



Swansea Bay University Health Board

Counter Fraud Annual Report 2021/22

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19 May 2022

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1. Introduction

This report has been written in accordance with the provisions of the Fraud, Bribery and Corruption Standards for NHS Wales Bodies (the Functional Standards) which require Local Counter Fraud Specialists (LCFS) to provide a written annual report reflecting the counter fraud, bribery and corruption (economic crime) work undertaken during the financial year.

The Counter Fraud Team delivered 691 days of counter fraud activity. The total cost for the provision of local counter fraud services for the year was £166,091.

For ease of reference and in line with the Work Plan, this report is structured under in line with Functional Standards Requirements of Counter Fraud activity. The annual report should be completed in enough detail to enable the responsible officers within the organisation to gain sufficient assurance that the counter fraud, bribery and corruption work undertaken is compliant with the Functional Standard Requirements and has been completed in line with organisations counter fraud workplan.

When the required work has not been completed against the counter fraud work plan or is not fully compliant with the Functional Standard Requirements details of the corrective actions to be undertaken should be reported.

2. Executive summary of organisational compliance

The Functional Standards require each health body to produce a written work plan outlining the LCFS' projected duties for the year. The 2021/22 work plan, agreed by both the Director of Finance and Audit Committee, took due account of the work required to ensure consistent and effective implementation and delivery of the newly introduced Functional Standards. It was designed to ensure a holistic approach to counter fraud work within the Health Board with work split between proactive and reactive counter fraud. Designed flexibility contained in the work plan allowed high risk work to be undertaken urgently and dynamically.

Progress against the plan has been monitored during meetings with the Director of Finance, with update reports produced and presented to the Audit Committee in line with its agreed work programme.

The LCFS Team continue to attend meetings and forums organised by the NHS Counter Fraud Service (CFS) Wales. These meetings provide an invaluable opportunity to share information and identify emerging risks, themes and areas of best practice with NHS Counter Fraud colleagues across Wales. They have also been utilised by the NHS Counter Fraud Authority Training Delivery Leads to deliver key skills development

sessions, refreshing fundamental operational skills and providing information and training on any relevant new economic crime matters or legislation.

As part of the quality assurance process, NHS organisations in Wales are required to complete a self-review of their progress in implementing the Standards. From 2021/22 NHS Wales adopted the Government Functional Standards on Counter Fraud (NHS Requirements) to replace NHS Counter Fraud Authority's (NHS CFA) 'NHS Counter Fraud Standards (Wales)'. Full compliance with the new Functional Standards is not expected until conclusion of 2022/23, in effect this represents a 2 year cycle to ensure compliance. A review of 2021/22 counter fraud work has resulted in uplift of ratings in relation to some Standards and maintenance of Green ratings in others. Standard 3, relating to fraud risk assessments, has maintained an Amber rating primarily due to the large operational requirements of undertaking such work, progress has been made with risk assessments undertaken in this area which is not captured in the RAG rating, continuance of this work in 2022/23 is anticipated to result in a Green rating at the conclusion of the year.

3. Declaration of compliance against the Functional Standard Requirements at the end of March 2022

The annual report must contain one of the declarations listed below. This declaration must reflect the organisation type and be signed by the Accountable Board Member in order for the organisation to be compliant with the Functional Standard Requirements.

