic documents. But there is much more that can be done to re-enforce the tone from the top at a practical level. We found examples where the leadership team actively promotes the importance of a good anti-fraud culture through awareness campaigns, newsletters to staff and active engagement with counter-fraud teams. But we also found in many authorities that there was little evidence that the message is driven down from the top and little priority is given to counter-fraud work. There were often competing priorities and, as a result, little time was given to counter-fraud and it often had a low profile.
- 1.6 In Central Government, the position is mixed. Within Welsh Government, we found evidence that counter-fraud is taken seriously, and a small team has achieved many successful outcomes, albeit its emphasis leans towards reactive rather than proactive work. We have been encouraged to see that the Welsh Government has accepted both of the recommendations made by the Public Accounts Committee following our first report. However, there remains a leadership gap that still needs to be addressed.
- 1.7 Across the other central government bodies that we examined, counter-fraud is not always given such a high priority. One reason for this appears to be the very low incidence of fraud being identified and reported; this poses the difficult question of whether this is due to a lack of investment in counter-fraud or a genuine low incidence of crime taking place. However, this latter explanation runs contrary to all the research being done by recognised leaders in the field such as CIPFA and the National Crime Agency.

- 1.8 The threat posed by fraud is also getting greater recognition within the UK. The UK government, for example, is working to make central government, and the public sector more widely, a place where fraud is actively found and robustly dealt with. It is transforming its whole approach to counter-fraud by:
- a establishing a counter-fraud function;
 - b developing and launching a Government Functional Standard (GovS013);
 - c establishing a 'Government Counter Fraud Profession' to develop people and increase capability;
 - d providing expert advice to the rest of government on how to deal with fraud;
 - e delivering specialist services to assist public bodies; and
 - f collaborating with overseas governments to bring further expertise to the UK.

What can the Welsh public sector do to improve?

Recommendations

- R1** The Welsh Government should enhance its strategic leadership of counter-fraud across the public service in Wales, playing a co-ordinating role where it can, while recognising that individual bodies remain responsible for their own counter-fraud activities. In doing so it could consider:
- forming strategic partnerships with the key players nationally and internationally;
 - developing and delivering an all Wales counter-fraud strategy and vision;
 - advocating/promoting minimum standards in terms of public sector counter-fraud arrangements similar to those established by the UK Government;
 - elevating the status of counter-fraud staff by recognising counter fraud as a profession with essential competencies;
 - supporting the other sectors by, for example, providing invest-to-save funding opportunities, and supporting the development of professional competencies across the Welsh public sector; and
 - providing timely advice and guidance on 'hot' issues by gathering and disseminating important information and analysing trends.
- R2** All public bodies should champion the importance of a good anti-fraud culture and actively promote its importance to give confidence to staff and members of the public that fraud is not tolerated.



Risk management and control frameworks

02

Why is it important?

- 2.1 Fraudsters are becoming more sophisticated and are evaluating opportunities and risks on a real-time basis. The management and mitigation of risk in public bodies often fails to keep up with changes in the nature and impact of potential fraud. The recent flooding in South Wales created opportunities for scams within days of the floods. Security experts have reported an explosion in fraudulent activity during the COVID-19 outbreak as the pandemic has created a myriad of opportunities for fraudsters (see **Case Study on page 10**).
- 2.2 A fraud risk assessment should be an honest appraisal of risks using a range of sources such as national intelligence, local intelligence, audit reports, brainstorming exercises and data-matching results. Risk assessments should be live documents and kept under constant review. Having identified the risks, bodies can then evaluate them, assessing their likelihood and the impact if the fraud were to occur. It is only when risks are properly identified and evaluated that public bodies can tackle the risks in a prioritised and proportionate way and put appropriate actions and controls in place to manage or mitigate these risks.
- 2.3 It is important that organisations have an effective control framework to help mitigate the risks identified. A strong internal control environment can help to prevent fraud from happening in the first place and detect fraud if an instance has occurred. Fraudsters will try to circumvent established controls and it is important that controls are regularly reviewed. A strong control programme whereby fraudsters are faced with a real prospect of detection helps mitigate the risk. When frauds are discovered, controls should be reviewed to identify weaknesses and introduce improvements. Internal Audit have expertise in designing and testing controls and they should undertake work on key systems on a risk-based approach.

What did we find?

- 2.4 The quality of counter-fraud risk assessment and mitigation varies significantly in the Welsh public sector and there is generally scope to improve their quality and timeliness.
- 2.5 In the NHS, National Fraud Risk Alerts are produced by the NHS Counter Fraud Authority. These are routinely circulated to all Local Counter Fraud Specialists (LCFS) and Directors of Finance across NHS Wales. The LCFS are also required to conduct their own local risk assessments. This is a relatively new requirement and we found that these assessments are still being developed and embedded. The NHS Fighting Fraud Strategy recognises that a key challenge for the sector is the need to develop a comprehensive analysis of specific fraud risks to ensure counter-fraud resources are being directed to the most appropriate areas within the sector. The Counter Fraud Steering group has undertaken an overall risk assessment and produced assurance maps in respect of each main area of fraud. These maps will be used to target area of proactive work.
- 2.6 Our work identified that while some local authorities and central government bodies have undertaken fraud risk assessments, there were many who had not prepared a fraud risk assessment for several years. Some bodies in these sectors did not have a fraud risk assessment and therefore had not properly assessed the likelihood or impact of the risk. Without this key component, bodies cannot direct resources appropriately or adequately mitigate the risks of losses due to fraud. As a result, fraud strategies and work programmes are not particularly useful or relevant as they are not targeting the key areas of risk.
- 2.7 Our work also identified that, even where risk assessments were undertaken, they may not be integrated within the wider risk management framework. Fraud is not commonly reflected in corporate risk registers. We did not find many coordinated mechanisms for ensuring that fraud risks are appropriately communicated, owned and monitored within the audited body. Instead, fraud risk assessments are often held as standalone documents without any corporate ownership or active management of the risk. As a result of this approach, fraud risks are not adequately shared across departments.

- 2.8 We did identify some good practice in the sharing of fraud risks. In response to the Coronavirus pandemic, the Welsh Government issued a fraud risk bulletin early in April 2020, highlighting the emerging risks to the Welsh public sector. Ahead of the Welsh Government's bulletin, the UK Government Counter Fraud Function published its own guide: [Fraud Control in Emergency Management – COVID-19 UK Government Guidance](#). The guide highlights the importance of risk assessment, effective payment verification and due diligence arrangements and the need for robust claw-back arrangements to recover funds that are paid out incorrectly. There were also good examples in local authorities of raising awareness of scams with local residents.
- 2.9 We found that, in general, public bodies across all sectors have internal control frameworks that are well established and internal audit teams test controls as part of their annual programmes of assurance work. However, we found that internal audit teams do not always consider the fraud risks associated with systems as part of their work programmes. Furthermore, where new systems and processes are established, we found that organisations are not always using counter-fraud contacts and internal audit teams to try to design fraud out of systems.

