

9.1

Counter Fraud Annual Report

Presenter: Matthew Evans

SBAR Counter Fraud Annual Report 2019-20

HDUHB Counter Fraud Annual Report 2019-20



PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	21 April 2020
TEITL YR ADRODDIAD: TITLE OF REPORT:	Counter Fraud Annual Report 2019/20
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Matthew Evans, Head of Counter Fraud

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Gwybodaeth/For Information

ADRODDIAD SCAA
SBAR REPORT

Sefyllfa / Situation

This report provides to Audit & Risk Assurance Committee the Counter Fraud Annual Report of work completed throughout 2019/20.

Cefndir / Background

To evidence the provision of services within a sound governance framework.

Asesiad / Assessment

The Health Board is compliant with the WG Directives.

Argymhelliad / Recommendation

The Audit & Risk Assurance Committee is requested to receive this update for information.

Amcanion: (rhaid cwblhau)
Objectives: (must be completed)

Committee ToR Reference Cyfeirnod Cylch Gorchwyl y Pwyllgor	5.2 In particular, the Committee will review the adequacy of: 5.2.4 the policies and procedures for all work related to fraud and corruption as set out in National Assembly for Wales Directions and as required by the Counter Fraud and Security Management Service.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable

Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement	Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Counter Fraud Workplan 2019/20
Rhestr Termiau: Glossary of Terms:	LCFS – Local Counter Fraud Specialist
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg: Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Not applicable

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



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Hywel Dda
University Health Board

HYWEL DDA UNIVERSITY HEALTH BOARD

COUNTER FRAUD ANNUAL REPORT 2019/20



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1 Introduction

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

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

The report objective will seek to provide detail of the work carried out by the Health Board that relates to anti-fraud, bribery and corruption over the preceding financial year. The Welsh Government directions and standards have been developed to support NHS organisations in implementing appropriate measures to counter fraud, bribery and corruption and are presented under the following work activity areas.

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

The report will demonstrate and highlight the work completed under the 4 areas of activity as presented within the Fraud, Bribery and Corruption Standards for NHS Bodies, which can be viewed via the link enclosed;

https://cfa.nhs.uk/resources/downloads/standards/NHS_Fraud_Standards_for_NHS_Bodies_Wales_2020.pdf

The report will also reference the "Self Review Tool" (SRT) as part of the Quality Assurance process, which presents an overall RAG rating for each of the key areas of activity. The report style follows a prescribed format as recommended within the NHS Counter Fraud Authority's annual report template, so will therefore be similar in format to reports previously issued.

The Hywel Dda University Health Board Counter Fraud provision was resourced on the basis of 2 FTE Local Counter Fraud Specialists (LCFS) overall.

- Matthew Evans (Lead LCFS)
- Ben Rees (LCFS)



For ease of reference, the report follows the four key areas of action assessed through the NHS Protect Quality Assurance Framework which links to the National Counter Fraud Strategy for Wales. The report gives details of work carried out by the LCFS. The information referred to in this report contributes to the Counter Fraud strategy for the HB. The Counter Fraud Work plan 2019/20 provides a more detailed account of the specific tasks undertaken by the Counter Fraud Officers. This work plan is used to inform the Audit and Risk Assurance Committee on a regular basis of progress made against the planned activity throughout the year.

Table to illustrate Resource position 2019/20

AREA OF ACTIVITY	Resource Allocated (days) 2019/20	Resource Used (days) 2019/20
STRATEGIC GOVERNANCE	50	49
INFORM AND INVOLVE	90	82
PREVENT AND DETER	90	86
HOLD TO ACCOUNT	190	203
TOTAL	420	420

Cost	£
Proactive costs (Strategic Governance, Inform and Involve, Prevent and Deter)	£40,400
Reactive costs (Hold to Account)	£37,793
Total costs for counter fraud, bribery and corruption work	£78,193



2 Management Summary

The main achievements highlighted in this report are as follows:

All key requirements of the Welsh Government Directions to NHS Bodies on Counter Fraud Measures have been achieved.

