



Swansea Bay University Health Board

Counter Fraud Annual Report 2020/21

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Introduction

This report has been written in accordance with the provisions of the Fraud, Bribery and Corruption Standards for NHS Wales Bodies (the 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 Work Plan for 2020/21 was approved by the Audit Committee and identified a total resource of 573 days for the year. This was a reduced allocation from full time equivalent for the Team due to a Band 6 vacancy. This absence impacted the available resource beyond initial anticipation and projection. The Counter Fraud Team delivered 540 days of counter fraud work with activity at Swansea Bay UHB in 2020/21. The total cost for the provision of local counter fraud services for the year was £153,898. The costs are calculated based on number of staffing days delivered in year.

For ease of reference and in line with the Work Plan, this report is structured under Strategic Areas of Counter Fraud activity of Strategic Governance, Inform & Involve, Prevent & Deter and Hold to Account.

Work carried out against the requirements

Strategic Governance

The Standards require each health body to produce a written work plan outlining the LCFS' projected duties for the year. The 2020/21 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 Fraud, Bribery and Corruption Standards for NHS Bodies (Wales). It was designed to ensure a holistic approach to counter fraud work within the Health Board, with flexibility to allow high risk work to be undertaken urgently.

Progress against the plan has been monitored during meetings with the Director and Interim 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 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. During 2020/21 these have included sessions on:

- New NHS Functional Standards including Qualitative Assessment updates
- Training on using the new Case Management System Clue3
- FPU – guidance on calculating savings circulated by CFA
- Crown Prosecution Service Updates – advice from offices other than Cardiff, any issues or concerns with CPS
- Impact of Covid 19 on Counter Fraud activity
- Audit Wales report on Effectiveness of Counter Fraud Measures and response
- National Proactive Work – Pharmacy Fraud main focus for CFS Wales using data analytics in liaison with Audit Wales

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 will introduce Government Functional Standards on Counter Fraud to replace NHS Counter Fraud Authority's (NHS CFA) 'NHS Counter Fraud Standards (Wales)'. A self review against the incoming Standards has therefore been undertaken. The review utilises a traffic light system with being graded as red, amber or green (RAG).

The following areas have been highlighted as requiring improvement as part of the self-review process:

- **NHS Requirement 3** – Fraud bribery and corruption risk assessment. This is something that has been worked on in 2020/21 in preparation. This is a developing area across NHS Wales and England. Further guidance and assistance from NHS CFA on aligning this work to Government Counter Fraud Profession fraud risk assessment methodology is anticipated in 2021/22 which will subsequently be adopted and implemented within the Health Board.
- **NHS Requirement 6** – Outcome based metrics. Introduction of formal KPIs with targets set at beginning of year is completely new. Consistency across NHS Wales will be key for this. KPIs are useful for measuring performance and pushing for improvement becoming purely target driven may have a negative impact on work overall. A balance with consistent application will be key for this new standard.
- **NHS Requirement 8** – Reporting Identified Loss. A new case management system to be introduced on 1st April 2021 will assist in meeting this new standard. Consistency across NHS Wales in the form of calculation formula has been agreed to identify and report losses.

Improvement activity for these areas has been included within the 2021/22 Counter Fraud Work Plan.

Inform and Involve

Work undertaken in this area is designed to raise awareness of the risks of fraud, bribery and corruption within the NHS, and their consequences. Developing a strong anti-economic crime culture within the organisation underpins all other work undertaken and is closely linked to the creation of a strong deterrent effect.

The Team has undertaken 30 virtually delivered counter fraud awareness sessions, attended by 541 staff members from a range of departments and disciplines. This is a sharp decrease in both numbers of sessions and staff attending. The service saw difficulties in the early part of this year with sessions cancelled because of the pandemic. An adjustment in year to virtually delivered sessions ensured some provision was available but attendance numbers were reduced. The aims of both the induction and general awareness sessions are to deliver message in respect of:

- The effects of economic crime within the NHS, giving examples of high-risk areas and real-life cases that have successfully been prosecuted.
- The measures put in place within the NHS to combat economic crime, including a summary of the roles of the NHS Counter Fraud Authority, CFS Wales and the LCFS.
- Key Health Board documents, including the Counter Fraud Policy and Response Plan, Policy for NHS Staff to Raise Concerns, and Standards of Behaviour Policy
- How staff are able to report any suspicions or concerns which they may have.