What can the Welsh public sector do to improve?

Recommendations

- R3** All public bodies should undertake comprehensive fraud risk assessments, using appropriately skilled staff and considering national intelligence as well as organisation-specific intelligence.
- R4** Fraud risk assessments should be used as a live resource and integrated within the general risk management framework to ensure that these risks are appropriately managed and escalated as necessary.



Policies and training

03

Why is it important?

- 3.1 A sound policy framework enables organisations to direct their approach to counter-fraud and to promote good ethical behaviour. There should be a suite of policies and procedures in place that set out what is expected and what the consequences are for breaking the rules. Codes of conduct should set out the standards expected of employees and highlight the importance of declaring conflicts of interest and establish rules around gifts and hospitality.
- 3.2 Publicising frauds and the recovery action undertaken, helps to re-enforce the message from the top that fraud will not be tolerated. Publicity can help to discourage wrongdoing by others as it can highlight the damaging repercussions of their actions.
- 3.3 Staff are often the first to notice something irregular or potentially fraudulent and are often the first line of defence in the fight against fraud. These staff need easy access to a good counter-fraud policy and whistleblowing policy so they can be clear about their roles and responsibilities and the process they must follow if they suspect a fraud.
- 3.4 Effective training helps staff interpret policies and codes of conduct, giving them the confidence and skills to report suspected fraud. However, training and awareness-raising campaigns should be kept under continual review and must be linked to the live risk assessments so that new frauds or risks facing public bodies are quickly shared amongst staff and contractors if appropriate.

What did we find?

- 3.5 Generally, we found that public bodies have prepared and approved a range of policies setting out the processes to follow if staff suspect that they have uncovered a fraud. However, we identified that some policies were outdated, some were still in draft form and some were not easily accessible to staff.
- 3.6 Whilst NHS bodies have each developed comprehensive counter-fraud strategies (informed by an over-arching national strategy), we found that only a few other public sector bodies had done so. Such strategies set out clear approaches to managing fraud risks along with responses and actions, they define roles and responsibilities and are cross-referenced to other policies so that they can be readily understood by staff.

- 3.7 The NHS has a policy of proactively publicising successful fraud cases. The NHS Counter Fraud Service does this by issuing press releases and engaging with local media for interviews and promotional opportunities. Publicity helps raise awareness of fraud risks and also deters staff and contractors from committing fraud. By publicising counter-fraud work and raising awareness of the effects of fraud, the NHS involves staff, key stakeholders and the public in the fight against fraud.
- 3.8 We did not identify the same level of proactive publicity work in other sectors. Some local authorities take the view that publicising cases can be reputationally damaging and are therefore reluctant to publish such information. The Welsh Government recognises that more can be done to publicise fraud cases. The very low levels of fraud identified at central government bodies also means there is little publicity that can act as a further deterrent.
- 3.9 Our audit work also identified wide variation in levels of training and awareness-raising specifically relating to counter-fraud across the Welsh public sector. We found that a few public bodies provide fraud awareness training to all their staff. Some others provide training as part of the induction of new staff but do not provide this training for longstanding staff. We found some examples of refresher training sessions and e-learning modules provided for staff, but these are not widespread. There are many bodies that do not provide any counter-fraud training or awareness-raising events.
- 3.10 These findings suggest that there could be a significant proportion of the public sector workforce in Wales who have either received no fraud-awareness training at all or have not received training for several years.
- 3.11 There are good examples of awareness-raising in the NHS where the LCFS has an ongoing work programme to develop and maintain an anti-fraud culture within their health board. These programmes include the preparation of presentations and publications to raise awareness of fraud. There are also examples of LCFS undertaking staff surveys to capture the levels of staff awareness of fraud in order to act if necessary. In addition, the NHS has developed a fraud awareness e learning package for all staff and levels of compliance across organisations is reported the Directors of Finance on a quarterly basis. However, even in the NHS sector, counter-fraud training for new staff is generally not a mandatory requirement.

What can the Welsh public sector do to improve?

Recommendations

- R5** All public bodies need to have a comprehensive and up-to-date set of policies and procedures which together represent a cohesive strategy for identifying, managing and responding to fraud risks.
- R6** Staff working across the Welsh public sector should receive fraud-awareness training as appropriate to their role in order to increase organisational effectiveness in preventing, detecting and responding to fraud.
- R7** Cases where fraud is identified and successfully addressed should be publicised to re-enforce a robust message from the top that fraud will not be tolerated.



Capacity and expertise



04

Why is it important?

- 4.1 It is important that public bodies each designate a counter-fraud champion who understands fraud and leads the organisation's approach and response. Public bodies need access to sufficient appropriately skilled counter-fraud specialists to prevent, detect and investigate suspected fraud and protect their assets. As fraud risks change, public bodies should have resources available to provide a response that is appropriate to the threat.
- 4.2 Skilled and experienced staff will also help to ensure investigations are undertaken properly with evidence being obtained and handled lawfully in order to secure successful sanctions and the recovery of losses.
- 4.3 Investigations, whilst crucial, can be time consuming and costly and the low numbers of successful prosecutions mean that public bodies cannot rely on investigations alone to combat fraud. Public bodies need to have the capacity to undertake both proactive counter-fraud work and reactive investigation work. Proactive work includes fraud awareness campaigns, training, designing policies and strategies and strengthening controls to prevent attacks.

What did we find?

- 4.4 Insufficient capacity arose frequently as a key challenge faced by public bodies in their efforts to combat fraud. On the ground, capacity and skills in counter-fraud vary widely across and within public sector bodies in Wales. Most of the capacity is allocated to responsive work and investigations with any spare capacity being used in preventative counter-fraud work.
- 4.5 In local government, some officers are sceptical about the levels of fraud within their organisations and question the need for additional resources. However, these same local authorities allocate little resource to counter-fraud arrangements, do not have robust fraud risk assessments and the following up of matches from the National Fraud Initiative is assigned a low priority. Their assumptions about low levels of fraud run contrary to all the research being done by recognised leaders in the field such as CIPFA and the National Crime Agency.

