

9.3

NHS Counter Fraud Authority Draft SRT Return

Presenter: Matthew Evans

SBAR Self Review Against Standards (SRT)

HDUHB Self Review Against NHS CFA Standards



**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:	Self Review Against NHS Counter Fraud Standards
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)

Ar Gyfer Trafodaeth/For Discussion

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

This document provides to Audit & Risk Assurance Committee the Self Review Against NHS Counter Fraud Standards for 2019/20. The Health Board has been assessed to be Green rated across all standards.

Within the Review there is a difference recorded in amount of fraud losses identified and amount of fraud losses recovered in year. This difference relates to one case which is scheduled for sentencing 17th April 2020 and is therefore carried over into 2020/21. This loss will be recovered in 2020/21.

There is a requirement for Director of Finance and the Audit & Risk Assurance Committee Chair to authorise the return before submission to NHS Counter Fraud Authority. The deadline for submission has been deferred by the Authority until 31st May 2020.

Cefndir / Background

To evidence the body of counter fraud work completed in 2019/20 reviewed against NHS Counter Fraud Authority Fraud Standards for NHS Bodies (Wales).

Asesiad / Assessment

The Health Board is compliant with the NHS Counter Fraud Authority Fraud Standards for NHS Bodies (Wales).

Argymhelliad / Recommendation

The Audit & Risk Assurance Committee is requested to discuss the Self Review Against NHS Counter Fraud Standards for 2019/20 return, prior to approval by the Director of Finance and Audit & Risk Assurance Committee Chair.

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:	NHS Counter Fraud Authority Standards for NHS Bodies (Wales)
Rhestr Termiau: Glossary of Terms:	LCFS – Local Counter Fraud Specialist
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg: Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Not applicable

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Not applicable
Ansawdd / Gofal Claf: Quality / Patient Care:	Not applicable
Gweithlu: Workforce:	Not applicable
Risg: Risk:	Not applicable

Cyfreithiol: Legal:	Not applicable
Enw Da: Reputational:	Not applicable
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Not applicable



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COUNTER FRAUD, BRIBERY & CORRUPTION

HYWEL DDA UNIVERSITY HEALTH BOARD

**SELF REVIEW AGAINST NHS COUNTER FRAUD
AUTHORITY STANDARDS**

General

Standard	Comments
Name of the organisation	HYWEL DDA UNIVERSITY LHB
Annual budget of the organisation	£ 800 million to £ 1 billion
Staff headcount at the organisation including contracted employees	Over 10,000
Organisation code	7A2
Organisation/provider type	Health Board
Name of the member of the executive board or equivalent body responsible for overseeing and providing strategic management	Mr Huw Thomas
Region	WALES
Date of completion of this review	27/03/2020
Name and email of the Local Counter Fraud Specialist	Matthew Evans matthew.evans20@wales.nhs.uk
Name of the counter fraud provider organisation (including in-house)	In House
Name of the Chair of the Audit Committee	Mr Paul Newman
Email of the Chair of Audit Committee	Paul.newman2@wales.nhs.uk
Strategic Governance, Inform and Involve and Prevent and Deter days used (Maximum 3 digits)	217
Hold to Account days used (Maximum 3 digits)	203
Total days used for counter fraud work	420
Number of referrals received during the most recent financial year	11
Number of cases opened during the most recent financial year	11
Number of cases closed during the most recent financial year	19
Number of cases open as at 31/03/2019	7
Amount of fraud losses identified during the most recent financial year	£39,571.89
Amount of fraud losses recovered during the most recent financial year	£21,015.15
Number of criminal sanctions applied during the year	3
Number of civil sanctions applied during the year	4
Number of disciplinary sanctions applied during the year	3
Cost of counter fraud staffing per financial year - Strategic Governance, Inform and Involve and Prevent and Deter	£40,399.28
Cost of counter fraud staffing per financial year - Hold to Account	£37,793.28
Total costs for counter fraud work	£78,193.00