During 2019/20, 11 new criminal investigations into possible fraudulent or corrupt activity have been instigated that have been registered upon the Fraud Information Reporting System (FIRST). As part of the investigations, Counter Fraud investigations have resulted in the financial recovery of £21,015 which has been brought back into the Health Board's budget for delivery of appropriate NHS services.

In conjunction with the Health Board's Workforce & Organisational Development Directorate, all cases developed were notified to the relevant workforce contact, and several disciplinary cases were completed following the sharing of intelligence around the Counter Fraud findings. Additionally to this, as a matter of professional routine practice, where investigations involved members of professional bodies, referrals were made to ensure that the body could consider their own investigations surrounding the conduct of the specific individual involved. Such relationships and professional working practices will continue through the current working period, and continued liaison will remain for cases carried forward.

Communication and awareness development has been utilised on a targeted basis throughout 2019/20. Training was provided to high risk staff groups such as Finance, Procurement and Recruitment. Counter fraud awareness training was also delivered in response to emerging fraud risk such as staff who work with service users who have learning disabilities and also community based staff. This sits alongside the mass awareness programme which utilised mass communications to deliver the counter fraud message via newsletters, social media, global email system, staff alerts and bulletin board.

There has been an increase in staff contacting the Counter Fraud Team to request advice and assistance in relation to concerns around risk. This meets the intended strategy of switching the Team from being a contact to report when things go wrong to a contact point to reach out to for mitigation advice and support.

The LCFS has also supported the Corporate Governance Team in raising awareness around the requirements of the Standards of Behaviour Policy. Specifically the requirement around Declaration of Interests and Gifts, Hospitality and Sponsorship.

The LCFS worked closely with CFS Wales Regional Team to provide appropriate information and to liaise on all referrals with particular use made of the financial investigation capabilities of the Regional Team including use of Proceeds of Crime Act powers. Casework was reported on a quarterly basis for the NHS Counter Fraud Authority to monitor activity nationally.

Liaison between internal auditors and the LCFS has been maintained particularly during a time of staff turnover within the Internal Audit Team. Updates are presented and reviewed where audit reveals a potential fraud risk, or system vulnerability for the Counter Fraud Team to assess. The key focus has been retained with fraud awareness and the improvement of early involvement of the Counter Fraud officers through partnership working as main



priorities. The application of recommendations identified at the conclusion of each investigation is also considered essential in reducing the opportunities for loss through fraud.

Greater communication between the LCFS and external organisations has continued to result in improved levels of intelligence, in accordance with Data Protection and legal sharing provisions. Direct links of support have been established through Dyfed Powys Police, and the Local Authority Fraud teams, to enhance the ability of Counter Fraud activity across the geographical region.

The Counter Fraud Team have taken a proactive approach to fraud risks throughout 2019/20. The Team now assess fraud risk in line with Health Board policy and procedure. This is in line with revised NHS Counter Fraud Authority Standards and wider strategy to give greater weighting to prevent fraud.

Advice has also been provided for managers, patients, contractors and staff when required, and the service is able to demonstrate that it is an asset for improving systems as well as applying appropriate sanctions, where those systems may have been abused. Policy and departmental documentation reviews have been completed as a matter of routine during all enquiries, and fraud proofing advice offered and implemented where required. A renewed focus on this type of counter fraud activity is being driven by NHS Counter Fraud Authority. Increased capture of data is proposed in this area to attempt to give insight into the impact of counter fraud work in the form of savings made (or fraud losses prevented) to highlight and measure the effectiveness of work in this area.

