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Bwrdd Iechyd Prifysgol  
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Swansea Bay University  
Health Board



|   |  |                    |                  |
|---|--|--------------------|------------------|
| <b>Meeting Date</b>   | <b>16<sup>th</sup> May 2019</b>  | <b>Agenda Item</b> | <b>6b</b>        |
| <b>Report Title</b>   | <b>Counter Fraud Annual Report 2018-19</b>   |                    |                  |
| <b>Report Author</b>  | Len Cozens – Head of Local Counter Fraud Services  |                    |                  |
| <b>Report Sponsor</b>   | Lynne Hamilton – Director of Finance   |                    |                  |
| <b>Presented by</b>   | Len Cozens – Head of Local Counter Fraud Services  |                    |                  |
| <b>Freedom of Information</b>                                 | Closed   |                    |                  |
| <b>Purpose of the Report</b>                                  | The purpose of this report is to present the Swansea Bay University Health Board Counter Fraud Annual Report (see attached) for 2018/19 to the Audit Committee for approval.   |                    |                  |
| <b>Key Issues</b>   | The Fraud, Bribery and Corruption Standards for NHS Bodies (Wales) produced by the NHS Counter Fraud Authority requires organisations to provide an annual statement of assurance against the counter fraud, bribery and corruption standards. This statement of assurance is provided through the completion of the annual report and Self Review Tool (SRT). This is the Counter Fraud Annual Report for 2018/19, which incorporates the completed SRT for 2019. |                    |                  |
| <b>Specific Action Required</b><br><i>(please ✓ one only)</i> | <b>Information</b>   | <b>Discussion</b>  | <b>Assurance</b> |
|   |  |                    |                  |
| <b>Recommendations</b>  | The Audit Committee is asked to <b>approve</b> the Counter Fraud Annual Report for 2018/19   |                    |                  |

| <b>Governance and Assurance</b>   |   |  |  |  |   |
|---|---|--|--|--|---|
| <b>Link to corporate objectives</b><br><i>(please ✓)</i>  | Promoting and enabling healthier communities  | Delivering excellent patient outcomes, experience and access | Demonstrating value and sustainability | Securing a fully engaged skilled workforce | Embedding effective governance and partnerships |
|   |   |  | ✓                                      |  | ✓   |
| <b>Quality, Safety and Patient Experience</b>   |   |  |  |  |   |
| Ensuring that the Health Board has an effective counter fraud function, operating at part of a robust overall governance framework, is a key factor in the quality, safety and experience of patients receiving care.   |   |  |  |  |   |
| <b>Financial Implications</b>   |   |  |  |  |   |
| Long standing budget provision for counter fraud services within Swansea Bay UHB is already in place.   |   |  |  |  |   |
| <b>Legal Implications (including equality and diversity assessment)</b>   |   |  |  |  |   |
| The counter fraud work detailed within this report has been delivered by an accredited and nominated Local Counter Fraud Specialist, in line with an agreed and appropriately resourced Counter Fraud Work Plan. This ensures that the Health Board remains compliant with the Directions to NHS Bodies on Counter Fraud Measures, and with the Fraud, Bribery and Corruption Standards for NHS Bodies (Wales). |   |  |  |  |   |
| <b>Staffing Implications</b>  |   |  |  |  |   |
| The counter fraud work set out herein has been delivered within the context of existing resources.  |   |  |  |  |   |
| <b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>   |   |  |  |  |   |
| This is not applicable to this report.  |   |  |  |  |   |
| <b>Report History</b>   | The SRT submission found at Appendix 1 of the attached Annual Report has been submitted to the NHS Counter Fraud Authority for consideration. |  |  |  |   |
| <b>Appendices</b>   | Counter Fraud Annual Report for 2018/19   |  |  |  |   |



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# COUNTER FRAUD ANNUAL REPORT 2018/19

**Len Cozens**  
Head of Local Counter Fraud Services

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## 1 INTRODUCTION

- 1.1 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.
- 1.2 The Counter Fraud Work Plan for 2018/19 was approved by the Audit Committee in May 2018, and identified a total resource of 690 days for the year. The total cost for the provision of local counter fraud services for the year was **£135,691**.
- 1.3 For ease of reference and in line with the Work Plan, this report is structured under the Key Principles highlighted within the Standards. Any references to investigations have been suitably sanitised.