Organisation Declaration

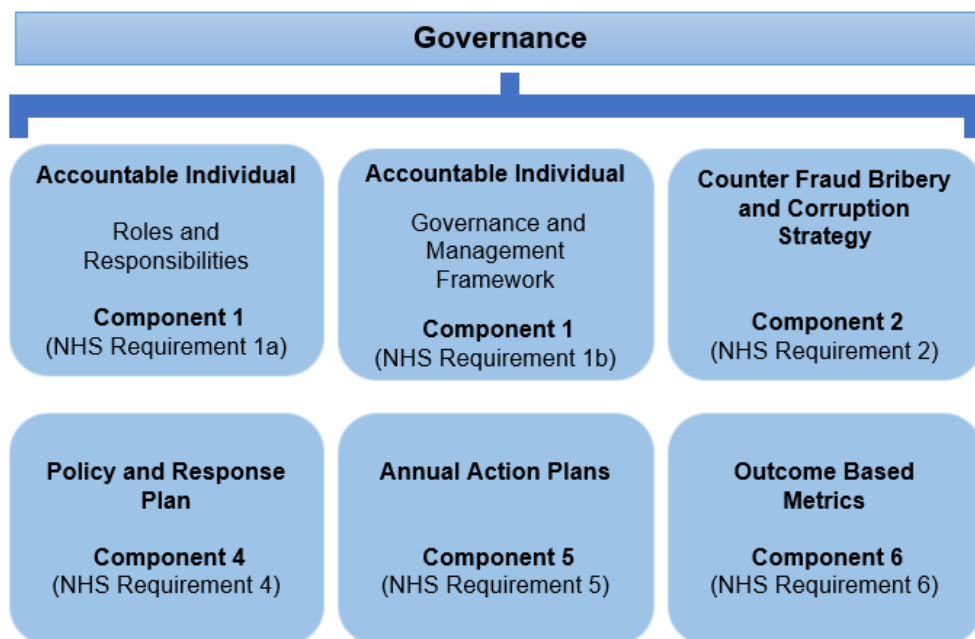
I declare that the counter fraud, bribery and corruption work carried out during 2021-22 has been self-reviewed against the Functional Standard Requirements relating to fraud, bribery and corruption, and that the above rating has been achieved.

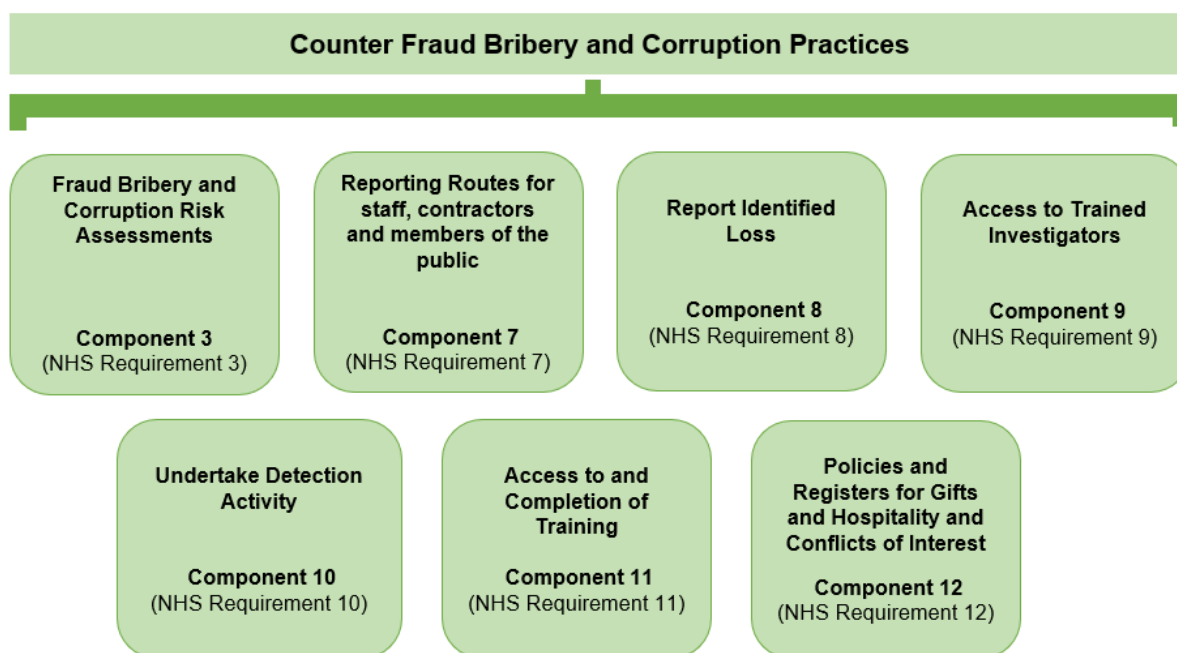
Organisation	
Accountable Board Member Signature	
Date	

4. Work carried out against the Functional Standard Requirements

In completing the annual report on the counter fraud, bribery and corruption work undertaken, the organisation should refer to the [Functional Standard Requirements](#) and the expected work needed to be compliant with each component.

The report should detail the work completed against each of the components relating to governance activities and counter fraud, bribery and corruption practices undertaken during the year, as set out below.