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

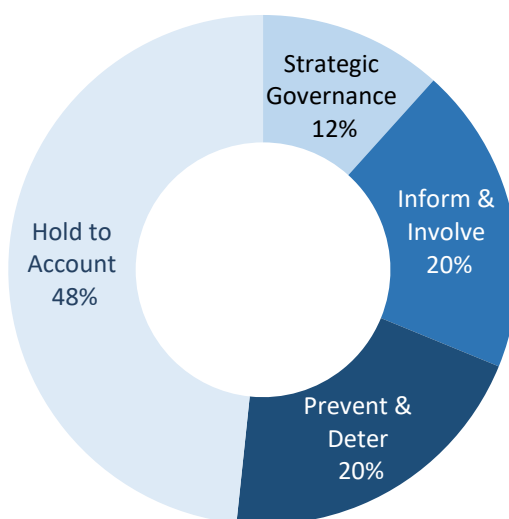
A successful use of applicable sanctions has been utilised by the Counter Fraud team in its dealings with alleged fraud, bribery or corruption. Evidence of criminal, civil and disciplinary sanctions can be demonstrated, ensuring that resource is put to best use. Effective sanctions are also essential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

The Counter Fraud Team were quick to recognise the increase in fraud threat relating to COVID-19. An immediate response was launched to keep staff aware of the increased fraud risk – this covered both increased risk to the Health Board as well as updates on emerging scams for individuals. The Team also revisited risk assessments around key threat areas of Finance, Procurement and Recruitment. A work plan action for 2020/21 has been added to review business conducted during the pandemic with fraud detection exercises to be undertaken around key threat areas. A formal document outlining counter fraud response to COVID-19 increased fraud risk will be submitted to the Audit & Risk Assurance Committee early 2020/21.



Area of Activity Overview

% Resource by
Work Area



The 2019/20 work period illustrates how a significant amount of work activity fell around the area of Hold to Account. The quality of referral now being received is such that sanctions are being more successfully pursued including an increase in the number of cases in which recovery of losses was made throughout the year as well as an increase in successful criminal action.

3 Welsh Government Direction

The following grid identifies the key requirements under Welsh Government (WG) Directions July 2006 and outlines current activity within each section. The table illustrates that in line with WG directions, supported through compliance with the standards for Wales, Hywel Dda University Health Board Counter Fraud provision is illustrating positive performance in delivery of its Counter Fraud Strategy.

Para.	Instruction	Action taken by health body
2 (1)	Each NHS body must take all necessary steps to counter fraud in the NHS in accordance with these Directions and in accordance with; (a) the NHS Counter Fraud and Corruption Manual; and (b) the policy statement "Applying appropriate sanctions consistently" published by the CFS, (c) and having regard to guidance or advice issued by the CFS.	Achieved
2 (2)	Each NHS body must require its Chief Executive and Director of Finance to monitor and ensure compliance with these Directions.	Achieved



Para.	Instruction	Action taken by health body
3 (1)	<p>Each NHS body must co-operate with the CFS to enable the CFS efficiently and effectively to carry out its counter fraud functions and in particular each NHS body must, subject to the following paragraphs of this direction;</p> <ul style="list-style-type: none">(a) enable the CFS to have access to its premises;(b) put in place arrangements which will enable the CFS to have access, as appropriate, to the NHS body's staff; and(c) supply such information including files and other data (whether in electronic or manual form) as the CFS may require for the purposes of the CFS counter fraud functions.	Achieved
3 (2)	<p>In the case of information required under paragraph (1)(c) in connection with the CFS responsibility for quality inspection, fraud measurement, National Proactive Exercises (NPEs) and fraud prevention reviews, inspections and instructions, an NHS body must respond to any request from the CFS as soon as reasonably practicable.</p>	Achieved
3 (3)	<p>In the case of information required under paragraph (1)(c) for the purposes of investigations relating to the CFS' counter fraud functions, an NHS body must respond to a request as soon as reasonably practicable and in any event within seven days from the date the request was made.</p>	Achieved
3 (4)	<p>Nothing in paragraph 1(b) contravenes any right a member of staff may otherwise have to refuse to be interviewed.</p>	N/A
3 (5)	<p>Nothing in paragraph 1(c) or direction 7(f) obliges or permits an NHS body to supply information which is prohibited from disclosure by or under any enactment, rule of law or ruling of a court of competent jurisdiction or is protected by the common law.</p>	N/A



