



**PWYLLGOR ARCHWILIO A SICRWYDD RISG  
AUDIT AND RISK ASSURANCE COMMITTEE**

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	19 April 2022
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Counter Fraud Annual Report 2021/22
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Ben Rees, Head of Counter Fraud

**Pwrpas yr Adroddiad (dewiswch fel yn addas)  
Purpose of the Report (select as appropriate)**

Er Gwybodaeth/For Information

**ADRODDIAD SCAA  
SBAR REPORT**

**Sefyllfa / Situation**

This report provides to the Audit & Risk Assurance Committee the Counter Fraud Annual Report of work completed throughout 2021/22.

**Cefndir / Background**

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

**Asesiad / Assessment**

The Health Board is compliant with the Welsh Government Directives.

**Argymhelliad / Recommendation**

The Audit & Risk Assurance Committee is invited to receive for information the Counter Fraud Annual Report 2021/22.

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

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.2 In particular, the Committee will review the adequacy of: 3.2.4 the policies and procedures for all work related to fraud and corruption as set out in National Assembly for Wales Directions and as required by the Counter Fraud and Security Management Service.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable.

Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	3. Striving to deliver and develop excellent services 6. Sustainable use of resources
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019</a>	10. Not Applicable

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

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



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd Prifysgol  
Hywel Dda  
University Health Board

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**HYWEL DDA UNIVERSITY  
HEALTH BOARD**

**COUNTER FRAUD ANNUAL REPORT  
2021/22**



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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 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 Government Functional Standards 013 – Counter Fraud and NHS Requirements to meet those standards is available at:

[Government Functional Standard 013 Counter Fraud | NHS Counter Fraud Authority | NHSCFA](#)

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.

2021 saw the introduction of the new Government Functional Standards 013 – Counter Fraud and NHS Requirements, replacing the previous, Fraud, Bribery and Corruption Standards for NHS Bodies. 2022/23 will be the final transitional year, with a view to the new standards being fully embedded by the end of that year. As such, a greater emphasis will



be placed on Prevention and Deterrent activities, which will include the introduction of more Local Pro-active Exercises (LPS) and Fraud Risk Assessments.

Hywel Dda University Health Board Counter Fraud provision was resourced based on 2 FTE Local Counter Fraud Specialists (LCFS) overall:

- Ben Rees (Lead LCFS)
- Terry Slater (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 Health Board.

The Counter Fraud Work plan provides a more detailed account of the specific tasks undertaken by the Counter Fraud Officers. This work plan is used to inform the Audit & Risk Assurance Committee (ARAC) on a regular basis of progress made against the planned activity throughout the year.

**Table to illustrate Resource position 2021/22**

AREA OF ACTIVITY	Resource Allocated (days) 2021/22	Resource Used (days) 2021/22
<b>STRATEGIC GOVERNANCE</b>	50	40
<b>INFORM AND INVOLVE</b>	90	80
<b>PREVENT AND DETER</b>	100	99
<b>HOLD TO ACCOUNT</b>	180	200
<b>TOTAL</b>	<b>420</b>	<b>419</b>

Cost	£
<b>Proactive costs (Strategic Governance, Inform and Involve, Prevent and Deter)</b>	£42,099
<b>Reactive costs (Hold to Account)</b>	£37,333
<b>Total costs for counter fraud, bribery, and corruption work</b>	<b>£79,432</b>



## 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 2021/22, the Counter Fraud Team carried over 12 active cases from the previous year, received and recorded 47 new referrals, of which 43 investigations were investigated and closed. 16 cases remain open and under review at the end of this financial year and will be carried over into the next. Of these 16 that have been carried over, several are at the stage where a Voluntary Interview Under Caution (VIUC) is required, or a VIUC has been undertaken and further Investigative actions have been identified.

Of those investigations that were finalised, one resulted in a successful prosecution at Swansea Crown Court, 11 civil sanctions were applied, including the recovery of funds totalling £23,061 and 10 internal disciplinary referrals were made. This is in addition to the proactive pieces of work undertaken and reported throughout the year.

It is noted that compared to 2020/21, the Counter Fraud Team have received almost twice as many referrals as previous years, which has resulted in an increase in the amount of investigative and preventative work undertaken. It is thought that the increase in referrals is due to three factors:

- The introduction of the Counter Fraud mandatory ESR training, which has resulted in greater awareness and development of an anti-fraud culture in the organisation, with Health Board employees being more aware and confident in reporting concerns.
- Face to face / online interactions have increased significantly over the past 12 months, resulting in better staff engagement and a greater awareness of how to report concerns, in particular with regards to local contacts and reporting streams.
- Better recording of referrals via the new Investigation Recording System implemented in Q2 2021/22, namely Clue3.