The Team also delivered risk specific counter fraud training to Finance Department staff with in-depth learning around specific risks faced by that section of staff more at risk of exposure to fraud. This approach will be continued into 2021/22 with training being arranged for Estates staff, Workforce and OD colleagues and Recruitment Teams.

The Health Board also has its own dedicated counter fraud intranet page, which is a key tool in raising economic crime awareness amongst staff. The pages were revised in year to update and refresh available information. The content of the page provides staff with information on the following important areas:

- What is Fraud?
- What is Bribery?
- The Role of the LCFS
- Examples of Economic Crime within the NHS
- Information on accessing training and awareness presentations
- How to Report Concerns

The Counter Fraud Team have produced 4 Counter Fraud Newsletters which contained articles on proven cases of NHS fraud, designed to deter economic crime and promote awareness amongst Powys THB staff and primary care contractors.

The Counter Fraud Team took part in International Fraud Awareness Week in November 2020 alongside NHS and public sector partners. During this event the Team produced refreshed literature based around available resources issued from Counter Fraud Service Wales and NHS Counter Fraud Authority. The Team also created content such as 'Ethical Dilemmas' which posed fraud risk-based situations asking staff what they would do in those circumstances, a special edition Newsletter and a counter fraud leaflet. The event was run virtually with resources disseminated to staff on multi-platform basis throughout the week.

A payslip message was also used during the year to highlight to staff the need for them to check their payslips on a regular basis, and to report any overpayments or errors.

An all staff survey was undertaken in 2020/21 to evaluate fraud, bribery and corruption awareness levels amongst staff. Whilst responses received exhibited good overall awareness of fraud, bribery and corruption policies, reporting lines, identification and expected behaviours there is some concern around the number of replies received which indicates poor reach and cut through of counter fraud communications. A review of the Counter Fraud Communications Strategy has been included in the 2021/22 work plan to seek to address this issue.

Prevent and Deter

A key principle in preventing and deterring economic crime is the design, implementation and subsequent review or 'fraud-proofing' of relevant policies and procedures. This process is intended to minimise the opportunity for economic crime to occur, by identifying and addressing potential risks or loopholes, and implementing measures to increase their resilience to such activities. There is no such thing as a completely fraud-proof policy, procedure or process; however, a commitment to fraud-proofing reduces risk, and minimises the potential for misinterpretation or for a fraudster to use lack of clarity as a defence. It is also an opportunity to deter fraud, as well as abuse that falls short of actual fraud. As such during 2019/20, activity in this area has focussed on the review of the following key documents:

- Standing Financial Instructions
- Creditor Payments
- Requisitioning Goods and Services
- Web Quotations and Tendering
- Losses and Special Payments
- Pay Expenditure

The LCFS Team continue to meet and share information with key stakeholders and colleagues in order to ensure that a holistic approach to preventing and deterring economic crime is taken. During 2019/20 this has included:

- NWSSP Audit & Assurance
- NWSSP Procurement Services
- NWSSP Payroll
- NWSSP Recruitment
- Cyber Security Team
- Dyfed Powys Police
- South Wales Police

Where credible information is received regarding a potential fraud threat, it is important that this is promptly and appropriately disseminated within the Health Board (and beyond where necessary) in order to reduce the risk to the organisation. To that end, 42 fraud alerts have been issued during 2020/21, designed to ensure that key staff are kept up to date on developments and fraud risks both locally and nationally covering areas.

A proactive exercise was completed in 2020/21 which covers Agencies, Nurse Bank and substantive recruitment. Verification of pre-employment checks undertaken by agencies by NHS Organisations was raised as a risk area by NHS Counter Fraud Authority in 2019/20 who established there was an over reliance on the contract terms which state that it is the responsibility of the Agency to undertake pre-employment checks. The undertaking of an

exercise was also recommended by the NHS Counter Fraud Authority Quality Assurance Inspectors following a proactive risk management exercise earlier this year.