Strategic Governance

No	Standard	Rating	Comments
1.1	A member of the executive board or equivalent body is responsible for overseeing and providing strategic management and support for all counter fraud, bribery and corruption work within the organisation.	GREEN	The University Health Board's (HB's) Director of Finance (DoF) is the delegated person responsible for providing strategic management on all aspects of economic crime. This is evidenced by the preparation of the antifraud, bribery and corruption work plan, along with counter fraud annual report and progress reports presented on a quarterly basis to Audit & Risk Assurance Committee (ARAC). Additional to this, the LCFS presents regular updates and briefings directly to the DoF and Assistant DoF when required with clear lines of communication between all parties.
1.2	The organisation's non-executive directors and board level senior management provide clear and demonstrable support and strategic direction for counter fraud, bribery and corruption work. Evidence of proactive management, control and evaluation of counter fraud, bribery and corruption work is present. If the NHSCFA has carried out a qualitative assessment, the non-executive directors and board level senior management ensure recommendations made are fully actioned.	GREEN	There are clear communication lines with the Senior HB Management and Independent Members. Regular attendance at ARAC provides opportunity for members including IMs and Senior HB Managers to be updated on matters and provide input on direction. Learning arising from LCFS work around risk reduction and investigation outcomes are shared with relevant leads and updates provided via the ARAC. The Health Board's IMs also hold a private meeting with the LCFS on an annual basis to discuss any issues arising.
1.3	The organisation employs or contracts in one or more accredited, nominated LCFSs to undertake the full range of counter fraud, bribery and corruption work, including proactive work to prevent and deter fraud, bribery and corruption and reactive work to hold those who commit fraud, bribery and corruption to account.	GREEN	The organisation currently employs 2 full time LCFSs to undertake the full duties of anti-fraud work. The LCFS' work to a Counter Fraud work plan devised around the 4 strategic areas outlined within the NHS CFA Standards and organisational risks which is approved by the DoF and ARAC. The LCFSs continue to receive relevant training to enhance their abilities to deliver the role effectively
1.4	The organisation has carried out comprehensive local risk assessments to identify fraud, bribery and corruption risks, and has counter fraud, bribery and corruption provision that is proportionate to the level of risk identified. Risks are recorded and managed in line with the organisation's risk management policy	GREEN	The LCFS undertakes risk assessment in line with internal Policy and Procedure around locally identified risks and national guidance. The Health Board's DATIX system has a fraud specific module allowing local managers to add fraud risks to the system. The fraud module is linked to the LCFS who receives automatic updates to new risks added or changes to existing risks.

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No	Standard	Rating	Comments
	and are included on the appropriate risk registers. Measures to mitigate identified risks are included in an organisational work plan, progress is monitored at a senior level within the organisation and results are fed back to the audit committee.		
1.5	The organisation reports annually on how it has met the standards set by the NHSCFA and NHS CFS Wales in relation to counter fraud, bribery and corruption work, and details corrective action where standards have not been met.	GREEN	The HB produces an annual report, which highlights the activities undertaken by the Counter Fraud Service, to demonstrate compliance to the NHS CFA guidance on working with fraud, bribery and corruption. The standards are reviewed on a regular basis and cross referenced against work undertaken by the Lead LCFS. The annual report is presented to the Director of Finance for approval, and is presented to ARAC for approval and assurance of meeting the NHS standards. Additionally, as part of the Quality Assurance process, the HB undertakes a self review exercise to assess continued compliance towards those set standards
1.6	The organisation ensures that those carrying out counter fraud, bribery and corruption work have all the necessary tools and resources to enable them to carry out their role efficiently, effectively and promptly. This includes (but is not limited to) access to IT systems and access to secure storage.	GREEN	The LCFS operates from a dedicated office with a secure storage area for the retention of confidential material. The LCFSs have the full support of the DoF who facilitates access to all NHS systems where required. Use of secure email/file transfer is promoted where required, and liaison with information governance can be demonstrated to ensure integrity of data gathered and held.
1.7	The organisation 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, including (but not limited to) audit, risk, finance, communications and human resources. There is evidence of positive outcomes as a result of this liaison.	GREEN	The LCFS has built good working relationships with key staff groups and regular meetings and/or exchanges of information can be evidenced between them. The LCFS has received referrals for investigation as a result of this cross-functional working as well as identification of fraud risks which can then be managed appropriately.