It is important to note that not all referrals received were crimes, some of these would have been concerns or system weaknesses, which would have been reviewed and actioned accordingly.

In conjunction with the Health Board's Workforce & Organisational Development Directorate, all cases developed that were linked to a current employee were referred to the relevant workforce contact, and subsequent workforce reviews / disciplinary cases were completed following the sharing of intelligence around the Counter Fraud findings. Additionally, as a matter of professional routine practice, where investigations involved members of professional bodies, referrals were made to each respective body, allowing them the opportunity to consider undertaking their own investigations with regards to 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 have been utilised on a targeted basis throughout the year. Training was provided to high-risk staff groups such as Finance, Estates and Medicines Management. Fraud awareness training was also delivered in response to emerging fraud risk such as staff who work within finance and procurement, where an increase in Mandate Fraud was identified at a National Level. 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 a notable increase in the number of staff contacting the Counter Fraud Team to request advice and assistance in relation to concerns around risk or system weaknesses. This meets the intended strategy of evolving 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.

Over two years have passed, and the COVID-19 Pandemic continues to have an impact, although as mentioned, this has caused less disruption to the Counter Fraud Service compared to previously. However, Local Pro-active Exercises have been undertaken in connection with known risks attributed to the pandemic, including a Recruitment and Procurement Exercise. The Counter Fraud Department continued to send out regular Fraud Alert Bulletins to key staff groups and where appropriate, Health Board Wide messages.

The LCFS has continued to support 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; a Pro-active Exercise into compliance has been commenced and will be reported to ARAC in Quarter 1 of 2022/23.

The LCFS continue to work closely with NHS 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 both internal and external auditors has been maintained, in conjunction with regular review of Audit Papers submitted by internal audit via ARAC. In addition, the Local Counter Fraud Champion and Board Secretary provides a governance link to the Counter Fraud Department, raising any concerns when appropriate.

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 Counter Fraud investigation is also considered essential in reducing the opportunities for loss through fraud; to this end, a greater emphasis will be placed on the monitoring and progression of Counter Fraud Recommendations during 2022/23.





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, including greater collaboration between the Police and NHS Wales Shared Services Partnership (NWSPP) functions, such as Post Payment Verification (PPV).

The Counter Fraud Team has taken a proactive approach to fraud risks throughout 2020/21, responding to emerging risks identified during the pandemic. 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. This work will continue to develop into 2022/23 with an emphasis on fully embedding processes by the end of the financial year.

NHS Counter Fraud Authority Thematic Assessments have been undertaken throughout the year and the findings have been reported back via the authority.

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.

This year has seen a significant increase in the number of Finance related policies / standard operating procedures being reviewed. It is encouraging to see that a Counter Fraud input is being considered as part of the routine review process.

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 provide 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.

Fraud alerts and staff alerts around Counter Fraud have been frequently issued, including fraud and drug alerts, utilising a variety of mediums to deliver such messages. These include staff briefings, global email, newsletters, 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 on the Local Intelligence Group for the region, alongside partners both internally and externally.

Applicable sanctions have been successfully 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. Sanctions are also essential in acting as effective deterrents.

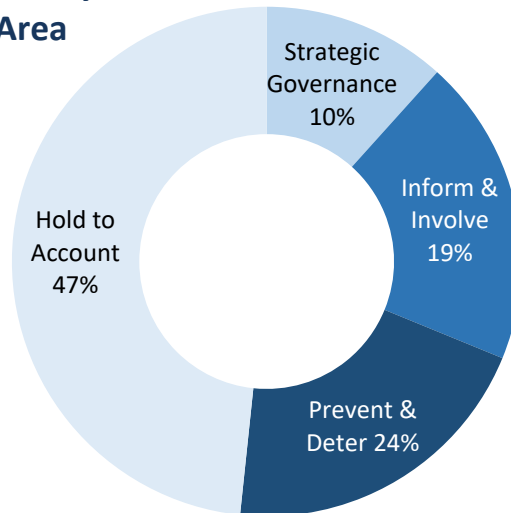
Following a 2021 Audit Wales report, the LCFS successfully negotiated that the Counter Fraud E-learning package on ESR be made mandatory for all staff, with this requirement implemented in May 2021. To date a total of 4631 staff have completed the training, a compliance rate of 40.63%. Analysis has identified that the staff groups with the least compliance are Medical and Dental, Estates and Ancillary and Allied Health Professionals, the Counter Fraud Team will now look to raise awareness amongst these groups in the forthcoming year.