Para.	Instruction	Action taken by health body
3 (6)	<p>Without prejudice to the generality of direction 2(1)(a), each NHS body must comply with the requirements specified in the NHS Counter Fraud and Corruption Manual concerning;</p> <ul style="list-style-type: none"> (a) the arrangements for reporting fraud cases to the LCFS and to the NHS body's audit committee and auditors; (b) the arrangements for agreeing to undertake a criminal prosecution and to refer a matter to the police; (c) the confidentiality of information relevant to the investigation of suspected fraud; (d) the arrangements for the LCFS to report weaknesses in fraud related systems to the CFS and the NHS body's audit committee and auditors; and (e) the arrangements for gathering information to enable the Director of Finance to seek recovery of money lost through fraud. 	Achieved
5 (1)	Each NHS body must nominate at least one person that it proposes to appoint as the body's LCFS within six weeks of the date on which these Directions come into force.	Achieved
5 (2)	A person nominated under paragraph 5(1) may be either employed by the NHS body or a person whose services are supplied to it by an outside organisation.	Achieved
5 (3)	The name of the nominee must be notified to the CFSMS together with the information specified in the NHS Counter Fraud and Corruption Manual within 7 days of the nomination.	Achieved
5 (4)	Without prejudice to the generality of direction 2(1), before making a nomination each NHS body must take into account any guidance issued by the CFSMS on the suitability criteria for an LCFS.	Achieved
5 (5)	<p>After a nominee has;</p> <ul style="list-style-type: none"> (a) been approved by the CFS as a person suitable for appointment; (b) successfully completed any training required by the CFS; and (c) been accredited by the Counter Fraud Professionals Accreditation Board, <p>the NHS body may appoint the person as its LCFS.</p>	Achieved



Para.	Instruction	Action taken by health body
5 (6)	<p>Where an NHS body nominates a person whose services are provided to it by an outside organisation, it must</p> <ul style="list-style-type: none">(a) comply with the requirements of the CFS as to the suitability of the organisation in question;(b) satisfy itself and the CFS that the terms on which those services are provided are such as to enable the LCFS to carry out his functions effectively and efficiently and in particular that he will be able to devote sufficient time to that NHS body; and(c) give to the CFS a copy of the contract under which the services of the LCFS are supplied to it.	N/A
5 (7)	<p>A further nomination must be made within 3 months of the date on which an NHS body learns that there is to be a vacancy for an LCFS.</p>	N/A
5 (8)	<p>The procedures in paragraphs (3) to (6) also apply to a person nominated under paragraph (7).</p>	Achieved
6 (1)	<p>Each NHS body must specify a job description for its LCFS which includes the operational and liaison responsibilities specified by the CFS.</p>	Achieved
6 (2)	<p>The job description under paragraph (1) must include a requirement that the LCFS must adhere to the CFPAB Principles of Professional Conduct as set out in the NHS Counter Fraud and Corruption Manual.</p>	N/A
6 (3)	<p>An LCFS must report directly to the NHS body's Director of Finance.</p>	Achieved
6 (4)	<p>An LCFS must not undertake responsibility for or be in any way engaged in the management of security for any NHS body.</p>	Achieved



