

# NHS Wales Fighting Fraud Strategy



## CONTENTS

**01** Foreword

**02** Executive Summary

**03** Strategic Objectives

**04** Strategic Framework

**05** Resources

**06** Governance

**07** Quality Assurance

**08** Conclusion

**STOP NHS  
WALES FRAUD**







## CONTENTS

**01** Foreword

**02** Executive Summary

**03** Strategic Objectives

**04** Strategic Framework

**05** Resources

**06** Governance

**07** Quality Assurance

**08** Conclusion

# 01 Foreword

I am pleased to introduce this Counter Fraud Strategy for NHS Wales. This Strategy will focus efforts on the fight against criminal fraud, bribery and corruption. The Welsh Government is clear that it will not tolerate economic crime against NHS Wales. These crimes are not victimless, because they steal funding that is intended to provide services to patients. Welsh Government supports action to protect these funds and to seek redress for all economic crimes committed against NHS Wales.

With a multi-dimensional approach through criminal prosecution, fraud prevention and awareness campaigns, we are determined to not only make economic crime much harder to commit, but also to increase recovery of funding stolen from NHS Wales. We will continue to build intelligence to gain a comprehensive picture of the evolving fraud risks and to develop creative, innovative and proportionate solutions to address them.

Development of a strategic, tactical and operational response across NHS Wales means that it will be better able to target weaknesses that fraudsters are exploiting. The more money that we are able to stop getting into the hands of criminals, the more resources are available for frontline services.

I am pleased to support this important work and am confident that this strategy will be a crucial step forward in fighting fraud in NHS Wales.

Finally, I would like to thank our highly motivated staff and stakeholders for their efforts in the continued fight against fraud, bribery and corruption within the NHS in Wales.

**Dr Andrew Goodall CBE**  
Chief Executive, NHS Wales  
June 2019



# 02 Executive Summary

The prevalence and scale of economic crime, including all aspects of fraud, is an increasing concern for the UK. The aims of this Strategy are to prevent fraud from taking place in NHS Wales, and to increase the likelihood of detecting fraud with appropriate sanctions applied where appropriate. We will achieve this through:

- Using intelligence to understand the nature of fraud risks;
- Educating and engaging staff and stakeholders to raise awareness of the potential for fraud and the harm that it causes; and
- Pro-actively detecting and investigating frauds and securing appropriate sanctions.

Fraud against the NHS, which for the purpose of this document includes fraud, bribery, corruption and other relevant unlawful activity, affects all those who work within it and all those who rely upon it. Fraud steals valuable NHS resources, increases costs, reduces efficiency and undermines public confidence. NHS Wales and the Welsh Government are clear that fraud cannot be tolerated as it is unacceptable, and takes away vital resources intended for the provision of high quality patient care. Whilst controls to prevent fraud are in place, these must continually evolve over time to reflect learning, progress and an understanding of new potential risks and system weaknesses. As such, NHS Wales will focus its resources on prevention and detection activity, where these are likely to have the most impact.

Our approach includes the application of sanctions by means of criminal and disciplinary proceedings, in tandem with action to recover monies defrauded, via civil recovery or under the powers given by the Proceeds of Crime Act 2002. In the five years to 31 March 2019, 388 sanctions have been applied, and £2.3m of monies defrauded from NHS Wales reclaimed and returned to fund patient care.

The types of fraud that we particularly face includes:

- Procurement frauds;
- Contractors – inflated invoices/collusion in awarding of contracts;
- Dentists, GPs, Opticians, Pharmacists – claiming for treatments not provided to patients;
- Patients – falsely claiming exemption from NHS Charges;
- Staff – working while sick, timesheets and expenses, false qualifications;
- Grants to Voluntary Organisations; and
- Cyber Fraud.

The challenges that we face, in an environment where fraud risks are continually evolving, and where the level of fraud activity is believed to be increasing, are:

- There is a lack of comprehensive analysis of specific fraud risks which may result in counter fraud resources not being directed to the most appropriate areas; and
- Although each Health Board and Trust are required to appoint a Local Counter Fraud Specialist (LCFS), there is no benchmark for the level of resource that should be invested in counter fraud activity, resulting in significant variation in resourcing levels.

The scale and prevalence of economic crime, the wide variety of areas affected, and the challenges mentioned above, all point to the need for targeted and co-ordinated action to effectively tackle the problem.