Governance

This section of the annual report outlines how the organisation supports and directs counter fraud, bribery and corruption work undertaken to create a strategic organisation wide response when combatting fraud bribery and corruption.

Work relating to each Governance Component of the Functional Standard is summarised and current and previous rating for each Requirement is set out below.

Function Standard Component	NHS Requirement		2021 Rating	2022 Rating	Current Position
Component 1 Accountable individual	NHS Requirement 1A	This relates to the role of the accountable board member and their responsibility for the strategic management of, and support for, counter fraud, bribery and corruption work, including timely reporting and accurate notification of nominations to the NHSCFA.	GREEN	GREEN	The Director of Finance is responsible for the strategic management and support of counter fraud work. A good level of support and assistance is given to the Counter Fraud Team in the discharge of responsibilities by the Director of Finance and the wider Finance Directorate.

Function Standard Component	NHS Requirement		2021 Rating	2022 Rating	Current Position
	NHS Requirement 1B	This relates to the work of the organisations board / governing body in gaining assurance and evaluating the counter fraud work undertaken during the year. This requirement also covers the role of the Counter Fraud Champion.	GREEN	GREEN	<p>The Audit Committee is responsible for assessing the adequacy and effectiveness of counter fraud work. Regular reports have been received by the Committee throughout the year.</p> <p>The Health Board's nominated Fraud Champion, Director of Corporate Governance, left their substantive role in year. The Acting Director of Corporate Governance has been nominated as the Organisation's Fraud Champion.</p>
Component 2 Counter fraud bribery and corruption strategy	NHS Requirement 2	This Component relates to the organisations over-arching counter fraud, bribery and corruption strategy, and how the counter fraud work plan and resource allocation is aligned to the objectives of the strategy and locally identified risks.	GREEN	GREEN	<p>The Health Board's Counter Fraud Policy & Response Plan includes the overall strategic aims of counter fraud work and operational response aligned to the NHSCFA counter fraud, bribery and corruption strategy.</p> <p>A counter fraud work plan is developed in line with key objectives of the strategy, alignment to national standards and includes response to nationally and locally identified risks</p> <p>The CFP&RP and work plan are agreed</p>

Function Standard Component	NHS Requirement		2021 Rating	2022 Rating	Current Position
					by Director of Finance and Audit Committee and progress is tracked via regular reporting and attendance at Audit Committee.
Component 4 Policy and response plan	NHS Requirement 4	This Component relates to the organisations counter fraud, bribery and corruption policy and response plan and its alignment to the NHSCFA strategic guidance.	GREEN	GREEN	<p>The Health Board has a Counter Fraud Policy & Response Plan in place. The Policy is reviewed to ensure that it remains current with a full formal review due in November 2022.</p> <p>Issues relating to bribery and fraud are also referenced within the Standards of Business Conduct Policy.</p> <p>Staff awareness of these key policy documents is measured using questionnaires and a survey issued in March 2022.</p>

Function Standard Component	NHS Requirement		2021 Rating	2022 Rating	Current Position
Component 5 Annual Action Plan	NHS Requirement 5	This Component relates to the development and management of the organisation's annual counter fraud work plan. This plan should be informed by national and local fraud, bribery and corruption risk assessments.	GREEN	GREEN	<p>A counter fraud work plan is developed in line with key objectives of the strategy, alignment to national standards and includes response to nationally and locally identified risks.</p> <p>Progress against this work plan is monitored and evaluated throughout the year with regular meetings with Director of Finance and regular reporting to Audit Committee.</p>
Component 6 Outcome based metrics	NHS Requirement 6	This Component relates to how the organisation identifies and reports on annual outcome-based metrics with objectives to evidence improvement in performance	RED	GREEN	<p>All Wales Performance statistics are collated on a quarterly basis and shared between Health Boards and Welsh Government. Statistics are utilised to examine performance between NHS Wales organisations. Benchmarking undertaken on an organisational level against previous years and against other NHS Wales Organisations. Reports on performance and benchmarking are shared with the Audit Committee to scrutinise.</p> <p>Clue3, the new case management system, includes recording and reporting mechanisms for proactive and reactive outcomes of counter fraud work. The system is now</p>

Function Standard Component	NHS Requirement		2021 Rating	2022 Rating	Current Position
					fully utilised by the Health Board resulting in rating improvement.