Inform and Involve

No	Standard	Rating	Comments
2.1	The organisation has an ongoing programme of work to raise awareness of fraud, bribery and corruption. This should cover the NHSCFA's Fraud and Corruption Reporting Line and online fraud reporting tool, and the role of the accredited counter fraud specialist. Content may be delivered through presentations, newsletters, leaflets, posters, intranet pages, induction materials for new staff, emails and other media, making use of the NHSCFA's fraud awareness toolkit as appropriate. The effectiveness of the awareness programme is measured.	GREEN	The LCFS has presence on induction, managers passport attendance, and dissemination of the crime awareness publications can be demonstrated. Physical attendance at sites within the HB have also added to enhancement of an anti-fraud culture. Internal and External Web pages have also been updated, alongside frequent use of global messages and twitter. The LCFS delivered a Fraud Awareness Month visiting staff proactively within sites and disseminating counter fraud literature. Bespoke training is offered upon request by service managers and tailored training has been delivered to high risk areas. Many sessions are evaluated through feedback summaries. Statistics are maintained and analysed to assess indicative awareness levels within the HB.
2.2	The organisation has a counter fraud, bribery and corruption policy that follows the NHSCFA's strategic guidance, publicises the NHSCFA's Fraud and Corruption Reporting Line and online reporting tool, and has been approved by the executive body or senior management team. The policy is reviewed, evaluated and updated as required, and levels of staff awareness are measured.	GREEN	The HB has an anti-fraud, bribery and corruption policy which has been produced in line with guidance provided by NHS CFA. The policy is available to all staff within the counter fraud pages of the intranet and under the policies pages. The Policy is actively promoted within the HBs programme of awareness. A targeted staff survey was planned for late Q4 2019/20 this has been deferred to summer 2020/21 with reliance on statistical data, such as referral rate, used to measure awareness levels.
2.3	The organisation liaises proactively with other organisations and agencies (including local police, local authorities, regulatory and professional bodies) to assist in countering fraud, bribery and corruption. All liaison complies with relevant legislation, such as the Data Protection Act 1998 - General Data Protection Regulation (GDPR), and with relevant organisational policies. The organisation can demonstrate improved investigative and operational effectiveness as a result of the liaison.	GREEN	Effective partnerships are established and maintained, to include the Police, Local Authority Fraud links, and neighbouring Health Boards. Where required, cases are jointly reviewed with the relevant agencies such as HMRC, Home Office, Trading Standards. Any data exchange is done so in compliance with legal requirements. Improved investigative outcomes can be evidenced through a shared approach and consistent practice.
2.4	The organisation has a fully implemented code of conduct that includes reference to fraud, bribery and	GREEN	The HB has a Standards of Behaviour Policy which incorporates professional behaviour with reference to fraud, corruption and the Bribery



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	corruption and the requirements of the Bribery Act 2010. The effectiveness of the implementation of the process and staff awareness of the requirements of the code of conduct are regularly tested.		Act 2010. Awareness work around requirements is carried out by both the Corporate Governance Team and LCFS. Proactive work is carried out utilising databases such as NFI and Disclosure UK to assist to measure compliance levels. There has been a demonstrable increase in returns received by the Corporate Governance Team in 2019/20.
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Prevent and Deter