## 2 STRATEGIC GOVERNANCE

- 2.1 The Standards require each health body to produce a written work plan outlining the LCFS' projected workload for the year. The 2018/19 work plan, agreed by both the Director of Finance and Audit Committee, 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. The plan primarily took account of the following:
- An assessment of the work required to ensure consistent and effective implementation and delivery of the NHS Protect Fraud, Bribery and Corruption Standards for NHS Bodies (Wales).
  - An assessment of the main economic crime risks facing the Health Board at that time.
- 2.2 Progress against the plan has been monitored during meetings with the Director of Finance, with update reports produced and presented to the Audit Committee on a regular basis.
- 2.3 The LCFS Team continue to attend regular Fraud Forum 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 Lead 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 2018/19 these have included sessions on:
- Crime Categorisation
  - Investigation Planning
  - Investigation Evaluation & Review
  - Disclosure
- 2.4 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, the results of which must be forwarded to the NHS Counter Fraud Authority (NHSCFA) Quality & Compliance Team. The review utilises a traffic light system, with performance against each Standard being graded as red, amber or green (RAG). This generates an overall RAG rating for each Key Principle, and a final RAG rating for the organisation as a whole. A risk-based decision is then taken by the Quality & Compliance Team on which organisations are to receive an assessment site visit, and the type of assessment to be undertaken.

- 2.5 The self-review for 2019 was completed by the Head of Local Counter Fraud Services and reviewed by the Director of Finance and Audit Committee Chair, before being submitted to NHSCFA. This year's submission, a copy of which has been included at **Appendix 1** for information, rates the Health Board as 'Green' in each of the four Key Principles, and as an organisation overall.
- 2.6 As part of the self-review process, the following have been highlighted as areas to be addressed in the coming year:
- The need to ensure that economic crime risks are recorded and managed in line with the Health Board's risk management policy and strategy.
  - Pro-active reviews of the systems and processes in place in respect of procurement, invoice processing and amendments to supplier bank details.
  - Implementation of the new case management system, CLUE 3.

Provision for the foregoing has been made within the 2019/20 Counter Fraud Work Plan

- 2.7 All statistical reports required by the NHS Counter Fraud Service (Wales) and/or Welsh Government, such as those relating to progress with cases under investigation, have been provided in line with the required timetables and deadlines.
- 2.8 The Counter Fraud Steering Group (CFSG) is a sub-group of the NHS Wales Directors of Finance Group. Its role is to provide strategic oversight and review of the counter fraud service provided to NHS Wales. The Head of Local Counter Fraud Services attends CFSG meetings as the nominated representative of all LCFS in Wales, and has worked closely with the Welsh Government Head of NHS Financial Management and Operational Fraud Manager for Wales on the production of a document designed to clarify the current counter fraud resources, roles and responsibilities, operational structure and reporting lines across NHS Wales. The document has now been endorsed by the CFSG, as well as the NHS Wales Finance Director and his Deputy, and a copy has been included at **Appendix 2** for information. It will also be made available via the Health Board intranet site.
- 2.9 In addition to the foregoing, significant unplanned work has also been undertaken in relation to the impact of the Bridgend Boundary Change on the delivery of local counter fraud services, and subsequent arrangements necessary in order to commence the provision of services to Cwm Taf Morgannwg University Health Board with effect from April 2018.

### 3 INFORM AND INVOLVE

- 3.1 Work undertaken in this area is designed to raise awareness of the risks of fraud, bribery and corruption within the NHS, and its 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.
- 3.2 The Team has delivered 79 face-to-face awareness sessions at venues across the Health Board, attended by more than 2,500 staff members from a range of departments and disciplines. The aims of these sessions are to raise awareness 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, Bribery Policy, Policy for NHS Staff to Raise Concerns, Standards of Business Conduct and Register of Gifts and Hospitality
  - How staff are able to report any suspicions or concerns which they may have.
- 3.3 The content of the presentation has been reviewed and updated to ensure that it remains fit for purpose. Feedback forms have been completed by the attendees measuring their satisfaction with the content, and the awareness and knowledge they have gained. An analysis of responses received during the year has been included at **Appendix 3**.
- 3.4 The Health Board also has its own dedicated counter fraud intranet page, which is regularly reviewed and updated to ensure that it remains fit for purpose, and an effective tool in raising economic crime awareness amongst staff. The page has been designed to provide staff with information on the following key areas:
- What is Fraud?
  - What is Bribery?
  - The Role of the LCFS
  - Key Policies and Procedures
  - Examples of Economic Crime within the NHS
  - How to Arrange an Awareness Presentation
  - How to Report Concerns.
- 3.5 Bilingual posters promoting the National Fraud and Corruption Reporting Line have been distributed to healthcare sites throughout the Swansea Bay Health Board area.

- 3.6 Payslip messages were also used during the year to inform staff of the Health Board's participation in the National Fraud Initiative (NFI) data matching exercise.