Counter Fraud Bribery and Corruption Practices

This section of the annual report should outline the organisations operational counter fraud activities undertaken during the year when detecting and combatting fraud.

The organisation should report against each Counter Fraud Practice Component, under the Functional Standard and summarise the work completed to meet each Requirement. A high-level summary of each of the Counter Fraud Practice Components is set out below.

Function Standard Component	NHS Requirement		2021 Rating	2022 Rating	Current Position
Component 3 Fraud bribery and corruption risk assessment	NHS Requirement 3	This Component relates to the local risk assessments undertaken in line with Government Counter Fraud Profession methodology to identify fraud, bribery and corruption risks, and how the organisations counter fraud, bribery and corruption provision is proportionate to the level of risk identified.	AMBER	AMBER	Comprehensive risk assessments are carried out in line with the GCFP methodology and recording aligns to the Health Board's Risk Management Policy. The annual counter fraud work is informed by these risk assessments. NHS CFA issued national fraud risks guidance containing 120+ individual risk across the entirety of business areas the NHS engages in. These risks have been concatenated into 26

Function Standard Component	NHS Requirement		2021 Rating	2022 Rating	Current Position
					core risk areas for review locally. This is a wide ranging piece of work with initial risk assessments in these core areas leading to further development opportunities. Work will continue on this in 2022/23 to improve rating to Green.
Component 7 Reporting routes for staff, contractors and members of the public	NHS Requirement 7	This Component relates to the reporting routes in place at the organisations to report suspicions of fraud, bribery and corruption and a mechanism for recording these referrals and allegations on the approved NHS fraud case management system.	GREEN	GREEN	<p>The Health Board has well documented reporting routes for any party to report incidents of fraud, bribery and corruption. Reporting routes are formalised in the Counter Fraud Policy & Response Plan and Bribery Policy.</p> <p>The Counter Fraud Team have regularly received contact from individuals raising concerns resulting in the commencement of 20 new investigations in 2021/22.</p>
Component 8 Report identified loss	NHS Requirement 8	This Component relates to the organisations use of the approved NHS fraud case management system to record all allegation and investigative activity. Including all outcomes, recoveries and system weaknesses identified during the course of investigations and/or proactive prevention	AMBER	GREEN	<p>The Health Board now fully utilises the Clue case management system. The system includes opportunity to record all investigaiton materials, local proactive exercises and operational statistical information.</p> <p>Statistics are collated using the information contained on the case management system which captures operational KPI</p>

Function Standard Component	NHS Requirement		2021 Rating	2022 Rating	Current Position
		and detection exercise.			<p>information to inform and guide local counter fraud work.</p> <p>Full utilisation of these functions has resulted in increase in rating for 2022/23.</p>
<p>Component 9</p> <p>Access to trained investigators</p>	NHS Requirement 9	<p>This Component relates to the accredited Local Counter Fraud Specialist (LCFS) at the organisation, and details of the continuous professional development undertaken. All LCFS undertaking counter fraud activity at the organisation must be nominated with the NHSCFA.</p>	GREEN	GREEN	<p>Local Counter Fraud Services for the Health Board are provided by Swansea Bay UHB under a Service Level Agreement. The service is delivered by qualified, nominated and accredited LCFS, who conduct the full range of anti-fraud, bribery and corruption work on behalf of the organisation. The LCFS attend all necessary training and continuous professional development events as required to appropriately fulfil their role on an ongoing basis.</p> <p>The counter fraud accredited resource for 2021/22 was 3.2 FTE.</p>

Function Standard Component	NHS Requirement		2021 Rating	2022 Rating	Current Position
Component 10 Undertake detection activity	NHS Requirement 10	<p>This Component relates to the proactive work completed to detect fraud using relevant information and intelligence to identify anomalies that may be indicative of fraud, bribery and corruption and the work undertaken in response.</p>	AMBER	GREEN	<p>LCFS review Final Internal and External Audit reports and meet with the Head of Internal Audit to share details on identified risk. This would include instances where data mining or sampling has highlighted outliers or concerns. A PPV programme is undertaken in respect of GPs, Opticians and Pharmacies, with final reports received by the LCFS. Meetings are held with the PPV Manager. Checks on payroll returns are undertaken following payroll runs. These include net pay increases and amendments to permanent data files. The HB also participates in the NFI process.</p> <p>As a result of this information and intelligence review process the Counter Fraud Team have registered 2 local proactive exercises on the case management system resulting in an increase in rating.</p>