- 4.6 Local authorities suffered a significant loss in counter-fraud capacity when the independent Single Fraud Investigation Service (SFIS) was created in 2014. SFIS is a partnership between the Department for Work and Pensions, HMRC and local authorities and which covers welfare benefit fraud. Most of the counter-fraud specialists left the sector to work for this new organisation. A small number of authorities have retained experienced and skilled counter-fraud staff, but the workload has mostly fallen on Internal Audit teams.
- 4.7 Our work found that the counter-fraud arrangements were generally more advanced in the local authorities that retained a dedicated and specialist counter-fraud resource. Where Internal Audit teams carry out the counter-fraud work we found a trade-off between counter-fraud work and the general programme of assurance work due to limited resources and competing priorities.
- 4.8 We also found that, within some local authorities, several teams play a role in counter-fraud work; for example, Internal Audit, Council Tax, and Human Resources teams all contribute. Whilst helpful in terms of adding capacity, we found that this can result in a lack of coordination and integration between these teams and a lack of clarity in the overall picture of counter-fraud activity.
- 4.9 Counter-fraud is generally better resourced in the NHS than other public sector bodies and there has been an increase in LCFS resource over recent years. There is a central team within the NHS Counter Fraud Service Wales which investigates complex, large scale frauds and provides a financial investigation resource. The team also provides guidance, intelligence and investigative support to the network of finance directors and LCFS at health bodies in Wales. In addition, Welsh Government Directions require that each health body should appoint at least one LCFS who is an accredited counter-fraud professional. These LCFS are the primary points of contact for counter-fraud work at their respective health bodies and have a key role in fraud prevention and detection. Increasing staffing levels above the minimum number is a matter of local discretion.
- 4.10 The mixture of LCFS and support and guidance from the NHS Counter Fraud Service and the Counter Fraud Steering Group has resulted in improved counter-fraud arrangements within the NHS sector in comparison to the other sectors. However, whilst LCFS staff are often shared between individual health boards, they are not pooled across the entire sector. As a result, the relatively low counter-fraud staff numbers in some health boards can cause issues if staff members are absent from work. Even within the NHS Wales, there is a general recognition that more proactive work should be undertaken.

- 4.11 The Counter Fraud Team at the Welsh Government is skilled and experienced and has secured a number of high-profile prosecutions over recent years. However, a recent Government Internal Audit Agency review of the Welsh Government in 2017 concluded that the counter-fraud function could achieve more with increased resources. The Counter Fraud Team is able to draw on resources from within the Welsh Government to assist with investigations where appropriate and there are plans to increase the resource in the team in the near future.
- 4.12 Our audit also found that public bodies in Wales are generally following traditional counter-fraud approaches with a focus on detection and investigation rather than prevention. Most public bodies recognise that more proactive and preventative work should be done, but they acknowledge that the lack of time, resources and expertise are barriers to making this shift of focus.
- 4.13 We did not find many examples of public bodies in Wales outside the NHS pooling resources to help reduce duplication of effort and improve the efficiency and effectiveness of counter-fraud arrangements across sectors. Pooled resources could also help to improve continuity and add flexibility to adapt to changing needs going forward.
- 4.14 In 2018 the UK government launched the Counter-Fraud Profession to enhance overall counter-fraud capability across government. The profession develops the skills of specialist staff and moves beyond the traditional focus of investigations, placing greater emphasis on fraud prevention and the use of data analytics. Membership across UK Government Departments has been steadily increasing, and the Welsh Government is engaged with this initiative. Organisations joining the profession are required to have learning environments that support their staff to develop and maintain professional standards.

What can the Welsh public sector do to improve?

Recommendations

- R8** All public bodies need to build sufficient capacity to ensure that counter-fraud work is resourced effectively, so that investigations are undertaken professionally and in a manner that results in successful sanctions against the perpetrators and the recovery of losses.
- R9** All public bodies should have access to trained counter-fraud staff that meet recognised professional standards.
- R10** All public bodies should consider models adopted elsewhere in the UK relating to the pooling and/or sharing of resources in order to maximise the availability of appropriately skilled staff.



Tools and data



05

Why is it important?

- 5.1 An effective counter-fraud function will ensure that those responsible for it are equipped with up-to-date methodologies and the right tools for the job. Counter-fraud staff must make best use of data and intelligence in order to:
 - a prevent fraud by 'fraud-proofing' systems and processes; and
 - b mounting an effective response to suspicions of fraud.
- 5.2 New fraud threats are continually emerging, both globally and nationally. It is important that public bodies have flexible, cutting-edge counter-fraud approaches that are fit for a digital age and agile enough to keep up with, or better still, ahead of the fraudsters.
- 5.3 Cyber-attacks are an alternative means of committing traditional frauds such as the theft of assets, cash or intellectual property. PricewaterhouseCoopers' most recent global economic crime survey found that cyber crime is now the most common fraud facing UK businesses, overtaking asset misappropriation for the first time since the survey began. We can see this in the explosion in number of cyber scams linked to the COVID-19 pandemic.
- 5.4 Preventing fraud is always preferable to responding to an instance. Many organisations are now looking to 'fraud-proof' systems at the point of entry using the latest developments in data analytics. For example:
 - a the Cabinet Office has developed on-line tools that can look at 10,000 records in seven seconds to provide due diligence checks on grant applications; and
 - b the Department of Work and Pensions have been trialling an Artificial Intelligence system that detects fraudulent claims by searching for certain behaviour patterns, such as benefit applications that use the same phone number or are written in a similar style. Any suspicious activity is then passed on to specialist investigators.
- 5.5 Data analytics provide an increasingly important tool in preventing fraud as well as in its detection. We look at how public bodies can share data to help find fraud in the next section of this report.
- 5.6 Sophisticated technology and data analytics are of little use if they are not used effectively and this requires adequately trained resource to understand it. Therefore, it is important that public bodies have access to staff adept in data analytics in order to achieve better counter-fraud results.

- 5.7 Knowing what to do in the event of a suspected fraud improves the chances of a successful enforcement action. It also re-enforces the tone from the top that the organisation does not tolerate fraud. Fraud response plans need to provide a clear direction to relevant parties so that bodies are able to respond to allegations quickly and appropriately. A response plan should be reviewed regularly to ensure that responses to fraud keep abreast with changing times and emerging risks. They should outline:
- a the fraud investigation process from receipt of allegation to outcome report;
 - b roles and procedures for securing evidence and undertaking interviews;
 - c details of how and when to contact the police;
 - d a commitment to pursuing a range of sanctions;
 - e reporting arrangements; and
 - f how lessons learned will be used to strengthen system and process controls.

What did we find?

- 5.8 Generally speaking, we found that more work is needed to bring counter-fraud tools and methodologies up to date to reflect the new world of cyber attacks and digitally-facilitated crimes. Many local authorities and central government bodies we looked at as part of our fieldwork did not have information security policies that reflected the risks associated with cyber crime. The situation was more positive in NHS Wales bodies.
- 5.9 Our review identified only a few examples of data analytics being used as a means of preventing fraud. Data analytics are used more widely to detect fraud, in following up on NFI data matches, for example, but our previous audit work⁴ has shown that the level of engagement with the NFI varies considerably across Welsh public bodies.
- 5.10 We found that some local authorities and central government bodies did not have a fraud response plan that was communicated to all staff and which made it clear that all allegations of fraud would be investigated. The Welsh Government had a fraud response plan, but this was in draft form at the time of our audit work and was not, therefore, available to staff. Again, the position was much more positive in NHS Wales.

4 **Our October 2018 NFI report** stated that 'most Welsh public sector bodies participating in the NFI were proactive in reviewing the data matches, but a small number of participants did not review the matches in a timely or effective manner'.