## 4 PREVENT AND DETER

- 4.1 Work under this key principle is centred on discouraging individuals who may be tempted to commit fraud, bribery or corruption against the NHS, and ensuring that opportunities for them to do so are minimised.
- 4.2 The LCFS Team produce a biannual Counter Fraud Newsletter which contains articles on proven cases of NHS fraud, designed to deter economic crime and promote awareness amongst Swansea Bay UHB staff and primary care contractors. The 2018-19 editions were both issued via the Health Board's intranet site, with hard copies also being distributed to the main hospital sites. Copies were also e-mailed or posted to GP surgeries, Dentists, Opticians and Pharmacies across the Swansea Bay UHB area.
- 4.3 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 or process; however a commitment to fraud-proofing reduces the risk, and minimises the potential for a policy or procedure to be misinterpreted or for fraudsters 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 2018/19, activity in this area has focussed on the review of the following key documents:
- The Bribery Policy
  - NHS Wales Managing Attendance at Work Policy (formerly Sickness Absence Policy)
  - Banking Arrangements (Financial Control Procedure 9)
- 4.4 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 2018/19 this has included:
- Regular meetings with the Head of Internal Audit (NWSSP Audit & Assurance) in order to share information on system weakness and risk issues identified during the course of fraud investigations and internal audit reviews.
  - Continued liaison with NWSSP Post Payment Verification Location Manager (NWSSP Primary Care Services), including the receipt and review of reports relating to all visits undertaken.
- 4.5 Joint working protocols have been put in place with both of the above functions, which evidence effective interaction, co-ordination and sharing of information to aid in the prevention, deterrence and detection of any potential fraud within the organisation.

4.6 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 a total of 25 fraud alerts have been issued during 2018/19, designed to ensure that key staff are kept up to date on developments and fraud risks both locally and nationally covering areas such as:

- Bogus invoices
- Attempted bank mandate frauds
- Scam emails and telephone calls

4.8 No LCFS input was required in respect of risk assessment or measurement exercises undertaken by the NHS Counter Fraud Authority during the course of the year. However the Health Board does participate in the biennial National Fraud Initiative (NFI) data-matching exercise.

4.9 In addition to the NFI, the LCFS also undertakes proactive work designed to address locally identified areas of risk and concern. The following two exercises were undertaken during the course of the year.

#### 4.9.1 **Enterprise Pool Cars**

At the request of the Director of Finance, a joint piece of work was undertaken in conjunction with Support Services colleagues to review usage patterns in respect of the Health Board's Enterprise pool cars. This work focussed on the following potential risks:

- The use of Enterprise pool cars to undertake or complete home-to-base journeys (commuting). Whilst the findings of the review provided some limited evidence that such journeys were taking place, the number of staff involved was very small and the instances sporadic. The staff identified were contacted and reminded of the basic rules of the scheme, as well as HMRC rules in respect of taxable benefits. In each case either an appropriate reason for the journey was supplied, and/or these journey patterns ceased.
- The submission of mileage reimbursement claims via SEL for journeys actually undertaken using Enterprise pool cars. The review found no issues in respect of this potential risk.

#### 4.9.2 **Community Pharmacy Out of Pocket Expenses**

A second exercise was undertaken in conjunction with Primary Care colleagues in response to the findings of an analytical review of Out Of Pocket Expenses being paid to community pharmacies, which highlighted one particular pharmacy as being a significant outlier in respect of the amounts being claimed. This work focussed on the following potential risks:

- That the amounts claimed were false or inflated.
- That duplicate claims were being submitted.

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A detailed review of two separate months' claims was undertaken, and no evidence of any wrongdoing was found. In each case the Pharmacist in question was able to produce supplier invoices which fully supported and validated the amounts/reimbursements being claimed.

## 5 HOLD TO ACCOUNT

- 5.1 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.
- 5.2 A key aspect of effective counter fraud work is the thorough, impartial and professional investigation of economic crime suspicions as they arise. All investigations are 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.
- 5.3 At the commencement of the 2018/19 year, the Team were dealing with forty three (43) live criminal investigations. Twelve (12) new cases were opened during the course of the year, with the same number being closed, resulting in forty three (43) live investigations ongoing at the end of the period.
- 5.4 The Team has also dealt with 45 requests for assistance on issues or concerns identified by staff or stakeholders which did not warrant a full investigation. Appropriate assistance and advice was given in all instances.
- 5.5 Four criminal sanctions have been imposed during the year, ranging from the issue of adult cautions to the imposition of suspended prison sentences.
- 5.6 In addition to the above, close liaison with relevant managers and Workforce & Organisational Development colleagues on cases involving Health Board staff has resulted in three internal disciplinary sanctions being successfully imposed, ranging from written warnings to dismissal without notice.
- 5.7 The LCFS Team also continue to work with and provide assistance to regulatory bodies including the Nursing & Midwifery Council and General Pharmaceutical Council on cases where it is felt that a breach of relevant Codes of Practice may have occurred.
- 5.8 The work of the LCFS Team has resulted in total recoveries this year of £46,017. In addition, investigations undertaken by NHS CFS Wales as a result of referrals made via the Swansea Bay UHB Team have resulted in the recovery of a further £34,395.
- 5.9 The NHS Counter Fraud Service Wales are currently investigating three case on behalf of the Health Board. The LCFS continues to monitor progress and provide assistance where necessary, and update reports are received by the Director of Finance.