## CONTENTS

**01** Foreword

**02** Executive Summary

**03** Strategic Objectives

**04** Strategic Framework

**05** Resources

**06** Governance

**07** Quality Assurance

**08** Conclusion



# 03 Strategic Objectives

Our vision is to have an NHS in Wales, which is able to protect the resources needed for front-line patient care from fraud. To do this we need to have a co-ordinated approach:

- which educates and engages with staff and stakeholders to raise awareness of the potential for fraud and the harm that it causes;
- that uses intelligence to understand the nature of fraud risks; and
- pro-actively detects, investigates frauds and secures sanctions at all levels.

The key strategic objectives for NHS Wales over the mid-term are:

## Inform and Involve



- continue to improve the approach to joint working
  - ➔ ensure that Counter Fraud Services are aligned and engaged with Audit & Assurance, the Post- Payment Verification Teams, and the Auditor General's auditors.
- reinforce the clear message that fraud will not be tolerated
  - ➔ continue to raise awareness with staff and stakeholders; and
  - ➔ ensure clear guidance on how to report suspicions.

## Prevent and Deter



- identify the key fraud risks to NHS Wales:
  - ➔ undertake regular risk assessments;
  - ➔ work jointly with partners to make better use of data analytics;
  - ➔ in-depth analysis of relevant information; and
  - ➔ review existing sources of assurance.
- Maximise the benefits of partnership working
  - ➔ Sharing information and learning lessons with organisations such as the Auditor General, NHS Counter Fraud Authority, Health Inspectorate Wales, the Home Office, Cabinet Office and Welsh Government.
  - ➔ Continually reviewing and improving our system controls to address identified weaknesses.

## Hold to Account



- ensure a consistent and comprehensive approach to counter fraud across the whole of NHS Wales:
  - ➔ develop a benchmark for LCFS resource in each organisation in NHS Wales;
  - ➔ require all NHS organisations to achieve a green rating against the Counter Fraud Standards; and
  - ➔ invest in and develop the Counter Fraud capacity across NHS Wales and develop a talent pipeline.
- improve the capacity for financial investigation work:
  - ➔ maintain a minimum resource of two financial investigators;
  - ➔ arrange additional training to reinforce cover arrangements and succession planning.

## CONTENTS

01 Foreword

02 Executive Summary

03 Strategic Objectives

04 Strategic Framework

05 Resources

06 Governance

07 Quality Assurance

08 Conclusion







# CONTENTS

**01** Foreword

**02** Executive Summary

**03** Strategic Objectives

**04** Strategic Framework

**05** Resources

**06** Governance

**07** Quality Assurance

**08** Conclusion

## 04 Strategic Framework

**Countering fraud requires a multi-faceted approach that is both proactive and reactive.**

The various bodies involved in countering fraud within NHS Wales comply with broad principles to guide their work to minimise the incidence of fraud and to deal effectively with those who commit fraud against the NHS.

The overall requirement underpinning these principles is effective strategic governance, strong leadership and a demonstrable level of commitment to tackling fraud from senior management across NHS Wales. The key principles, which are the overarching areas scored by the NHS Counter Fraud Authority in the Counter Fraud Standards, are:

**Inform and Involve** – raising awareness with NHS Wales staff, stakeholders and members of the public in highlighting the fraud risks, the consequence of those risks to the NHS, and the measures taken against those found to have committed fraud;

**Prevent and deter** – providing solutions to mitigate identified fraud risks, undertaking proactive targeted work to detect possible fraudulent activity based on effective analysis of data, and discouraging individuals who may be tempted to commit fraud against the NHS;

**Hold to Account** – investigate allegations of fraud thoroughly and to the highest professional standards, and where appropriate seek the full range of civil, criminal and disciplinary sanctions and seek redress where possible; and

**Strategic Governance** – Fraud is constantly evolving and continuous re-evaluation and improvement is needed to ensure that our approach remains effective.