- 5.11 NHS bodies all use the same case management system to record and monitor the progress of potential fraud cases. In other sectors, few bodies have a case management system although some do have a spreadsheet log that records information. The variation in the information collected makes it very difficult to report an all-Wales position on the level of fraud taking place. The reasons that many local authorities and central government bodies do not have a case management system or detailed records was the very low numbers of fraud cases that were being identified and handled.
- 5.12 Most of the public bodies we looked at consider the full range of possible sanctions (disciplinary, regulatory, civil and criminal) against fraudsters and will seek redress including the recovery of assets and money where possible. However, many bodies report such low levels of fraud that it is impossible to substantiate their claims. For any internal frauds identified, most bodies tend to deal with the perpetrators through internal disciplinary procedures.
- 5.13 Most of the public bodies we looked at reflected on the weaknesses revealed by instances of proven fraud and corruption and fed back to departments and teams so that they might fraud-proof their systems. The arrangements at local NHS bodies were particularly robust because fraud cases in their case management system cannot be closed down without providing assurance that any system weaknesses have been considered and remedied if necessary.

What can the Welsh public sector do to improve?

Recommendations

- R11** All public bodies need to develop and maintain dynamic and agile counter-fraud responses which maximise the likelihood of a successful enforcement action and re-enforce the tone from the top that the organisation does not tolerate fraud.
- R12** All public bodies should explore and embrace opportunities to innovate with data analytics in order to strengthen both the prevention and detection of fraud.



Collaboration



06

Why is it important?

- 6.1 Fraudsters do not respect geographical or other boundaries. This means that individual public sector bodies cannot establish effective counter-fraud arrangements by themselves. They must work collaboratively to maximise the effectiveness of their response to fraud.
- 6.2 Collaboration is an increasingly important aspect of public service, particularly in the context of reduced funding and the need to do more with less. Collaboration is also one of the 'five ways of working' as defined in the Welsh Government's 'Well-being of Future Generations (Wales) Act 2015: the essentials'⁵ document. It is therefore essential that collaboration and the sharing of intelligence and good practice take place between public, private and third-sector bodies across the UK and internationally.
- 6.3 Collaboration can mean sharing people or pooling resources and, more commonly these days, in the sharing of information. This information can be shared between departments, between bodies, across different elements of the public sector and with other key stakeholders such as law enforcement authorities and the private sector. The information shared can be about the nature of a fraud or information about the identities of the perpetrators.
- 6.4 The sharing of data to help find fraud is a rapidly evolving area and is being facilitated by changes in the law. In 2017, the Digital Economy Act became law, enabling public authorities to share personal data to prevent, detect, investigate and prosecute public sector fraud. The Act recognises that the wider use of data-sharing could improve the prevention, detection and investigation of fraud in a number of ways, including:
 - a improved targeting and risk-profiling of potentially fraudulent individuals;
 - b streamlining processes, enabling the government to act more quickly; and
 - c simplifying the legislative landscape.

5 Well-being of Future Generations (Wales) Act 2015: the essentials', Welsh Government (2015)

What did we find?

- 6.5 Our field work across forty public sector bodies in Wales found that collaboration was insufficiently developed, reinforcing the findings of our 2019 review.
- 6.6 Within local authorities and central government bodies there are some good examples of bodies working jointly and some regional networks, but these tend to be informal arrangements and there is no consistency in approach. Formalising arrangements can help improve accountability and governance and can influence commitment and results.
- 6.7 The picture is generally more positive across local NHS bodies and the Welsh Government than in local authorities and central government bodies. However, there is scope for all public bodies to work more closely with each other and with other stakeholders to tackle fraud.
- 6.8 Because of the tiered approach to counter-fraud within NHS Wales and established formal partnerships with the NHS Counter Fraud Authority, there is good access to specialist fraud investigation teams such as surveillance, computer forensics, asset recovery and financial investigations. The NHS Counter Fraud Service Wales provide the surveillance, asset recovery and financial investigations services to NHS Wales, while the NHS Counter Fraud Authority provides forensic computing services and other specialist support services to NHS Wales under the terms of their annual agreement with Welsh Government.
- 6.9 The existence of these formal access arrangements is less well established within other sectors, but most organisations told us that they could access specialist services if required. The low level of fraud being identified was one of the reasons given for the absence of formal partnerships between public sector bodies.
- 6.10 We also found wide variations in the amounts of data that are shared. In most bodies, the sharing of data was typically limited to the National Fraud Initiative (NFI), although not all central government bodies currently take part in NFI. We found that some local authorities do not invest much resource into following up NFI matches and these are often the same authorities in which counter-fraud arrangements were limited.
- 6.11 There were very few examples of organisations working frequently across internal and external boundaries and sharing information. Common reasons for this lack of collaboration was lack of time and resources, and concerns about the sharing of data.

What can the Welsh public sector do to improve?

Recommendations

R13 Public bodies should work together, under the Digital Economy Act and using developments in data analytics, to share data and information to help find and fight fraud.



Reporting and scrutiny



07

Why is it important?

- 7.1 Arriving at a reliable estimate for the cost of fraud is a difficult task. This is particularly so for the Welsh public sector as our 2019 report highlighted. Whilst the UK Government produces annual estimates, there is no breakdown of this estimate to each of the devolved administrations in the UK. CIPFA's most recent analysis estimates that fraud costs the UK public sector £40.3 billion annually. The Cabinet Office⁶ estimates losses due to fraud and error at between 0.5% and 5% of budget. Applying this range to annual public expenditure in Wales of around £20 billion gives a possible estimated value of losses to fraud and error between £100 million and £1 billion per annum. The losses are therefore significant and take valuable funding away from our public services.
- 7.2 Fraud is often under-reported as some suspicious activity identified through NFI matches, for example, is not classified as fraudulent and therefore not reported. Also, some public bodies fail to report fraud as it can attract unwanted publicity and perceived reputational damage. This situation leads to an incomplete national intelligence picture.
- 7.3 The International Public Sector Fraud Forum⁷ has recognised that 'finding fraud is a good thing' and this is one of their 'Key Fraud and Corruption Principles'. The Forum noted that, if bodies do not find fraud, then they are unable to fight it, and that a change of perspective is needed so that the identification of fraud is seen as a positive and proactive achievement.
- 7.4 Reporting fraud to those charged with the governance of public sector organisations is important as it provides managers and audit committees, for example, with the information and intelligence they need to challenge and scrutinise. To facilitate accountability, public bodies should provide copies of counter-fraud reports detailing numbers of cases and outcomes to audit committees so that they are fully informed of any issues of concern and can hold management and counter-fraud teams to account. Audit committees can also promote the message that fraud will not be tolerated, supporting the efforts of counter-fraud teams.

6 Cabinet Office Cross Government Fraud Landscape Report 2018

7 International Public Sector Fraud Forum A Guide to Managing Fraud for Public Bodies in Feb 2019

What did we find?