**Appendix 1**

**FRAUD, BRIBERY AND CORRUPTION STANDARDS FOR NHS BODIES (WALES)  
 SELF REVIEW TOOL SUBMISSION 2019 – SWANSEA BAY UNIVERSITY HEALTH BOARD**

| <b>KEY PRINCIPLE 1: STRATEGIC GOVERNANCE</b> |   |              |  |
|--|---|--------------|--|
|  | <b>Standard</b>   | <b>Level</b> | <b>Assessment</b>  |
| 1.1  | A member of the executive board or equivalent body is accountable for provision of strategic management of all counter fraud, bribery and corruption work within the organisation. The accountable board member is responsible for the provision of assurance to the executive board in relation to the quality and effectiveness of all counter fraud, bribery and corruption work undertaken.   | Green        | The Chief Executive Officer is responsible for ensuring there are appropriate arrangements to counter fraud, and that procedures for dealing with suspected cases are complied with. This responsibility is delegated to the Director of Finance, who agrees the annual Self Review Tool submission and Work Plan prior to approval by the Audit Committee. All economic crime matters, including progress against the Plan are discussed/reviewed during Director of Finance meetings. Where action is required, this is recorded in the meeting notes and followed up at subsequent meetings. The Director of Finance pro-actively links with other Executive Directors where issues cross corporate portfolios, in order to ensure that appropriate action is taken. NHS Counter Fraud Authority Quality Assurance reports are shared with both the Director of Finance and Audit Committee.  |
| 1.2  | The organisation's non-executive directors or lay members and board/governing level senior management are accountable for gaining assurance that sufficient control and management mechanisms in relation to counter fraud, bribery and corruption are present within the organisation. Board level evaluation of the effectiveness of counter fraud, bribery and corruption work undertaken should be documented. Where recommendations have been made by NHSCFA following an assessment, it is the responsibility of the accountable board member to provide assurance to the board surrounding the progress of their implementation. | Green        | The Audit Committee is responsible for ensuring the Health Board has adequate arrangements to counter fraud that meet NHS Counter Fraud Authority Standards, and for reviewing outcomes of work in this area. It is also responsible for reviewing the adequacy/effectiveness of policies and procedures for work related to counter fraud. This includes the Policy & Response Plan. Board support is evident by its inclusion in Standing Orders. The work plan and resource invested is agreed and monitored by the Director of Finance and Audit Committee. The Head of Local Counter Fraud Services attends Audit Committee, with all counter fraud reports signed-off by the Director of Finance. If further action is required, this is recorded in minutes and followed up at subsequent meetings. NHS Counter Fraud Authority Quality Assurance reports and Self Review Tool submissions are shared with the Director of Finance and Audit Committee. |

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|     | Standard   | Level | Assessment   |
|-----|--|-------|--|
| 1.3 | The organisation employs or contracts one or more accredited, nominated LCFSs to undertake the full range of counter fraud, bribery and corruption work, including proactive work to prevent and deter fraud, bribery and corruption and reactive work to hold those who commit fraud, bribery and corruption to account.  | Green | The Health Board currently employs 3.0 whole-time equivalent nominated and accredited Local Counter Fraud Specialists, who conduct the full range of anti-fraud, bribery and corruption work on behalf of the organisation. The nominated Local Counter Fraud Specialists attend all necessary training and continuous professional development events as required to appropriately fulfil their role on an ongoing basis.   |
| 1.4 | The organisation has carried out comprehensive risk assessments to identify fraud, bribery and corruption risks, and has counter fraud, bribery and corruption provision that is proportionate to the level of risk identified. Risks are recorded and managed in line with the organisation's risk management policy, and are included on appropriate risk registers. Measures to mitigate identified risks are included in an organisational work plan, progress is monitored at a senior level within the organisation and results are fed back to the audit committee. | Red   | The counter fraud work plan is informed by a risk assessment, with findings reported to the Director of Finance. However this risk assessment is not currently recorded in line with the organisation's Risk Management Policy or Strategy. Specific capacity to address this issue has been included as part of the 2019/20 plan. The plan is reviewed and agreed by the Director of Finance and Audit Committee, who monitor progress and receive updates. The level of pro-active resource committed and approved by the Director of Finance and Audit Committee is broadly in line with guidance previously provided by NHS Counter Fraud Security Management Service (now NHS Counter Fraud Authority). This demonstrates Health Board commitment and support at a senior level to counter fraud work, ensuring the Local Counter Fraud Specialists are able to function effectively. |
| 1.5 | The organisation reports annually on how it has met the standards set by the NHSCFA and NHS CFS Wales in relation to counter fraud, bribery and corruption work, and details corrective action where standards have not been met.  | Green | The Health Board produces an annual report on counter fraud work undertaken, in line with NHS Counter Fraud Authority guidance. This report is reviewed by both the Director of Finance and Audit Committee, before submission to the Board.   |