Para.	Instruction	Action taken by health body
7	Each NHS body must;	Achieved
	(a) require that in addition to the job description mentioned in direction 6(1), the LCFS and the Director of Finance agree, at the beginning of the financial year, a written work plan which outlines the LCFS's projected work for that financial year by reference to the seven generic areas of counter fraud activity set out in the NHS Counter Fraud and Corruption Manual;	
	(b) enable its LCFS to attend the NHS body's audit committee meetings;	Achieved
	(c) require its LCFS to keep full and accurate records of any instances of fraud or suspected fraud;	Achieved
	(d) require its LCFS to report to the CFS any weaknesses in fraud related systems of the NHS body and any other matters which may have fraud related implications for the NHS;	Achieved
	(e) ensure that its LCFS has all necessary support including access to the CFS secure intranet site to enable him efficiently and effectively to carry out his responsibilities;	Achieved
	(f) subject to any contractual or legal constraint, require all of its staff to co-operate with the LCFS and in particular that those responsible for human resources disclose information which arises in connection with any matters (including disciplinary matters) which may have implications in relation to the investigation, prevention or detection of fraud;	Achieved
	(g) enable its LCFS to receive training recommended by the CFS;	Achieved
	(h) require its LCFS, its other employees and any persons whose services are provided to the NHS body in connection with counter fraud work to have regard to guidance and advice on media handling of counter fraud matters which may be issued by the CFS;	Achieved
	(i) enable its LCFS to participate in activities in which the CFS is engaged, including national anti-fraud measures, where he is requested to do so by the CFS;	Achieved



Para.	Instruction	Action taken by health body
	(j) enable its LCFS to work in conditions of sufficient security and privacy to protect the confidentiality of his work;	Achieved
	(k) enable its LCFS generally to perform his functions effectively, efficiently and promptly.	Achieved



4 NHS Counter Fraud Authority Quality Assurance Standards

NHS Counter Fraud Authority (NHS CFA) undertake an annual review of the counter fraud activity completed within the Health Board. The LCFS is required to complete a Self Review Tool (SRT).

The four areas of activity are:

Strategic Governance - (Organisational governance / Staff Resource / Training)

Inform and Involve – (Fraud Awareness / development of Anti- Fraud Culture)

Prevent and Deter – (Reducing opportunity / Policy review and improvement)

Hold to Account – (Detection and investigation of Fraud / Sanctions / Criminal Process)

Area of activity	RED / AMBER / GREEN
Strategic Governance	GREEN
Inform and Involve	GREEN
Prevent and Deter	GREEN
Hold to Account	GREEN
Overall level	GREEN

Declaration

I declare that the counter fraud, bribery and corruption work carried out during 2019-20 has been self-reviewed against NHSCFA's fraud, bribery and corruption standards for providers and the NHS Standard Contract, and that the above rating has been achieved.

Organisation	Hywel Dda University Health Board
Director of Finance / Chief Financial Officer / Executive Board Member Signature	
Date	
Date of last Local Counter Fraud Risk Assessment	30 th March 2020



4.1 Inform and Involve

The LCFS' have an on-going work programme with the NHS Counter Fraud Service (Wales) to develop an Anti-Fraud Culture within the NHS. There is an anti fraud, bribery and corruption policy in place that outlines the responsibilities of staff in countering Fraud and corruption within HDUHB.

Fraud awareness presentations have been provided over a variety of different mediums, to include Induction, Managers Passport, student placements, Medicine Safety Days, Finance Department Induction. Bespoke face to face Counter Fraud learning has also targeted staff groups at higher risk of contact with fraud such as recruitment, finance, community based staff and staff who work with service users with learning disabilities.

Effective evaluations of such sessions have been conducted, with positive comments presented about the effectiveness of receiving such an awareness session. Evaluations have added to tailoring the education work, to ensure that bespoke messages of guidance can be offered.

Communications links have been enhanced and developed over this work period. The Counter Fraud Team now has a dedicated Twitter account to promote the counter fraud message. The Counter Fraud Team has also attended communications training to enable the capability to amend intranet pages unilaterally to ensure these pages are current and beneficial for staff.

Examples of key work areas and successful outcomes include;

- 20 Presentations conducted to staff and key contacts, resulting in 471 targeted engagements being made with staff. Counter fraud learning was provided via induction with 44 sessions reaching over 1,100 staff in the year. The staff reached with the Counter Fraud message represents around 14% of total staff in the Health Board.
- 19 examples of mass communication to promote unique guidance on counter fraud messages. This includes use of Global Email system, staff alerts, other Health Board newsletters and bulletin board.
- Fraud Awareness Month site visits executed to share promotional literature, and ensure placement of Fraud Reporting line details within key areas.