This year has also seen the Lead LCFS, and Fraud Champion engage on a regular basis, enabling greater discussion of Fraud Risks and collaboration between both the Counter Fraud Department and the Corporate Governance Directorate.

### Area of Activity Overview

**% Resource by  
Work Area**



As per previous years, the 2021/22 work overview illustrates how a significant amount of work activity fell around the area of Hold to Account. The amount resource allocated to this area has not increased, despite seeing a 100% increase in referrals received.

### 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. <ul style="list-style-type: none"> <li>(a) the NHS Counter Fraud and Corruption Manual; and</li> <li>(b) the policy statement “Applying appropriate sanctions consistently” published by the CFS,</li> <li>(c) and having regard to guidance or advice issued by the CFS.</li> </ul>	<b>Achieved</b>
2 (2)	Each NHS body must require its Chief Executive and Director of Finance to monitor and ensure compliance with these Directions.	<b>Achieved</b>
3 (1)	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. <ul style="list-style-type: none"> <li>(a) enable the CFS to have access to its premises.</li> <li>(b) put in place arrangements which will enable the CFS to have access, as appropriate, to the NHS body’s staff; and</li> <li>(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.</li> </ul>	<b>Achieved</b>
3 (2)	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.	<b>Achieved</b>
3 (3)	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.	<b>Achieved</b>
3 (4)	Nothing in paragraph 1(b) contravenes any right a member of staff may otherwise have to refuse to be interviewed.	<b>N/A</b>

Para.	Instruction	Action taken by health body
3 (5)	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.	<b>N/A</b>
3 (6)	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. <ul style="list-style-type: none"> <li>(a) the arrangements for reporting fraud cases to the LCFS and to the NHS body's audit committee and auditors.</li> <li>(b) the arrangements for agreeing to undertake a criminal prosecution and to refer a matter to the police.</li> <li>(c) the confidentiality of information relevant to the investigation of suspected fraud.</li> <li>(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</li> <li>(e) the arrangements for gathering information to enable the Director of Finance to seek recovery of money lost through fraud.</li> </ul>	<b>Achieved</b>
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.	<b>Achieved</b>
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.	<b>Achieved</b>
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.	<b>Achieved</b>
5 (4)	Without prejudice to the generality of direction 2(1), before making a nomination each NHS body must consider any guidance issued by the CFSMS on the suitability criteria for an LCFS.	<b>Achieved</b>

Para.	Instruction	Action taken by health body
5 (5)	After a nominee has. (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, the NHS body may appoint the person as its LCFS.	<b>Achieved</b>
5 (6)	Where an NHS body nominates a person, whose services are provided to it by an outside organisation, it must  (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.	<b>N/A</b>
5 (7)	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.	<b>N/A</b>
5 (8)	The procedures in paragraphs (3) to (6) also apply to a person nominated under paragraph (7).	<b>Achieved</b>
6 (1)	Each NHS body must specify a job description for its LCFS which includes the operational and liaison responsibilities specified by the CFS.	<b>Achieved</b>
6 (2)	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.	<b>N/A</b>
6 (3)	An LCFS must report directly to the NHS body's Director of Finance.	<b>Achieved</b>

Para.	Instruction	Action taken by health body
6 (4)	An LCFS must not undertake responsibility for or be in any way engaged in the management of security for any NHS body.	<b>Achieved</b>
7	Each NHS body must.	<b>Achieved</b>
	(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>Achieved</b>
	(b) enable its LCFS to attend the NHS body's audit committee meetings.	<b>Achieved</b>
	(c) require its LCFS to keep full and accurate records of any instances of fraud or suspected fraud.	<b>Achieved</b>
	(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.	<b>Achieved</b>
	(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.	<b>Achieved</b>
	(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.	<b>Achieved</b>
	(g) enable its LCFS to receive training recommended by the CFS.	<b>Achieved</b>



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

#### 4 NHS Counter Fraud Authority Quality Assurance Standards

NHS Counter Fraud Authority (NHSCFA) 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).

From April 2021, all NHS funded services are required to provide assurance against the Government Functional Standards 013 – Counter Fraud and NHS Requirements. This should be overseen by the organisation’s finance director and audit committee and in line with the organisation's existing approach to assurance against counter fraud requirements.