- 7.5 The arrangements in NHS Wales to record, collate and share information about fraud losses and recoveries are well established. The NHS Counter Fraud Service collates information on the number of fraud cases and recoveries from each health body as a matter of course. There are quarterly and annual Operational Performance Reports which summarise information about resources, referrals and the work of the Counter-Fraud Service and LCFS based at each health body. These reports are reviewed by the Counter Fraud Steering Group and shared with Directors of Finance and the audit committees of each health body, helping to facilitate meaningful comparisons within the sector. The NHS Counter Fraud Authority also reports to the Welsh Government on a quarterly basis.
- 7.6 In other sectors, audit committees are not generally provided with as much information:
- a in the Welsh Government, the Audit and Risk Assurance Committee is not provided with, nor does it request, detailed information about fraud cases, although information about major cases and anti-fraud activity is included in the regular report from the Head of Internal Audit;
 - b in the local government sector, fewer than half the authorities report information about fraud cases, losses and recoveries to their audit committees on a regular basis; and
 - c even fewer central government bodies report on cases of fraud, reflecting a very low incidence of fraud being identified and managed.
- 7.7 The absence of both the reporting of information and arrangements to collate and share this information across the Welsh public sector is troubling for a number of reasons. It does little to help re-enforce a zero-tolerance message from the top of an organisation to both staff and external stakeholders. It may also send the wrong message to fraudsters that Wales does not see fraud as a priority and makes it difficult to assess the level of risk and how best to respond to it by senior public sector officials and politicians.
- 7.8 When frauds are identified, Internal Audit (or, where they exist, counter-fraud specialists) provide audit committees with reports and updates. On balance, however, audit committees outside of the NHS Wales have not been sufficiently proactive in recognising the increasing risk of fraud and in asking the searching questions necessary about the matching of resources to risk or about the lack of information being supplied about fraud risk.

What can the Welsh public sector do to improve?

Recommendations

- R14** Public bodies need to collate information about losses and recoveries and share fraud intelligence with each other to establish a more accurate national picture, strengthen controls, and enhance monitoring and support targeted action.
- R15** Audit committees must become fully engaged with counter-fraud, providing demonstrable support and direction, monitoring and holding officials to account if insufficient information is being provided about counter-fraud activity.



Appendices

- 1 Audit methods
- 2 The Welsh Government's response to the July 2019 recommendations of the Public Accounts Committee

1 Audit methods

Our audit was structured around seven key lines of enquiry to help us answer the overall question: 'Are the arrangements for preventing and detecting fraud in the Welsh public sector effective?':

- Does the top tier demonstrate a commitment to counter-fraud and provide the necessary leadership to fight fraud?
- Does the organisation have a suitable structure and sufficient skilled resources to prevent and detect fraud?
- Does the organisation have a sound policy framework to support effective counter-fraud arrangements?
- Does the organisation have an effective fraud risk assessment together with appropriate responses to emerging issues?
- Does the organisation's internal control environment support effective arrangements for preventing and detecting fraud?
- Does the organisation have an appropriate response to fraud?
- Does the organisation have proper reporting and scrutiny in place to ensure its counter-fraud culture and framework is operating effectively?

The audit fieldwork was carried out by our local audit teams between November 2019 and February 2020. Their fieldwork included:

- structured interviews – interviews with key individuals in order to understand the counter-fraud arrangements in place at each audited body; and
- document reviews – where these existed, they typically included the counter-fraud strategy, risk assessment, work plans, corporate risk register, fraud response plan, Codes of Conduct, whistleblowing policy, guidelines and procedures for local fraud investigators and counter-fraud reports/updates provided to Audit Committee.

Teams also issued a core information request in order to gather some information directly from audited bodies.

The project team collated and reviewed the local findings to distil the key messages for inclusion in this report. Our audit teams have been providing tailored feedback on their local findings to relevant staff at each audited body.

The audited bodies included in this study are:

Local Government bodies:

- Blaenau Gwent County Borough Council
- Bridgend County Borough Council
- Caerphilly County Borough Council
- Cardiff Council
- Carmarthenshire County Council
- Ceredigion County Council
- Conwy County Borough Council
- Denbighshire County Council
- Flintshire County Council
- Gwynedd Council
- Isle of Anglesey County Council
- Merthyr Tydfil County Borough Council
- Monmouthshire County Council
- Neath Port Talbot County Borough Council
- Newport City Council
- Pembrokeshire County Council
- Powys County Council
- Rhondda Cynon Taf County Borough Council
- City and County of Swansea
- The Vale of Glamorgan Council
- Torfaen County Borough Council
- Wrexham County Borough Council

NHS Wales bodies:

- Aneurin Bevan University Health Board
- Betsi Cadwaladr University Health Board
- Cardiff and Vale University Health Board
- Cwm Taf Morgannwg University Health Board
- Hywel Dda University Health Board
- Powys Teaching Health Board
- Swansea Bay University Health Board
- Health Education and Improvement Wales
- Velindre NHS Trust
- Public Health Wales Trust
- Welsh Ambulance Service NHS Trust

Central Government bodies:

- Welsh Government
- Welsh Revenue Authority
- Arts Council for Wales
- Higher Education Funding Council for Wales
- National Museums and Galleries Wales
- Natural Resources Wales
- National Library of Wales
- Sport Wales
- Senedd Commission

2 The Welsh Government's response to the July 2019 recommendations of the Public Accounts Committee

PAC Recommendation

We ask that the Welsh Government consider whether there is scope and potential to support a national counter fraud team to work across Wales to ensure that at least a basic level of counter fraud work is undertaken in each local authority area by suitably trained staff.

We ask that the Welsh Government consider whether there is scope and potential to support a national counter fraud team to work across Wales to ensure that at least a basic level of counter fraud work is undertaken in each local authority area by suitably trained staff.

Response from the Welsh Government's Permanent Secretary

The Welsh Government recognises and fully supports local authorities addressing fraud within the £8 billion of their general revenue expenditure.

As independent democratically led organisations, the prime responsibility for the detection and prevention of fraud is for each of the 22 councils themselves. As such, we would expect all to be fully engaged in this work and for local politicians to understand and provide leadership.

To make sure that the recommendation is understood and given priority, officials will raise the matter with Ministers to secure an item on the Partnership Council agenda as well as its Finance Sub Committee. Subject to Ministers' agreement, we will agenda an item for the next possible meeting.

I am supportive of any move to increase the understanding of fraud and the consistent application of best practice techniques across the Welsh Public Sector and there exists already a vehicle to bring together counter-fraud practitioners and other interested parties and drive forward a common understanding of this important area.