The LCFS also produced and updated counter fraud awareness materials and refreshed these across the Hywel Dda estate during fraud awareness drive run throughout February into early March 2020. Literature is available for all staff to access and utilise within their respective localities. The awareness materials are available in Welsh and English language; translation of materials continues

The Counter Fraud Team established a new intranet page solely purposed for keeping staff up to date of emerging fraud threats relating to the COVID-19 pandemic. This was complemented by use of mass communications around general fraud threats as well as targeted communications to those business areas facing specific threats. Communications strategy encompassed not just the Health Board itself but also our Primary Care contractors and risks to individuals from emerging scams.



4.2 Prevent and Deter

The LCFS' have effectively liaised with the Health Board's Communications Department when reporting cases or fraud trends, to ensure that a consistent approach is taken and the message is sent out that fraud will not be tolerated within the Health Board.

The LCFS' provide reports on policy weaknesses in each case where fraud is established to NHS Protect and the Health Board's Finance Director, alongside liaison with the relevant departments, more notably, workforce and payroll, where system weaknesses may increase the opportunity of Fraud.

Staff alerts displayed upon the HB website and circulated through mass communications have also encouraged engagement and demonstrated real advantages to maintaining an anti-fraud culture. There has been an increase throughout 2019/20 of contact from staff seeking to mitigate fraud risks. This represents a shift from the Counter Fraud Team being viewed as a contact point for referral of information for investigation to an asset to be utilised to prevent fraud from occurring.

The LCFS has also undertaken fraud-proofing of internal policies and procedures both during the Global Consultation of such policies but also in response to fraud risks identified during fraud enquiries. The LCFS undertook review of 4 Health Board Policies in this way.

Continued monitoring of the Post Payment Verification (PPV) reports with the relevant Primary Care Lead officers has been undertaken. Effective working links have been established and Counter Fraud have been influential in the development of a PPV / Counter Fraud trends analysis group, where review of compliance levels can be addressed and action plans considered. This is backed with a quarterly meeting with the PPV officers for the Health Board area and PPV attendance at Health Board ARAC meetings.

The Counter Fraud Team have been proactive in reviewing the process for notification of employment changes in efforts to minimise the risk from payroll fraud and overpayment of salary. A new procedure was initiated to ensure that the LCFS had first sight of any potential cases of overpayment fraud which involves referral from the Payroll Team of any instances of overpayment which cover a period of 3 months or more or are over a value of £5,000. Work continues around this with a new policy drafted and revised payroll forms and submission system being worked on.

The LCFS commenced a review of Estates Department which follows Internal Audit review of governance and financial safeguarding in this business area. The LCFS assessed declarations of interests and reviewed to establish whether any previously or currently undeclared interests may be indicative of impropriety in contracting processes. The LCFS established no concerns in this area. A review of business conducted to detect potential fraud, bribery and/or corruption was commenced but was paused in March 2020 due to COVID-19 making site visits impractical. The LCFS also linked with Finance around purchase cards used by Estates which had multiple incidents of card cloning fraud. The LCFS was seeking a resolution to remove cards from use within the Department with an operationally workable solution for Estates staff. Again this was paused due to the outbreak but work will recommence once situation de-escalates sufficiently.

The HB LCFS have maintained their activity upon the National Fraud Initiative (NFI) carrying out checks across all matched data reports. The work has also supported other Public Sector



Organisations in their NFI activity. The NFI system has also been utilised to carry out other checks as part of the wider counter fraud work

The LCFS has been supporting colleagues in Mental Health and Learning Disabilities Directorate to revise processes around handling of service users' money. A new guidance document to sit alongside the revised Patient Property and Monies Policy has been developed by the Directorate. This was formally assessed by the LCFS and advice offered around best approach. Specific training around financial safeguarding is also being explored by the LCFS for rollout to Directorate staff.