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|                                  | <b>Standard</b>  | <b>Level</b> | <b>Assessment</b>   |
|----------------------------------|--|--------------|---|
| 1.6                              | <p>The organisation ensures that those carrying out counter fraud, bribery and corruption work have all the necessary tools and resources to enable them to carry out their role efficiently, effectively and promptly.</p> <p>This includes (but is not limited to) access to IT systems and access to secure storage.</p>  | Green        | <p>The Local Counter Fraud Specialists have access to secure IT systems and storage. Internet access is in place, including key sites such as NHS Counter Fraud Authority Extranet and FIRST. The Local Counter Fraud Specialists also have access to key Health Board systems, including Electronic Staff Record and Payslips. All Team members have NHS Wales and CJSM e-mail accounts. Team accommodation is located in a secure building with access controlled by electronic keypad entry. Access to the LCFS office is through a door secured by an alpha-numeric lock. Case files and other sensitive information are stored in locked filing cabinets. The LCFS reports and has unfettered access to the Audit Committee. The LCFS have full access to all employees of the Health Board, up to and including those at Exec level, as required.</p>         |
| 1.7                              | <p>The organisation ensures that there are effective lines of communication between those responsible for counter fraud, bribery and corruption work and other key staff groups and managers within the organisation, including (but not limited to) audit, risk, finance, communications and human resources. There is evidence of positive outcomes as a result of this liaison.</p> | Green        | <p>The Health Board has a Counter Fraud Communication Strategy, which is regularly reviewed by LCFS and Head of Communication. The LCFS has put an information sharing protocol in place with the Workforce and Organisational Development function, and was involved in producing the all-Wales Information Sharing Protocols with NHS Wales Shared Services Partnership Audit &amp; Assurance and Post Payment Verification functions. The LCFS is a member of the Health Board Local Intelligence Network and Security Management Group. Output demonstrating effectiveness includes successful disciplinary sanctions and requests for assistance received, as well as positive feedback regarding publication of cases as an effective prevention/deterrence tool, and risk areas highlighted to Internal Audit for consideration in their work programme.</p> |
| <b>STRATEGIC GOVERNANCE RISK</b> |  | Green        |   |

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| <b>KEY PRINCIPLE 2: INFORM AND INVOLVE</b> |  |              |  |
|--|--|--------------|--|
|  | <b>Standard</b>  | <b>Level</b> | <b>Assessment</b>  |
| 2.1  | The organisation has an ongoing programme of work to raise awareness of fraud, bribery and corruption. This should cover the NHSCFA's Fraud and Corruption Reporting Line and online fraud reporting tool, and the role of the accredited counter fraud specialist. Content may be delivered through presentations, newsletters, leaflets, posters, intranet pages, induction materials for new staff, emails and other media, making use of the NHSCFA's fraud awareness <u>toolkit</u> as appropriate. The effectiveness of the awareness programme is measured. | 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 to ensure the widest possible audience. Chief amongst these are our face-to-face presentations and e-learning package, supported by newsletters and intranet pages, all of which highlight NHS Counter Fraud Authority reporting line and online reporting tool, and the role of the LCFS. Payslip messages and posters are also utilised to raise awareness. With the exception of payslip messages, all of the foregoing covers primary care contractors as well as Health Board sites. Success is measured using questionnaires and a survey. The LCFS also participated in the all-Wales working group which produced the e-induction fraud awareness package. |
| 2.2  | The organisation has a counter fraud, bribery and corruption policy that follows the NHSCFA's strategic guidance, publicises the NHSCFA's Fraud and Corruption Reporting Line and online reporting tool, and has been approved by the executive body or senior management team. The policy is reviewed, evaluated and updated as required, and levels of staff awareness are measured.   | Green        | The Health Board has a Counter Fraud Policy & Response Plan (CFP&RP) in place, which prominently promotes the NHS Counter Fraud Authority Fraud and Corruption Reporting Line and online reporting tool. The CFP&RP is regularly updated, and publicised via the Health Board Intranet site. Board level support and sign-off is evident by its inclusion as part of Standing Orders. The Health Board has also produced a Bribery Policy, which sets out the responsibilities of the Health Board and its staff in preventing bribery and corruption, and provides information and guidance on how to recognise and deal with bribery and corruption issues. Staff awareness of these key policy documents is measured using questionnaires and a survey.   |