The Welsh Government's Head of Counter-Fraud is Deputy Chair of the Wales Fraud Forum (WFF), which is a not-for-profit company run by a strategic board of volunteers. Its aims are to help prevent fraud in Wales by raising awareness in the public and private sectors and amongst individuals. In particular, its stated objectives include to:

- bring the public and private sectors together to fight fraud and financial crime and to protect the economy of Wales;

PAC Recommendation **Response from the Welsh Government's Permanent Secretary**

- promote fraud awareness amongst its membership, organisations and individuals throughout the region;
- create good practice cultures by encouraging and developing anti-fraud strategies for its membership to utilise;
- establish a best practice between its members for fraud prevention, investigation and detection; and
- promote an open and co-operative environment between the membership in both the public and private sectors.

The Forum is held in high regard; in 2017 the current First Minister gave the keynote address at its annual conference and outlined his support for effective counter-fraud arrangements across Wales. Forum membership includes the Audit Wales as well as a number of public and private sector organisations.

Therefore, I believe the Welsh Government can achieve the outcome desired by identifying strategies to support the work of the Forum, raising its profile within the Welsh Public Sector and seek a high level of commitment to support it. I will ask Officials to engage with the Forum to discuss strategies for strengthening its effectiveness by the end of the calendar year.

We agree there is potential in the use of data sharing between Welsh public bodies to improve the impact of counter-fraud activities. The introduction of the Digital Economy Act gives the Welsh Government and certain scheduled Welsh public bodies useful new powers to share data with each other compliantly to identify potential fraud. Officials are working on setting up the appropriate governance for taking forward the use of these new powers in Wales, and are aiming for a panel to be in place by the end of the financial year to consider potential uses of the powers.



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Effectiveness of Counter-Fraud Arrangements – Hywel Dda University Health Board

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

The person who delivered the work was Philip Jones.

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The Health Board demonstrates a strong commitment to counter-fraud, has suitable arrangements to support the prevention and detection of fraud and is able to respond appropriately where fraud occurs.

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Summary report

Background

- 1 On 11 June 2019, the Auditor General published Counter-Fraud Arrangements in the Welsh Public Sector: An Overview for the Public Accounts Committee. The report was a high-level, descriptive review of the arrangements in place within the Welsh Government, the NHS and local government (unitary authorities only), and highlighted some important messages:
 - losses caused by fraud in the public sector are significant. In a time of austerity, every pound lost to fraud is a pound that could be spent on public services.
 - fraud in all its forms is constantly evolving, so counter-fraud measures need to keep pace with the fraudsters.
 - resources devoted to counter-fraud activity vary widely across the public sector in Wales.
- 2 Following publication of the report, the Public Accounts Committee endorsed the Auditor General's proposal to undertake further work across a range of Welsh public sector bodies to examine how effective counter-fraud arrangements are in practice and to make recommendations for improvement. This work was undertaken during December 2019 – February 2020.
- 3 On 30 July 2020, the Auditor General published a national report called 'Raising our game - Tackling Fraud in Wales' which summarises the key finding from our review across Wales. It does not describe in detail the arrangements in place in individual bodies, but it identifies a range of opportunities to improve counter-fraud arrangements across Wales.
- 4 Whilst the national report identified that NHS counter-fraud arrangements are the most developed across the public sector, it identified that there is still a challenging agenda to make counter-fraud fit for the next decade where globalisation and the advent of digital technology have created new risks, and opportunities for the fraudsters.
- 5 The report calls on NHS bodies to satisfy themselves that:
 - Counter-fraud resources are determined based on an assessment of local risk factors.
 - Counter-fraud risk assessments are integrated with corporate risk management arrangements.
 - Strategies are in place to make greater use of data analytics to both prevent and detect fraud.
 - Strategies are in place to improve collaboration within the sector and more widely across sector boundaries.
- 6 This summary report sets out our assessment of Hywel Dda University Health Board's (the Health Board's) arrangements for preventing and detecting fraud. Our

assessment is based on document reviews, including board and committee papers, and interviews with a small number of staff.

Main findings and areas for improvement

- 7 Our assessment identified that the Health Board demonstrates a strong commitment to counter-fraud, has suitable arrangements to support the prevention and detection of fraud and is able to respond appropriately where fraud occurs. Our key findings from the work are set out in more detail in the following section of this report.
- 8 In undertaking this work, we identified some areas for improvement (**Exhibit 1**): they should be considered alongside the themes identified in the national report. The Health Board’s management response to the areas for improvement is available in **Appendix 2**.

Exhibit 1: areas for improvement

Areas for improvement	
Counter-fraud training	
I1	Implement mandatory counter-fraud training for some or all staff groups.
Intelligence sharing activities	
I2	Examine and implement the potential for further sharing of intelligence with local authorities.
Counter-fraud staff capacity	
I3	Consider the LCFS capacity required to resource required levels of proactive and investigative work, including staff training, and build in resilience to the team.

Exhibit source: Audit Wales

Detailed report

Our findings

9 The following table sets out the areas of focus within our work and our findings.

Exhibit 2: areas of work and findings

Areas of work	Findings
<p>We considered whether the top tier demonstrates a commitment to counter-fraud and provides the necessary leadership to fight fraud.</p> <p>We expected to see:</p> <ul style="list-style-type: none">• the Board/Executive team promoting a clear commitment to zero tolerance of fraud and championing counter-fraud work;• senior leadership actively promoting and cascading an anti-fraud culture;• all organisation-wide understanding of responsibilities for preventing fraud and reporting suspected fraud; and• an organisational commitment to counter-fraud and ethics awareness training, with appropriate and targeted mandatory counter-fraud training for all staff.	<p>We found the following good practice:</p> <ul style="list-style-type: none">• the Director of Finance is the lead executive with responsibility for counter-fraud.• the Local Counter-Fraud Specialist (LCFS) reports regularly to the Assistant Director of Finance and has ready access to the Director of Finance, if necessary.• counter-fraud is a standing item on the Audit, Risk and Assurance Committee agenda.• all fraud related issues are treated as a priority by the organisation, and there is a clear commitment from the Executive Director of Finance and the Chair of the Audit, Risk and Assurance Committee.• policies and strategies send out a consistent message that fraud will not be tolerated, and that all steps will be taken to take criminal or disciplinary sanctions against perpetrators. The Health Board ensures that there are effective lines of communication between those responsible for counter-fraud, bribery and corruption work and other key staff groups and managers within the organisation.• the Health Board publicises proven frauds and the action taken in social media and the press.• the Health Board includes counter-fraud training in induction sessions. <p>We identified the following area for improvement:</p>