No	Standard	Rating	Comments
3.1	The organisation reviews new and existing relevant policies and procedures, using audit reports, investigation closure reports and guidance from the NHSCFA and NHS CFS Wales, to ensure that appropriate counter fraud, bribery and corruption measures are included. This includes (but is not limited to) policies and procedures in human resources, standing orders, standing financial instructions and other finance and operational policies. The organisation evaluates the success of the measures in reducing fraud, bribery and corruption, where risks have been identified.	GREEN	A high level of policies within NHS Wales are agreed within an All Wales Policy Group, which is inclusive of LCFS input. Locally the LCFS contributes to fraud proofing during development and review of policies via a global review procedure. Where fraud risks are identified as part of investigations the LCFS also makes policy recommendations in response and undertakes risk assessment as necessary. Testing in this area is an on-going process and further reviews are undertaken following closure of any reported concern, with an agreed schedule to revisit the changes to ensure actions agreed were implemented.
3.2	The organisation uses relevant information and intelligence to identify anomalies that may be indicative of fraud, bribery and corruption and takes the appropriate action, including proactive exercises, to address them. Relevant information and intelligence may include (but is not limited to) internal and external audit reports, evidence of primary care work, information on outliers, recommendations in investigation reports and information from payroll. The findings are acted upon promptly.	GREEN	The LCFS has a close working relationship with NWSSP internal audit, Primary care Post-Payment Verification, Local Intelligence Network and Payroll in relation to identifying system weaknesses and sharing concerns, regular meetings are held with these parties. In these instances available information is shared at an early stage and is included for the attention of ARAC. Where anomalies are found they are acted upon promptly resulting in positive outcomes in terms of investigations, recovery of monies and/or risk management/mitigation when appropriate. Overpayment of Salary was a key theme throughout 2019/20 and process was amended to ensure maximum prevention and effective investigation.
3.3	The organisation issues, implements and complies with all appropriate fraud, bribery and corruption intelligence bulletins, prevention guidance and alerts issued by the NHSCFA or NHS CFS Wales. In addition, the organisation issues local counter fraud, bribery and corruption warnings and alerts to all relevant staff following guidance in the NHSCFA Intelligence Alerts, Bulletins and Local Warnings	GREEN	The HB is proactive in ensuring that all appropriate fraud, bribery and corruption guidance is communicated. This being illustrated in relation to global emails, to staff and primary care leads in relation to fraud trends, with clear guidance from NHS CFA included. Follow up reviews and awareness reminder messages are provided to ensure distributed alerts, bulletins and guidance have been understood and adhered to. Risk assessments are undertaken in relation to guidance issued where necessary to effectively manage new and emerging fraud risks.

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	Guidance. The organisation has an established system of follow up reviews to ensure that it remains vigilant and that all appropriate action has been taken.		
3.4	The organisation ensures that all new staff are subject to the appropriate level of pre-employment checks, as recommended by NHS Employers, before commencing employment within the organisation. Assurance is sought from any employment agencies used that the staff they provide have been subject to adequate vetting checks, in line with guidance from NHS CFS Wales, NHS Employers and the Home Office.	GREEN	The HB ensures that all new staff are subject to the pre-employment checks as prescribed by regional processes, as recommended by NHS Employers. Assurance is sought from any employment agencies used that the staff they provide have been subject to adequate vetting checks, in line with guidance from NHS CFA and NHS Employers, and where concerns are reported, investigations are taken to gain verification of the checks made. This process will be vetted in 20/21 with proactive exercises planned around use of agency staff and internal recruitment.
3.5	The organisation has proportionate processes in place for preventing, deterring and detecting fraud, bribery and corruption in procurement.	GREEN	NHS Wales Shared Services Partnership (NWSSP) support to carry out the tendering process via the multiquote, Bravo and/or OJEU systems and processes which ensures that appropriate checks and systems are in place to meet the requirements of this standard. Standing Financial instructions are adhered to where processes are regularly reviewed and checked. Additional to this, liaison with internal audit can allow review of risks when presented, and promotion of the relevant procurement processes are encouraged through awareness sessions presented by Counter Fraud. Risk assessments have been undertaken in 2019/20 in relation to guidance issued by NHS CFA around Procurement Fraud; controls were assessed as offering good mitigation to fraud risks.
3.6	The organisation has proportionate processes in place for preventing, deterring and detecting invoice fraud, bribery and corruption, including reconciliation, segregation of duties, processes for changing supplier bank details and checking of deliveries.	GREEN	The NHS Wales Shared Services Partnership (NWSSP) are responsible for ensuring that appropriate procedures are in place. Appropriate alerts and prevention is disseminated to the Accounts Payable Manager, and the relevant financial leads for appropriate signatory assurance, and assessment of validation of invoices, and assessment of stock / service received in line with the contract agreed. The system operated ensures that a robust approach is taken when changes are requested to change bank account details of a supplier to prevent being subject to a fraudulent action. Risk Assessments have been undertaken in 2019/20 in line with