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|     | <b>Standard</b>   | <b>Level</b> | <b>Assessment</b>  |
|-----|---|--------------|--|
| 2.3 | The organisation liaises proactively with other organisations and agencies (including local police, local authorities, regulatory and professional bodies) to assist in countering fraud, bribery and corruption. All liaison complies with relevant legislation, such as the <u>Data Protection Act 1998 - General Data Protection Regulation</u> (GDPR), and with relevant organisational policies. The organisation can demonstrate improved investigative and operational effectiveness as a result of the liaison. | Green        | The Health Board is able to demonstrate effective liaison with external agencies over recent years, which has had a demonstrable positive impact in countering fraud, bribery and corruption. These have included, UK Visas and Immigration, South Wales Police, NMC, the Health & Care Professionals Council, and County Borough Councils. The LCFS also sit on the Western Bay Local Intelligence Network, whose membership includes (amongst others) representatives from South Wales Police, Health Inspectorate Wales, General Pharmaceutical Council and Care and Social Services Inspectorate Wales. The Health Board also participates fully with the NFI process.   |
| 2.4 | The organisation has a fully implemented code of conduct that includes reference to fraud, bribery and corruption and the requirements of the <u>Bribery Act 2010</u> . The effectiveness of the implementation of the process and staff awareness of the requirements of the code of conduct are regularly tested.   | Green        | The Health Board Standards of Business Conduct, part of Standing Orders, refers to fraud and the Bribery Act and is available to all staff. It has been publicised via the intranet, and awareness is evaluated via the fraud awareness survey. The Health Board has also produced a Bribery Policy, again available to all staff. An explanatory note on the Bribery Act has been circulated, with key messages regarding the offer and acceptance of gifts and hospitality included in the Counter Fraud Newsletter. The gifts and hospitality register is reviewed by the Audit Committee. Both the Business Conduct and Bribery Policies are also covered during fraud awareness presentations. Pro Active work regarding the completion of declarations of interest is also undertaken. |
|     | <b>INFORM AND INVOLVE RISK</b>  | Green        |  |

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| <b>KEY PRINCIPLE 3: PREVENT AND DETER</b> |  |              |   |
|---|--|--------------|---|
|   | <b>Standard</b>  | <b>Level</b> | <b>Assessment</b>   |
| 3.1                                       | <p>The organisation reviews new and existing relevant policies and procedures, using audit reports, investigation closure reports and guidance from the NHSCFA and NHS CFS Wales, to ensure that appropriate counter fraud, bribery and corruption measures are included. This includes (but is not limited to) policies and procedures in human resources, standing orders, standing financial instructions and other finance and operational policies. The organisation evaluates the success of the measures in reducing fraud, bribery and corruption, where risks have been identified.</p> | Green        | <p>Policies and paper-based procedures are fraud-proofed using the template guidance issued by NHS Protect (now NHS Counter Fraud Authority). The LCFS will liaise with the policy owner in order to agree the wording of any proposed changes, as well as the most appropriate way in which to publicise the revised policy. This may include intranet articles, targeted communication to specific staff groups or locations, or presentations. Where appropriate pro-active work will be undertaken to measure compliance with, and the impact of, the revised policy.</p>   |
| 3.2                                       | <p>The organisation uses relevant information and intelligence to identify anomalies that may be indicative of fraud, bribery and corruption and takes the appropriate action, including proactive exercises, to address them.</p> <p>Relevant information and intelligence may include (but is not limited to) internal and external audit reports, evidence of primary care work, information on outliers, recommendations in investigation reports and information from payroll. The findings are acted upon promptly.</p>  | Green        | <p>LCFS review Final Internal and External Audit reports, and meet with the Head of Internal Audit to share details on identified risk. LCFS communicate with Deputy Head of Internal Audit to establish whether data-mining exercises have highlighted outliers or concerns. Pro-active analytical review of Primary Care Dental Contractor Multiple FP17 reports is also undertaken by LCFS.</p> <p>A Post Payment Verification programme is undertaken in respect of GPs, Opticians and Pharmacies, with final reports received by the LCFS. Meetings are held with the Post Payment Verification 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> |