Areas of work	Findings
	<ul style="list-style-type: none"> the Health Board acknowledges that the uptake of fraud training by staff is lower than they would like it to be. The Director of Finance has proposed that the training is mandated, although this had not been agreed at the time of our fieldwork.
<p>We considered whether the organisation has a suitable structure and sufficient skilled resources to prevent and detect fraud.</p> <p>We expected to see:</p> <ul style="list-style-type: none"> a designated LCFS with designated responsibility for counter-fraud and the ability to influence the level of counter-fraud resources; an appropriate level of experienced, trained and accredited counter-fraud staff to undertake investigations and counter-fraud work; clarity in respect of counter-fraud roles, responsibilities and lines of accountability; investment in counter-fraud based on informed decisions derived from a fraud risk assessment which highlights risks and determines the resources needed to address them; and 	<p>We found the following good practice:</p> <ul style="list-style-type: none"> there are two accredited LCFSs, one of whom is the nominated service lead. the Counter-Fraud, Bribery and Corruption Policy sets out the structure and responsibilities for counter-fraud including the Chief Executive, the Audit, Risk and Assurance Committee, the Head of Internal Audit, Director of Finance and the LCFSs. the LCFS can request support from the Counter-Fraud Authority Service Wales regarding overpayments and for any investigations with a value in excess of £15,000. the LCFS lead is able to influence decisions on staffing levels and actions. investment in the counter-fraud service is based on several factors such as the historical resource, current and emerging risks, and the need to balance the work across the key fraud strategic areas. the whole time equivalent (WTE) of local counter-fraud resources per 1,000 staff is 0.2 WTE compared to the average for NHS Wales of 0.19 WTE (Appendix 1). the Health Board has clearly articulated counter-fraud roles and responsibilities. the LCFS and counter-fraud staff have access to all systems, records and premises required to do their work. the LCFS completes the NHS Counter-Fraud Authority Self-Review Tool (SRT) on an annual basis. Where issues (risks) are identified, they are incorporated into the counter-fraud work

Areas of work	Findings
<ul style="list-style-type: none"> an annual programme of proactive counter-fraud work (fraud prevention work) which covers the risks identified in the risk assessment with ring fenced time allocated to proactive work. 	<p>plan, together with any issues/risks identified through general counter-fraud work. The SRT identifies proactive work priorities for the year.</p> <p>We identified the following areas for improvement:</p> <ul style="list-style-type: none"> although staffing levels are just above the average for Wales, staffing levels are just 2.0 WTE. If the level of investigative work increased, or if any member of staff were to be absent, this could impact the ability to deliver the agreed level of proactive counter-fraud work. during 2018-19, counter-fraud training was delivered to approximately 1,075 members of staff, this represents approximately 11% of the Health Board's workforce. However, the e-learning training module does mean that counter-fraud training can be delivered to many staff easily.
<p>We considered whether the organisation has a sound policy framework to support effective counter-fraud arrangements.</p> <p>We expected to see:</p> <ul style="list-style-type: none"> a counter-fraud strategy/policy which sets out the organisation's approach to managing fraud risks and defines specific counter-fraud responsibilities. a Code of Conduct setting out acceptable behaviours and how to report and manage conflicts of interest. 	<p>We found the following good practice:</p> <ul style="list-style-type: none"> the LCFS lead is involved in developing and refreshing the Health Board's Counter-Fraud, Bribery and Corruption Policy (the policy) as necessary. It is signed off by the Director of Finance and approved by the Audit, Risk and Assurance Committee. The Counter-Fraud Strategy is set out as part of this policy and is available to all staff on the intranet. the policy is cross-referenced to key policies including: <ul style="list-style-type: none"> the All Wales Raising Concerns (Whistleblowing Policy); the All Wales Disciplinary Policy; and the Health Board's Standards of Behaviour Policy. the Health Board's local whistle blowing arrangements are comprehensive. It makes clear that all concerns will be treated confidentially and dealt with professionally in line with relevant

Areas of work	Findings
<ul style="list-style-type: none"> • sound whistleblowing arrangements which set out mechanisms for reporting fraud. • maintained registers of gifts and hospitalities. • pre-employment screening. 	<p>legislation. It also makes clear that there are no recriminations against staff that report reasonably held suspicions.</p> <ul style="list-style-type: none"> • the Health Board's Standards of Behaviour Policy sets out expectations in relation to the declaration of interests. • the Health Board has appropriate arrangements to maintain and review registers of interests, gifts and hospitality. • the Health Board has arrangements in place to ensure that all new staff are subject to the pre-employment checks before commencing employment within the organisation. <p>We did not identify any areas for improvement.</p>
<p>We considered whether the organisation has an effective fraud risk assessment together with appropriate responses to emerging issues. We expected to see:</p> <ul style="list-style-type: none"> • regular and comprehensive fraud risk assessments discussed and agreed with senior leaders and the Audit Committee; • fraud risk assessments featuring as part of the organisation's overall risk management framework; and • fraud risk built into system design to minimise opportunities for fraud. 	<p>We found the following good practice:</p> <ul style="list-style-type: none"> • the LCFS completes the NHS Counter-Fraud Authority Self-Review Tool (SRT) on an annual basis. Where issues (risks) are identified, they are incorporated into the counter-fraud work plan, together with any issues/risks identified through general counter-fraud work. The SRT identifies proactive work priorities for the year. Fraud risk is evaluated throughout the year and changes made to the annual plan as appropriate. • consideration of fraud risk is closely aligned to the overall risk management process. • all relevant policies are scrutinised by the LCFS from a counter-fraud perspective. Feedback is provided to the policy owner as appropriate. The LCFS is involved in key policy development from an early stage. <p>We did not identify any areas for improvement.</p>

Areas of work	Findings
<p>We considered whether the organisation's internal control environment supports effective arrangements for preventing and detecting fraud.</p> <p>We expected to see:</p> <ul style="list-style-type: none"> • internal controls designed and tested to address identified fraud risks and help prevent fraud occurring; • internal audit reviews of fraud risks and testing of controls designed to prevent and detect fraud; • the organisation acting on recommendations to strengthen controls if internal controls are found to be not operating as well as intended and lessons learned from fraud incidents; and • the organisation uses data matching to validate data and detect potentially fraudulent activity. 	<p>We found the following good practice:</p> <ul style="list-style-type: none"> • the Counter-Fraud, Bribery and Corruption Policy sets out that managers are the first line of defence against fraud, bribery and corruption and must ensure that an adequate system of internal control exists within their areas of responsibility and that the controls operate effectively. • the Health Board's Internal Audit team reviews fraud risks and tests controls designed to prevent and detect fraud as part of its annual programme of work. Information and intelligence are shared with local counter-fraud services in line with the agreed information sharing protocol. • the Health Board acts upon recommendations to strengthen controls if internal controls are found to be not operating as well as intended and learns lessons from fraud incidents. • the Health Board participates in the National Fraud Initiative data matching exercise, primary care post-payment verification checks and other local checks (such as payroll). • the Health Board uses case management software to record all system weaknesses as identified as a result of investigations and/or proactive prevention and detection exercises. An important aspect of this software is recording lessons learned. • the Health Board is exploring the potential to make more of the work carried out by the Post Payment Verification team. <p>We identified the following area for improvement:</p> <ul style="list-style-type: none"> • our national review identified only a few examples of data analytics being used as a means of preventing fraud, predominantly the National Fraud Initiative data matching exercise.