# NHS Wales Strategic Framework for Counter Fraud



## CONTENTS

**01** Foreword

**02** Executive Summary

**03** Strategic Objectives

**04** Strategic Framework

**05** Resources

**06** Governance

**07** Quality Assurance

**08** Conclusion



# 05 Resources

The primary approach to counter fraud services in NHS Wales is through the following:



## Health Boards, Trusts and Special Health Authority

Local Counter Fraud Specialists

- Welsh Government Directions on Counter Fraud require each Health Body to nominate qualified Local Counter Fraud Specialists, recognised and accredited by the Counter Fraud Professional Accreditation Board. There are currently 20 LCFS in Wales, all directly employed by NHS bodies. LCFS are the primary point of contact for all economic crime concerns within the health body they serve. They agree work plans with their respective organisations covering a balance of proactive (fraud awareness and detection) and reactive (fraud investigation) work, closely aligned to the delivery of the Fraud, Bribery and Corruption Standards for NHS Bodies (Wales).
- The Counter Fraud Services Wales (CFSW) comprises seven experienced, accredited and trained investigators. The role of CFSW is to investigate large scale and complex economic crime and provide specialist operational guidance to the LCFS network. The CFSW are authorised to utilise restricted financial investigation powers under the Proceeds of Crime Act 2002, and currently have two fully trained investigators to undertake this work.



## All Wales

Counter Fraud Service Wales



## Specialist Support

NHS Counter Fraud Authority

- The NHS Counter Fraud Authority (NHSCFA) is a special health authority providing services to NHS England. In accordance with a Section 83 Government of Wales Act 2006 arrangement, the NHSCFA provides specialist operational support services to NHS Wales. These include Forensic Computing and Specialist Dental services and the Welsh Government pay directly for these services via an annual SLA.

In addition to the above, the following functions also have a direct role in countering fraud:

- **Primary Care Services (PCS)** – The Post Payment Verification (PPV) team in PCS undertake checks within General Medical Services, General Ophthalmic Services and Community Pharmacy. Similar checks on Dental Services in NHS Wales are conducted via an agreement with NHS (England) Business Services Authority. The purpose of the checks is to provide assurance to the Health Boards that claims for payment made by primary care contractors are appropriate, and that the delivery of the service is as defined in the NHS service specification and relevant legislation. There is regular liaison and an Information Sharing Protocol with the CFSW and LCFS teams, with any potential fraud concerns referred for investigation.

## CONTENTS

01 Foreword

02 Executive Summary

03 Strategic Objectives

04 Strategic Framework

05 Resources

06 Governance

07 Quality Assurance

08 Conclusion





# CONTENTS

**01** Foreword

**02** Executive Summary

**03** Strategic Objectives

**04** Strategic Framework

**05** Resources

**06** Governance

**07** Quality Assurance

**08** Conclusion



■ **Audit & Assurance** - all NHS bodies in Wales receive internal audit and assurance services delivered by the NWSSP Audit & Assurance Team. While they are not directly responsible for detecting fraud, their controls and assurance work can both highlight system weaknesses, and potential breaches of controls, which may indicate a higher propensity for fraud. In such circumstances, they work with the relevant LCFS to achieve a co-ordinated response. In addition, an Information Sharing Protocol between the LCFS and Audit & Assurance helps to reinforce the good relationship between the Counter Fraud and Internal Audit services;

■ **Auditor General for Wales (Auditor General)** - all NHS bodies in Wales are subject to an external audit by the Auditor General. Whilst the work undertaken by the Auditor General's auditors is again not directly targeted at fraud, they too may uncover system weaknesses or actual indications of fraud. There is regular liaison between the Auditor General's auditors and CFSW to discuss possible fraud concerns;

■ **National Fraud Initiative (NFI)** - The NFI was established by the Audit Commission in 1996 and matches data within and across public bodies every two years to identify anomalies that may be due to fraud. NFI is run in Wales by the Auditor General under statutory data matching powers. Since NFI started, it has found more than £35m in fraud and overpayments across the Welsh public sector and the latest biennial NFI exercise uncovered £5.4m, an increase of £1m from the previous exercise.

In addition to the specific measures highlighted above, it is incumbent on all NHS staff to be vigilant in identifying potential opportunities for, and/or actual occurrences of, fraud and to report any concerns to CFSW or the health body LCFS.





# CONTENTS

**01** Foreword

**02** Executive Summary

**03** Strategic Objectives

**04** Strategic Framework

**05** Resources

**06** Governance

**07** Quality Assurance

**08** Conclusion



## 06 Governance

The Counter Fraud Steering Group (CFSG) provides the prime governance and oversight for counter fraud arrangements in NHS Wales. The group is a subgroup of the all-Wales Directors of Finance Forum. The role of the CFSG is to provide strategic oversight and review of the counter fraud service provided to NHS Wales, and to make recommendations for change to Welsh Government and to the NHS Wales Directors of Finance Group for adoption.