The previous NHS specific Standards have been aligned to the new NHSCFA Requirements and 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
<b>Strategic Governance</b>	<b>GREEN</b>
<b>Inform and Involve</b>	<b>GREEN</b>
<b>Prevent and Deter</b>	<b>GREEN</b>
<b>Hold to Account</b>	<b>GREEN</b>
<b>Overall level</b>	<b>GREEN</b>

## Declaration

I declare that the counter fraud, bribery, and corruption work carried out during 2021-22 has been self-reviewed against the Government Functional Standards 013 – Counter Fraud and NHS Requirements, and that the above rating has been achieved.

<b>Organisation</b>	<b>Hywel Dda University Health Board</b>
<b>Director of Finance / Chief Financial Officer / Executive Board Member Signature</b>	
<b>Date</b>	
<b>Date of last Local Counter Fraud Assessment</b>	<b>30<sup>th</sup> March 2022</b>

### 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 HDdUHB.

Fraud awareness materials and presentations have been provided in a variety of different formats, to include an Induction leaflet and ESR E-Learning package to new starters, Student placements, Medicine Safety Days, NWSSP Payroll and Post Payment Verification, Finance and Estates departments, General Practitioners and Medical Staffing Groups, including Consultants and Junior Doctors.





Bespoke virtual and face to face Counter Fraud learning has been provided to targeted staff groups, identified as higher risk of contact with fraud, such as Finance, Estates and NWSSP Payroll Services.

Evaluations of sessions have been conducted, with positive comments received regarding the value of receiving these awareness sessions. Evaluations and feedback have informed tailoring of learning, to ensure that bespoke guidance can be offered.

Communications links have been enhanced and developed over this work period. The Counter Fraud Team continues to operate a dedicated Twitter account to promote the Counter Fraud message. The Team has also maintained and updated its intranet pages, including migration over to the new intranet format.

This year's Fraud Awareness Week was once again delivered online, with daily communications issued to both the staff and public, highlighting Fraud Risks, reporting mechanisms, and making awareness materials available.

Examples of key work areas and successful outcomes include:

- Several virtual presentations conducted to staff and key contacts. Following the induction programme being taken online, the LCFS provided updated literature for dissemination.
- Following an Audit Wales review, the Counter Fraud ESR e-learning has been made mandatory from 1<sup>st</sup> May 2021.
- During 2021/22 the Counter Fraud Department has undertaken 33 awareness events, 40 deterrence exercises (including newsletters, global messages, or counter fraud activities) and 42 separate Fraud Prevention activities, which have been reported to CFS Wales throughout the year.
- The Fraud Awareness Week campaign was undertaken online, resulting in the circulation of promotional literature, and placement of Fraud Reporting line details within key areas.
- The medicines management presentation continued online and successfully delivered to Health Board employees, raising awareness of Fraud and Health Board policies.
- In order to develop and improve working relationships with our NWSSP Partners, presentations were provided to both Payroll (highlighting overpayments) and the Post Payment Verification Team (reference contractor fraud), with a view of promoting the need to report concerns at the outset and greater collaborative working to identify future risks / fraud trends via making better use of data analytics.

The LCFS also produced and updated counter fraud awareness materials and refreshed these across the Hywel Dda estate during a fraud awareness drive undertaken during the pandemic; working with both internal departments and external parties to spread the message. The awareness materials were made available in both Welsh and English.



## 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. This resulted in the positive media coverage of a successful Fraud Case.

The LCFS provide reports on policy weaknesses in each case where fraud is established to both CFS Wales and relevant department within the Health Board, most recently working with Workforce and Finance to review and update the Health Board's Overpayment and Underpayment policy.

Staff alerts displayed on the Health Board website and circulated through mass communications have also encouraged engagement and demonstrated real advantages to maintaining an anti-fraud culture. There has been a significant increase throughout the year in staff seeking advice and guidance in order to reduce the risk of fraud in their respective areas of work. 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. Additionally, it is pleasing to see that over the past year, Counter Fraud have been asked to comment on a significant amount of Finance policies and Standard Operating Procedures as a matter of procedure, as opposed to a specific risk being identified. This has resulted in the LCFS undertaking 10 policy reviews over the course of the year.

Following the recommencement of the Post Payment Verification (PPV) workplan, the LCFS has continued to monitor reports with the relevant Primary Care Lead officers. Links between the two departments continue to develop, with dedicated Counter Fraud Training being provided in Quarter 3. Further collaborative work is being undertaken with bi-monthly meetings at an all Wales and local level. This has resulted in the identification of Fraud Case and subsequent Civil Recovery.