Verification of pre-employment checks for substantive and Nurse Bank staff will cover recruitment completed in 2019. A review of Internal Audit findings in relation to Covid recruitment will be undertaken to assess requirement for proactive fraud detection work around that intake. The exercise identified risks that were fed back into the relevant Health Board Officers for consideration and action.

The Counter Fraud Team have commenced a series of risk assessments throughout 2020/21. The assessment process undertaken aligns to the Health Board's Risk Assessment procedure. This will feed into work to develop a formal organisational fraud risk profile into 2021/22.

The Health Board's participation in the 2020 iteration of the National Fraud Initiative (NFI) commenced in 2020/21. All required data was submitted to the NFI and necessary Privacy Notices issued. The matched data sets have been released and work is underway in line with NFI timetable to complete assessment of those matches.

The Counter Fraud Team have been kept informed of fraud threats to the NHS from COVID-19 via updates issued by NHS Counter Fraud Authority. The Team have updated key stakeholders in these emerging threat areas throughout the year. The fraud threats were in general found to be previously known fraud threats with adjusted approaches to align to COVID-19. Post event assurance around COVID-19 activity within the NHS is planned by NHS Counter Fraud Authority in 2021/22 and NHS Wales is expected to take part in national proactive exercises in this area.

The LCFS attended the Controlled Drugs Local Intelligence Network meetings throughout the year to discuss issues arising relating to controlled drugs; the network isn't Health Board specific being linked to Controlled Drugs Accountable Officer for the area instead. Attendance of other parties, such as Police, is resulting in establishment of good links outside the Health Board

Hold to Account

The Counter Fraud, Bribery and Corruption Policy & Response Plan sets out the Health Board's zero-tolerance attitude toward economic crime, its commitment to the rigorous investigation of all reports received, and the consistent application of all appropriate sanctions, focussing on the use of parallel processes where relevant. This includes:

- Criminal prosecution
- Civil action
- Internal disciplinary action
- External disciplinary or regulatory action by a relevant body.

As such, a key aspect of effective counter fraud work is the thorough, impartial and professional investigation of economic crime suspicions as they arise. All investigations must be undertaken in line with the requirements of relevant legislation, as well as the guidance contained within the NHS Counter Fraud Manual, in order to ensure that all of the above sanctions remain available throughout.

At the commencement of the 2020/21 year, the Team were dealing with 14 live criminal investigations. 8 contacts raising concerns of potential fraud, bribery or corruption were received during the course of the year, 3 of which resulted in the commencement of a formal investigation. 11 cases were closed during the course of the year. The Counter Fraud Team is investigating 6 cases which will be carried forward into 2021/22.

1 criminal sanction has been imposed during the year, a police Adult Community Resolution Order for an offence of fraud by false representation, contrary to Section 2 Fraud Act 2006.

In addition to the above, liaison with relevant managers and Workforce & Organisational Development colleagues on cases involving Health Board staff has resulted in 1 internal disciplinary sanctions being imposed and 1 professional disciplinary being imposed.

The NHS Counter Fraud Service Wales are currently managing 1 case on behalf of the Health Board relating to finalisation of Proceeds of Crime Act recovery for a previous conviction. The LCFS continues to monitor progress and provide assistance where necessary, and update reports are received by the Director of Finance.

Appendices

Appendix 1 – Counter Fraud Activity

Area of activity	Days used
Inform & Involve	69
Prevent & Deter	71
Hold to Account	339
Strategic Governance	61
Total days used	540

Appendix 2 – Counter Fraud Costs

Costs have been calculated based on actual days delivered in year.

Cost	£
Proactive costs (based on staffing days delivered in year)	57243
Reactive costs (based on staffing days delivered in year)	96655
Total costs	153898

Appendix 3 – Case Information Overview

Case Information	Number
Cases carried forward from 2020/21	50
Referrals Received during the period	19
Cases Opened during the period	19
Cases Closed during period	36
Cases Ongoing	33
Number of new fraud risk assessments recorded in line with the organisations risk management policy	0
Number of risk assessments reviewed in line with the organisations risk management policy	5

Appendix 4 - Sanction Information Overview

Sanction Imposed	Number
Disciplinary	2
Civil	0
Criminal	1

Redress Imposed	Amount £
Fraud Recovery	£0