The Group is chaired by the NWSSP Director of Finance and Corporate Services, with a current membership, which includes:

- Welsh Government representative
- NHS Wales Directors of Finance representative
- NHS Wales Audit Committee Chairs representative
- NWSSP Director of Audit & Assurance
- NWSSP Director of Primary Care Services
- NHS CFS Wales Operational Fraud Manager
- NHS Counter Fraud Authority representative
- NHS Wales LCFS representative
- NWSSP Head of Corporate Services
- NWSSP Legal & Risk Representative
- Auditor General representative (Observer)

Operationally, all local counter fraud services across Wales report to their Finance Directors and have their annual work plans approved and monitored by the Audit Committees in each organisation. These will typically meet four to five times a year and the respective LCFS for each organisation will attend the Committees and present their annual work plans, progress report and annual report to the appropriate meetings.

In addition, the CFS Wales Operational Fraud Manager presents updates on NHS Wales counter fraud activity, proactive work, potential risks, and accurate data on resources and sanctions via quarterly and annual reports and regularly updates the Health and Social Services Audit and Risk Committee of Welsh Government on fraud risks in NHS Wales.

## 07 Quality Assurance

The quality of services is measured by compliance with the Fraud, Bribery and Corruption Standards (the standards), produced by the NHS Counter Fraud Authority, and adopted by NHS Wales. The standards are designed to ensure that counter fraud, bribery and corruption measures are implemented in accordance with the Minister for Health and Social Service directions, and the service level agreement between the Welsh Government and the NHS Counter Fraud Authority.

There are currently 23 standards, grouped under the following four key principles:

- **Inform and Involve** – assesses measures to raise fraud awareness, and to highlight the consequences of fraud;
- **Prevent and Deter** – assesses how an organisation discourages individuals from committing fraud, and ensuring that opportunities for fraud to occur are minimised;
- **Hold to Account** – assesses the arrangements to detect and investigate fraud, and how redress is sought through the appropriate application of sanctions; and
- **Strategic Governance** – assesses an organisation's strategic governance arrangements, to ensure that appropriate measures are embedded at all levels.

The quality assurance programme comprises two main processes: assurance and assessment. The assurance process primarily focuses on an annual self-review against the standards, which is undertaken by the organisation and the results submitted to the NHSCFA. The assessment process is then undertaken by the NHSCFA Quality and Compliance team.

The Self-Review Tool, supporting evidence and inspection process enables an independent assessment of the counter fraud resources and performance at the health body.

The annual assessments indicate that NHS Wales LCFS performance is generally positive, and confirm that any recommended improvements or enhancements are promptly addressed.

In addition, the work of the CFSW team is also subject to a cyclical governance assurance review, again conducted by the NHS CFA. This was last undertaken during 2017, and found that:

*"In summary the CFS Wales conducts criminal investigations professionally and thoroughly. They comply with current legislation and NHS operational policies governing the conduct and management of criminal cases, including use of the FIRST case management system. The advice, guidance and support they provide to the wider counter fraud community in Wales is appreciated".*



# 08 Conclusion

NHS Wales and the Welsh Government is committed to sustaining and improving the health and wellbeing of the people of Wales. Maximising the use of resources is crucial to delivering on this commitment. We are therefore determined to combat NHS fraud wherever it arises and continue to adopt a co-ordinated approach to ensure that as far as possible healthcare funding is used for legitimate patient care.

To achieve this we need a shared vision and common sense of purpose i.e. of a Welsh Health Service where fraud is not allowed to flourish but which is mitigated and reduced through targeted interventions, supported by an anti-fraud culture in which all staff and stakeholders are engaged.

This strategy will help in engaging fully with all those who have a role in protecting services and resources and further raise the profile of the detrimental impact of fraud. The strategy will be supported by a detailed action plan that will be regularly monitored by the Counter Fraud Steering Group.

## CONTENTS

**01** Foreword

**02** Executive Summary

**03** Strategic Objectives

**04** Strategic Framework

**05** Resources

**06** Governance

**07** Quality Assurance

**08** Conclusion





## Contact Details

Office  
NHS Counter Fraud Service Wales,  
1st Floor,  
Block B,  
Mamhilad House,  
Mamhilad Park Estate,  
Pontypool  
NP4 0YP

**Email:** [NWSSP.Communications@wales.nhs.uk](mailto:NWSSP.Communications@wales.nhs.uk)

## Reporting Fraud

Report NHS fraud securely and confidentially by using the [NHS Counter Fraud Authority's online reporting tool](#) or by calling our free phone line on **0800 028 40 60**.



***Designed by NHS Wales Shared Services  
Partnership Communications***