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|     | Standard  | Level | Assessment   |
|-----|---|-------|--|
| 3.3 | <p>The organisation issues, implements and complies with all appropriate fraud, bribery and corruption intelligence bulletins, prevention guidance and alerts issued by the NHSCFA or NHS CFS Wales.</p> <p>In addition, the organisation issues local counter fraud, bribery and corruption warnings and alerts to all relevant staff following guidance in the NHSCFA Intelligence Alerts, Bulletins and Local Warnings Guidance.</p> <p>The organisation has an established system of follow up reviews to ensure that it remains vigilant and that all appropriate action has been taken.</p> | Green | <p>The organisation circulates and/or implements all relevant fraud, bribery and corruption prevention guidance, intelligence bulletins and alerts issued by NHS Counter Fraud Authority or NHS Counter Fraud Services Wales. The organisation also issues local anti-fraud, bribery and corruption warnings and alerts to all relevant staff in a comprehensive, systematic and timely manner. Where appropriate, the Health Board will undertake pro-active follow-up work to ensure effective implementation.</p>   |
| 3.4 | <p>The organisation ensures that all new staff are subject to the appropriate level of pre-employment checks, as recommended by NHS Employers, before commencing employment within the organisation. Assurance is sought from any employment agencies used that the staff they provide have been subject to adequate vetting checks, in line with guidance from NHS CFS Wales, <u>NHS Employers</u> and the <u>Home Office</u>.</p>   | Green | <p>The most recent Internal Audit reviews of recruitment process, including checks on agency staff, derived reasonable/substantial assurance. Results of previous LCFS pro-active exercises were also positive. Responsibilities for pre-employment checks on agency staff are built into contracts. Operational recruitment staff have received training from UK Borders Agency as well as the Senior Management Team, and a presentation from LCFS confirming the correct route to report suspected fraud. Health Board staff would be subject to review to ensure their circumstances had not changed upon a change in their roles. Evaluation of pre-employment checks is provided via Internal Audit and LCFS proactive work.</p> |
| 3.5 | <p>The organisation has proportionate processes in place for preventing, deterring and detecting fraud, bribery and corruption in procurement.</p>  | Amber | <p>Copies of the document 'Pre-Contract Procurement Fraud &amp; Corruption: Guidance for Prevention &amp; Detection' have been provided to key procurement staff dealing with Swansea Bay UHB procurements, as well as the Director of Corporate Governance. In addition, the Health Board has taken steps to strengthen its systems and processes in respect of declarations of interests. Risk assessment and proactive work in this area is ongoing, and will continue during the coming year.</p>  |

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|     | <b>Standard</b>  | <b>Level</b> | <b>Assessment</b>   |
|-----|--|--------------|---|
| 3.6 | The organisation has proportionate processes in place for preventing, deterring and detecting invoice fraud, bribery and corruption, including reconciliation, segregation of duties, processes for changing supplier bank details and checking of deliveries. | Amber        | A copy of the NHS Counter Fraud Authority document Guidance for Prevention and Detection of Invoice Fraud has been supplied to the Head of Purchase-2-Pay. Regular fraud alerts have also been shared in respect of attempted bank mandate frauds. The LCFS has previously met with NHS Wales Shared Services Audit & Assurance colleagues in order to establish and discuss the work programme and testing undertaken in this area in order to confirm controls in respect of master file amendments have been included. Further risk assessment and proactive work in this area is ongoing, and will continue during the coming year. |
|     | <b>PREVENT AND DETER RISK</b>  | Green        |   |

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| <b>KEY PRINCIPLE 4: HOLD TO ACCOUNT</b> |  |              |   |
|---|--|--------------|---|
|   | <b>Standard</b>  | <b>Level</b> | <b>Assessment</b>   |
| 4.1                                     | The organisation ensures that the case management system is used to record all reports of suspected fraud, bribery and corruption, to inform intelligence held nationally by the NHSCFA and NHS CFS Wales. The case management system is also used to record all system weaknesses identified during the course of investigations and/or proactive prevention and detection exercises.                                     | Amber        | All reports of suspected fraud, bribery and corruption are input to the case management system where one piece of reliable information has been identified. All system weaknesses identified are also input to the case management system. The Lead LCFS periodically reviews entries on the case management system.  |
| 4.2                                     | The organisation uses the case management system to support and progress the investigation of fraud, bribery and corruption allegations, in line with the NHSCFA's guidance.   | Amber        | Administration fields and case progress records are updated for all cases. Similarly, all sanctions and system weaknesses are recorded, and case closure reports uploaded. Witness statements and exhibits are not currently being uploaded, as the case management system does not currently support the submission of prosecution files.  |
| 4.3                                     | The organisation shows a commitment to pursuing, and/or supporting the NHSCFA and NHS CFS Wales in pursuing, the full range of available sanctions (criminal, civil, disciplinary and regulatory) against those found to have committed fraud, bribery or corruption in primary and secondary care sectors, as detailed in the NHSCFA guidance and following the advice of the Operational Fraud Manager in NHS CFS Wales. | Green        | The organisation seeks to apply the full range of sanctions appropriate to the circumstances of each individual case, and fully supports Counter Fraud Service Wales in doing so wherever relevant. Criminal sanctions, internal and external disciplinary sanctions and civil recoveries achieved evidence the commitment to the triple-tracking approach. Executive support and sign-off is evidenced by the inclusion of the Counter Fraud Policy and Response Plan as part of the Health Board's Standing Orders. Where appropriate, criminal sanctions achieved are publicised to maximise the deterrent effect. |