Function Standard Component	NHS Requirement		2021 Rating	2022 Rating	Current Position
Component 11 Access to and completion of training	NHS Requirement 11	This Component relates to the programme of work undertaken at the organisation to raise awareness of fraud, bribery and corruption and to create a counter fraud, bribery and corruption culture among all staff. The effectiveness of the awareness programme is measured.	GREEN	GREEN	The Health Board has an ongoing programme of work to raise awareness of economic crime issues amongst all staff, using a range of methods including virtually delivered presentations and e-learning package availability. This is supported by newsletters and intranet pages alongside the regular release of counter fraud information via articles and alerts.
Component 12 Policies and registers for gifts and hospitality and Conflicts of Interest	NHS Requirement 12	This Component requires the organisation to have in place policies and registers for gifts and hospitality and conflicts of interest that reference the requirements of the Bribery Act 2010 that are communicated to all staff. The effectiveness of which is regularly tested.	GREEN	GREEN	The HB has a Standards of Business Conduct Policy in place, which has incorporated declarations of interest, gifts, hospitality and sponsorship. The Policy also includes reference to fraud, bribery and corruption and the requirements of the Bribery Act 2010, and is available to all staff via the intranet. It is also promoted during fraud awareness presentations. Testing of staff awareness of the Policy has been included in a survey issued in March 2022.

5. Appendices

Appendix 1 – Counter Fraud Activity

This section of the annual report should detail the total counter fraud resources used by the organisation. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B.

Area of activity	Days used
Proactive work	339
Reactive work	352
Total days used	691

Appendix 2 – Counter Fraud Costs

This section of the annual report should detail the total costs of the counter fraud resources used by the organisation. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B.

Cost of Counter Fraud, Bribery and Corruption Work	Total Costs £
Proactive costs	£81,483
Reactive costs	£84,608
Total costs	£166,091

Appendix 3 – Nominations Overview

This section of the annual report should detail the nominated officers at the organisation during the reporting period, including all supporting LCFS. If any of the nominations have changed during the year, the date of the change should be included.

The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B and 9.

Role	Name of Nominated Person
Accountable Board Member	Darren Griffiths
Audit Committee Chair	Nuria Zolle
Fraud Champion	Hazel Lloyd
Lead LCFS	Matthew Evans
Supporting LCFS	Neil Jones
Supporting LCFS	Zoe Whetton
Supporting LCFS	Louisa Steele

Appendix 4 – Investigation Information

This section of the annual report should detail all the activity recorded on the CLUE Case Management System. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B, 6, 7 and 8.

Investigation Information	Number
Investigations carried forward from 2020/21	33
Investigations Opened during the period	23
Investigations Closed during period	32
Investigations Ongoing	24

Appendix 5 – Risk Based Exercises

This section of the annual report should detail all the Fraud Risk Assessments (FRAs), Local Proactive Exercises (LPEs) and System Weakness Reports (SWRs) undertaken. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the NHS Counter Functional Standard NHS Requirement 1B, 3, 5, 6, 8 and 10.

Fraud Risk Assessments	Number
Number of FRAs reviewed in line with the organisations risk management policy	10

Local Proactive Exercises	Number
Number of LPEs conducted during the year	2
Number of LPEs recorded on the NHS CFA Case management system as per component 8	2
Number of LPEs concluded during the year	2

System Weakness Reports	Number
Number of SWRs identified during the year	0
Number of SWRs concluded during the year on the NHS CFA Case management system as per component 8	0
Number of new processes adapted or introduced as a result of SWRs	0

Appendix 6 - Sanction & Redress Overview

This section of the annual report should detail of any sanctions and redress activity undertaken. The following information must be included in the counter fraud annual report in order for the organisation to be compliant with the Functional Standard NHS Requirement 1B, 6 and 8.

Sanction Imposed	Number
Disciplinary	8
Civil	8
Criminal	1
Total Sanctions	17

Redress Imposed	Total Amount £
Fraud identified	£3376
Fraud Prevented	£0
Fraud Recovered	£3376