Areas of work	Findings
<p>We considered whether the organisation has an appropriate response to fraud.</p> <p>We expected to see:</p> <ul style="list-style-type: none"> • a comprehensive fraud response plan which sets out clear arrangements for reporting and investigating allegations of fraud; • action to ensure that all allegations of fraud are assessed: • Documented procedures for conducting fraud; • investigations which follow proper professional practice and in line with the fraud response plan; • consideration of the full range of sanctions available, and redress sought (for example, the recovery of money and assets) where appropriate; • an appropriate case management system to record and monitor the progress of potential fraud cases; and • collaboration with external partners to tackle fraud. 	<p>We found the following good practice:</p> <ul style="list-style-type: none"> • the Health Board's Fraud Response Plan follows best practice as advised by the NHS Counter-Fraud Authority. • qualified staff investigate all cases of suspected fraud, and in line with the Fraud Response Plan. Outcomes of investigations are reported to the Audit Committee and to the NHS Counter-Fraud Authority. Investigations are monitored by the Director of Finance and the Audit, Risk and Assurance Committee. • the Health Board utilises the full range of sanctions available (staff disciplinary action, civil action and criminal action) and seeks to recover monies where appropriate and cost effective to do so. • all investigations are documented on case management software. Learning from fraud is shared with appropriate staff to action and implement changes to systems and procedures where appropriate. • the Health Board liaises proactively and on a regular basis with other organisations and agencies such as NHS Legal and Risk Services, the police, Home Office Immigration Services, local authorities, and regulatory and professional bodies to assist in countering fraud, bribery and corruption. Specialist services can be purchased from the NHS Counter-Fraud Authority where necessary. <p>We identified the following area for improvement:</p> <ul style="list-style-type: none"> • the Health Board indicated that there is scope to make greater use of intelligence sharing with local authorities.

Areas of work	Findings
<p>We considered whether the organisation has proper reporting and scrutiny in place to ensure its counter-fraud culture and framework is operating effectively.</p> <p>We expected to see:</p> <ul style="list-style-type: none"> • a record kept of fraud losses and recoveries. • the Audit Committee taking a proactive approach to prevent fraud and promote an effective anti-fraud culture. • the Audit Committee challenging and reviewing counter-fraud work, and ensuring it discharges its duties in relation to counter-fraud. 	<p>We found the following good practice:</p> <ul style="list-style-type: none"> • the Health Board maintains a record of fraud losses and recoveries; • counter-fraud is a standing item on the Audit, Risk and Assurance Committee; • the annual plan is presented to the Audit Committee along with regular progress reports on delivering the annual programme of work, along with identified fraud risks and actions to minimise them; and • case updates are produced for the private session of the Audit Committee outlining the case, status, and recoveries of money/assets. <p>We did not identify any areas for improvement.</p>

Appendix 1

Counter-fraud resources

The following exhibit sets out the number of LCFS resources per 1,000 staff.

Exhibit 3: Number of LCFS resources per 1,000 staff (in order of highest to lowest)

	LCFS WTE	Total number of staff within the organisation	LCFS WTE per 1,000 staff (headcount)
Health Education and Improvement Wales ¹	0.2	280	0.71
Welsh Ambulance Services NHS Trust	2.0	3,535	0.57
Powys Teaching Health Board ²	1.2	2,286	0.52
Cwm Taf Morgannwg University Health Board ²	2.6	11,944	0.22
Hywel Dda University Health Board	2.0	10,032	0.20
Aneurin Bevan University Health Board	2.6	13,659	0.19
NHS Wales (average)	18.2	94,614	0.19
Swansea Bay University Health Board ²	2.2	12,962	0.17
Betsi Cadwaladr University Health Board	2.9	18,491	0.16
Public Health Wales NHS Trust ¹	0.3	1,903	0.16
Velindre University NHS Trust ¹	0.4	4,411	0.16
Cardiff and Vale University Health Board ¹	1.8	15,111	0.12

¹ The Cardiff & Vale University Health Board LCFS Team also provides services to Health Education and Improvement Wales, Public Health Wales NHS Trust and Velindre University NHS Trust via an annual Service Level Agreement.

² The Swansea Bay University Health Board LCFS Team also provides services to Cwm Taf Morgannwg University Health Board and Powys Teaching Health Board via an annual Service Level Agreement.

Source: Counter-Fraud Authority NHS Wales, Operational Performance Report 2019-20 (Quarter 3), and Stats Wales Headcount as at 30 September 2019 (extracted from the NHS Electronic Staff Record system).

Appendix 2

Management response

The following table sets out the Health Board’s management response to the areas for improvement (to be inserted after the report and management response has been considered by Audit Committee).

Exhibit 4: Health Board’s management response to the areas for improvement

Ref	Area for improvement	Management response	Completion date	Responsible officer



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Management response

Report title: Effectiveness of Counter-Fraud Arrangements – Hywel Dda University Health Board

Completion date:

Document reference: [\[the Publishing team assigns this\]](#)

Ref	Area for improvement	Intended outcome/benefit	High priority (yes/no)	Accepted (yes/no)	Management response	Completion date	Responsible officer
I1	Counter-fraud training Implement mandatory counter-fraud training for some or all staff groups.	Greater uptake of counter fraud staff training leading to greater awareness of associated issues and responsibilities.	Yes	Yes	Actions identified: Actions have already been taken to implement mandatory learning in the form of Counter Fraud eLearning. This should be achieved within 2020/21 and will sit alongside a general programme of	31/03/2021 – To be actioned by the conclusion of this year's work plan.	Ben Rees – Head of Counter Fraud.

					counter fraud awareness work and regular risk bespoke training for high risk staff groups.		
12	<p>Intelligence sharing activities</p> <p>Examine and implement the potential for further sharing of intelligence with local authorities.</p>	<p>Mutual benefit from increased information sharing leading to a further strengthening of the service.</p>	Yes	Yes	<p>Actions identified: More regular meetings with local partners would be beneficial. This encompasses all enforcement bodies. Whilst the Health Board as a whole maintains relationships with these local partners, counter fraud specific sharing does not exist. Introductory meetings will be</p>	<p>31/03/2021 – To be progressed during this year's work plan.</p>	<p>Ben Rees – Head of Counter Fraud.</p>

					held to ascertain exactly how we can assist one another. Maintaining these relationships going forward will be the key consideration.		
13	<p>Counter-fraud staff capacity</p> <p>Consider the LCFS capacity required to resource required levels of proactive and investigative work, including staff training, and build in resilience to the team.</p>	Maximise the potential of the service.	Yes	Yes	<p>Actions identified:</p> <p>It is accepted that an increase in capacity could lead to greater impact and return within Counter Fraud work. However, economies of scale have yet to be explored in detail. As per the report the Heal Boards resource per 1000 staff is 0.2 WTE compared to the national average</p>	To be agreed – As discussed with Philip Jones this area needs to be further explored.	Ben Rees – Head of Counter Fraud.

for NHS Wales of
0.19 WTE.