The Counter Fraud Team has 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 review of the current procedure / policy has been undertaken in conjunction with Workforce, Finance, Payroll and Union Representation.

The LCFS has undertaken several Pro-Active exercises, some of which were linked to identified risks, these included:

- Covid Recruitment Exercise.
- PO v Non-PO Spend (national exercise in conjunction with the Counter Fraud Authority).
- Procurement – including Estates.
- Continence Products – Ordering for deceased Patients (Ongoing).



The LCFS have maintained their activity with regard to the National Fraud Initiative (NFI), carrying out checks across all matched data reports, updating privacy notices and submitting data for the next data exercise. The work has also supported other Public Sector Organisations in their NFI activity.

Fraud Risk Assessments have been undertaken throughout the year, the findings of which have been discussed with relevant leads. Although these assessments produced low scores, they have identified current control measures, which can be tested by way of future pro-active exercises.

It was hoped that the LCFS in conjunction with Counter Fraud Services Wales would undertake a joint Pharmacy / Prescription based exercise, however this was paused, due to CFS Wales engaging and undertaking the work with a neighbouring Health Board. It is hoped that this exercise will be rolled out to other Health Boards during 2022/23.

### 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 receives information from several sources and processes are in place to ensure referrals are prioritised and investigated. As part of the required reporting processes, all notified concerns are reported utilising the Counter Fraud Authorities new crime reporting system, Clue3. All current cases are logged on this system. We no longer have any ongoing investigations on the old system (FIRST case management database).

The new system ensures the effective and secure recording of sensitive information relation to ongoing investigation. The Clue3 system will allow for users to accurately document the types of investigations being undertaken, outcomes and systems weaknesses at an all-Wales level. This will enable the Counter Fraud Authority to release more accurate benchmarking and trend analysis data in the future. In addition, the new system will allow users to record data associated with pro-active exercises undertaken at a local level, including any fraud risks identified and potential savings produced. This information will allow the Counter Fraud Authority to demonstrate a financial value associated with Pro-active work, something which has been difficult to demonstrate over the years. This benchmarking data is expected to be available in Quarter 2/3 of the 2022/23 financial year.

Update reports on current case positions have been supplied to ARAC 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 during the in-committee meeting.

The Counter Fraud Team has actively investigated and closed 43 investigations in the 2021-22 financial year, which included 12 cases carried over from the previous year. 47 new investigations were received and commenced. This work has resulted in the application of criminal, internal and civil sanctions.



Data analysed by NHS CFS Wales demonstrates that the overall recovery for HDdUHB in relation to fraud investigations stands at £23,061.

16 investigations will remain open and be carried forward into 2022-23 financial year for investigation.

#### 4.4 Strategic Governance

The Counter Fraud Work Plan agreed with the Director of Finance was presented to ARAC and quarterly monitoring reports submitted for information.

Meetings with Health Board 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 Health Board, has been achieved.

The LCFS attended both Wales Counter Fraud Conferences, where further training was received in accordance with the NHS Protect requirements. In addition, LCFS Slater has successfully undertaken and completed his LCFS training and obtained his Accreditation from the University of Northumbria.

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 Health Board, allowing LCFS to perform their functions effectively. Continued training for specialist delivery has been maintained for all staff.

Regular contact has been maintained between the Lead LCFS and Fraud Champion throughout the year, ensuring a top-down approach to developing an effective Counter Fraud Culture within the organisation.

## 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 change 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. Key areas of work for next year will be to maintain focus on inform and involve, continuing to raise awareness of Fraud, Bribery and Corruption and further embedding a counter fraud culture fostered over preceding years as well as further developing work associated with Prevent and Deter, including building on Fraud Risk Analysis, identifying specific Fraud Risk based proactive exercises and recording outcomes on Clue3 against the Government Functional Standards 013 – Counter Fraud and NHS Requirements.

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.

**Ben Rees**  
**Lead Local Counter Fraud Specialist**  
**Hywel Dda University Health Board**

**For presentation to Audit and Risk Assurance Committee: 19<sup>th</sup> April 2022.**



## Appendix - Case and Sanction Information Overview

Case Information	Number
Cases carried forward from previous year	12
Cases opened during period	47
Cases closed in period	43
Cases ongoing	16

Sanction Imposed	Number
Disciplinary	10
Civil	11
Criminal	1