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No	Standard	Rating	Comments
			guidance issued by NHS CFA; controls were assessed as offering good mitigation to fraud risks.

Hold to Account

No	Standard	Rating	Comments
4.1	The organisation ensures that FIRST is used to record all reports of suspected fraud, bribery and corruption, to inform intelligence held nationally by the NHSCFA and NHS CFS Wales. FIRST is also used to record all system weaknesses identified as a result of investigations and/or proactive prevention and detection exercises.	GREEN	The FIRST case management system, is an information gathering, intelligence, disseminating and case management toolkit provided by NHS CFA. The FIRST case management system is used by accredited counter fraud specialists to ensure that compliance with CPIA is adhered and to record allegations of fraud, bribery and corruption. Additionally recorded on the FIRST would be system weaknesses, and progress against the enquiry, alongside documented intelligence surrounding the subject of concern.
4.2	The organisation uses FIRST to support and progress the investigation of fraud, bribery and corruption allegations, in line with the NHSCFA's guidance.	GREEN	The HB supports all investigations of fraud, bribery and corruption with adherence to legislative requirements and the guidance outlined in the NHS Anti-fraud manual and case file toolkit. This being evidenced in the investigation plans and recorded actions undertaken by the LCFS on the FIRST system.
4.3	The organisation shows a commitment to pursuing, and/or supporting the NHSCFA and NHS CFS Wales in pursuing, the full range of available sanctions (criminal, civil, disciplinary and regulatory) against those found to have committed fraud, bribery or corruption in primary and secondary care sectors, as detailed in the NHSCFA guidance and following the advice of the Operational Fraud Manager in NHS CFS Wales.	GREEN	The HB is committed to supporting all available sanctions during investigations. The LCFS has a close working relationship with CFS Wales in respect of case progression, advice and best practice in accordance with NHS CFA directions to achieve positive outcomes. The LCFS also can demonstrate close working links with internal workforce and relevant department leads in utilising the full range of sanctions, and promoting awareness of which sanctions would be best applicable in a given situation.
4.4	The organisation completes witness statements that follow best practice and comply with national guidelines.	GREEN	The LCFS completes witness statements in accordance with national guidelines, and ensures that competency to deliver the service is maintained and reviewed. Witness statements are reviewed in line with issued guidance to ensure best practice is maintained.
4.5	Interviews under caution are conducted in line with the National Occupational Standards (CJ201.2) and the Police and Criminal Evidence Act 1984.	GREEN	The LCFS undertakes all interviews under caution in accordance with Code C of the Police and Criminal Evidence Act 1984, and retains documented details surrounding interviews completed.
4.6	The organisation seeks to recover, and/or supports the NHSCFA and NHS CFS Wales in seeking to	GREEN	The HB seeks to recover all funds lost by the NHS through fraud, bribery and corruption in all circumstances where it is viable to do so. Successful



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	recover, NHS funds that have been lost or diverted through fraud, bribery and corruption, following an assessment of the likelihood and financial viability of the recovery. The organisation publicises cases that have led to successful recovery of NHS funds.		recoveries are communicated through internal newsletters, social media messages, and global emails and are included in fraud awareness presentations undertaken by the LCFS.