In response to increased fraud risk during the COVID-19 pandemic the Counter Fraud Team revisited fraud risk assessments to assess controls being used for new ways of working. These centred on key areas of Finance, Procurement and Recruitment. The LCFS found that the residual or general risks had increased but sensible approaches were being undertaken at that time with existing process and procedures being utilised but on a wider scale; this offered the best mitigation at that time. The situation is extremely fluid however and this will be a continuing process to ensure business is conducted with risks mitigated as far as is possible in the circumstances with low friction checks and controls favoured should the situation escalate.

A work plan action has also been included to review business undertaken during this time around those key threat areas of Finance, Procurement and Recruitment. The LCFS also expects to see an increase of referrals relating to employment issues such as working elsewhere whilst in receipt of occupational sick pay and working elsewhere in NHS time (dual role fraud). A formal document outlining the counter fraud response to elevated threat levels relating to COVID-19 pandemic will be presented to ARAC early 2020/21.

4.3 Hold to Account

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

The LCFS received information from a number of sources and processes were in place to ensure referrals were prioritised and investigated. As part of the required reporting processes, all notified concerns were reported upon the FIRST case management database, to ensure effective recording of sensitive and criminal enquiries.

Update reports on current case position have been supplied to the Audit & Risk Assurance Committee on a regular basis. The reports are discussed during the in-committee section of the meeting to ensure confidentiality of investigation and fairness to investigation subjects. An end of year report has been supplied alongside this report for discussion in the in-committee meeting.

The Counter Fraud Team have actively investigated 26 reports of financial crime in this year, which includes 15 cases carried over from the previous year with 11 new investigations initiated in 2019/20. This work has resulted in the application of 3 criminal sanction, 3 internal sanctions and 4 civil recoveries. The total recovery for the Health Board in relation to fraud investigations stands at £21,015. Seven investigations remain open for investigation in 2019/20.



4.4 Strategic Governance

The Counter Fraud Work Plan agreed with the Director of Finance was presented to the Audit & Risk Assurance Committee and quarterly monitoring reports submitted for information.

Meetings with HB Senior Managers have continued and the identification of further areas of risk from a local perspective, with the application of their professional experience within the HB has been achieved.

The LCFS attended both Wales Counter Fraud Conferences where further training was received in accordance with the NHS Protect requirements.

Submission of the return for NHS Counter Fraud Authority Quality Assurance Assessment was made within the due deadline. Throughout the year quarterly returns for WG and NHS Counter Fraud Authority in relation to investigation statistics were provided.

The necessary support has been received from the HB, allowing LCFS to perform their functions effectively. Continued training for specialist delivery has been maintained for all staff.

5 Conclusion

The Health Board's counter fraud provision has demonstrated compliance with the requirements of the Welsh Government Directions to NHS Bodies on Counter Fraud Measures.

The overall Green rating from the Quality Assurance assessment (SRT), demonstrates the continued efforts from the LCFS in working in an innovative way to achieve a balance of both reactive and proactive work to meet the NHS Counter Authority's Standards.

A key strategy from previous years has been to switch the view amongst the wider Health Board of the Counter Fraud Team from being a reactive unit for referral and investigation to a proactive unit purposed to prevent fraud and reduce fraud risk. This is showing signs of taking effect with increased contact seeking advice and assessment. This strategy will continue whilst being mindful that the message around the importance of investigation should not be lost.

The Counter Fraud Team can demonstrate a continued trajectory of improvement across the service with continued success shown across key measurable. The focus of work throughout 2020/21 will be to continue to embed the anti-fraud culture within the Health Board through widespread awareness work and engagement.

Matthew Evans
Lead Local Counter Fraud Specialist
Hywel Dda University Health Board

For presentation to Audit and Risk Assurance Committee: 21st April 2020



Appendix - Case and Sanction Information Overview

Case Information	Number
Cases carried forward from previous year	15
Referrals received during the period	11
Cases opened during period	11
Cases closed in period	19
Cases ongoing	7

Sanction Imposed	Number
Disciplinary	3
Civil	4
Criminal	3