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|     | <b>Standard</b>   | <b>Level</b> | <b>Assessment</b>   |
|-----|---|--------------|---|
| 4.4 | The organisation completes witness statements that follow best practice, and comply with national guidelines.   | Green        | Witness statements are completed in line with best practice and national guidelines, covering processes, incidents and exhibits as appropriate. The Health Board uses the Witness Statement Review Template in order to evaluate the statements taken, and to improve this work.  |
| 4.5 | Interviews under caution are conducted in line with the National Occupational Standards (CJ201.2) and the Police and Criminal Evidence Act 1984.  | Green        | Interviews under caution are conducted in line with all applicable legislation and best practice. The Health Board uses the Interview Under Caution Review Template in order to evaluate the interviews taken, and to improve this work.  |
| 4.6 | The organisation seeks to recover, and/or supports the NHSCFA and NHS CFS Wales in seeking to recover, NHS funds that have been lost or diverted through fraud, bribery and corruption, following an assessment of the likelihood and financial viability of the recovery. The organisation publicises cases that have led to successful recovery of NHS funds. | Green        | The Health Board Counter Fraud Policy and Response Plan sets out the organisation's policy to take appropriate steps to recover any assets lost as a result of fraud. Records of recoveries are maintained electronically, and as part of the individual case file. Where appropriate, successful recoveries of NHS funds are publicised in order to maximise their deterrent value. Each case is reviewed individually to evaluate and improve the success of work in this area. |
|     | <b>HOLD TO ACCOUNT RISK</b>   | Green        |   |
|     | <b>OVERALL RISK</b>   | Green        |   |

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*I declare that the anti-fraud, bribery and corruption work carried out during the year to date has been self reviewed against the NHS CFA Standards for Providers anti-fraud, bribery and corruption. As the responsible member of the executive board or equivalent body I confirm that by ticking this authorisation box the information contained in this self review SWANSEA BAY UNIVERSITY LHB is correct and complete.*

**Signed:** *Lynne Hamilton* (Director of Finance)

*I declare that the anti-fraud, bribery and corruption work carried out during the year to date has been self reviewed against the NHS CFA Standards for Providers anti-fraud, bribery and corruption.*

*As the Audit Committee Chair, and in line with the audit committee's responsibility for the strategic assurance and oversight of counter fraud work as described in section 5.6 of the NHS Audit Committee Handbook, I confirm that the information contained in this self review for SWANSEA BAY UNIVERSITY LHB reflects the work reported and considered by the Audit Committee.*

**Signed:** *Martin Sillis* (Audit Committee Chair)



GIG  
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WALES

# Counter Fraud Services in NHS Wales

# Counter Fraud Services in NHS Wales

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# 1 Purpose

- 1.1 This document has been produced to clarify the current counter fraud resources, roles and responsibilities, operational structure and reporting lines within NHS Wales.

# 2 Policy Statement

- 2.1 The Welsh Government has adopted a zero tolerance toward fraud, bribery and corruption (economic crime). Fraud, bribery or corruption in NHS Wales is unacceptable, as it takes away vital resources intended for the provision of high quality patient care.
- 2.2 Whilst controls to prevent economic crime 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.
- 2.3 Where sufficient evidence exists, NHS Wales will pursue appropriate criminal, civil or disciplinary sanctions and will always seek to recover identified losses and relevant investigation costs. All criminal cases will be submitted to the Crown Prosecution Service (CPS) for independent legal advice on the suitability of prosecution action.
- 2.4 Health bodies will be able to retain any monies recovered.

# 3 Background

- 3.1 In 2001, the National Assembly for Wales launched the document 'Countering Fraud in NHS Wales' and also issued Directions on Counter Fraud Measures to all health bodies in Wales.
- 3.2 This resulted in the creation of the NHS Counter Fraud Service (CFS) Wales Team, funded by Welsh Government, and the requirement for all health bodies to nominate an accredited Local Counter Fraud Specialist (LCFS).
- 3.3 In addition, these documents set out the terms of an initial joint working partnership on counter fraud with the Directorate of Counter Fraud Services (DCFS) in NHS England, which saw agreement for the provision of a number of key support functions. This partnership working arrangement has continued, evolving in line with the various reorganisations which have occurred within the NHS in England and Wales until, on the 1st November 2017, Welsh Ministers entered into a new service agreement under section 83 of the Government of Wales Act (2006) with the newly established NHS Counter Fraud Authority (England) (NHSCFA England).

## 4 Welsh Government

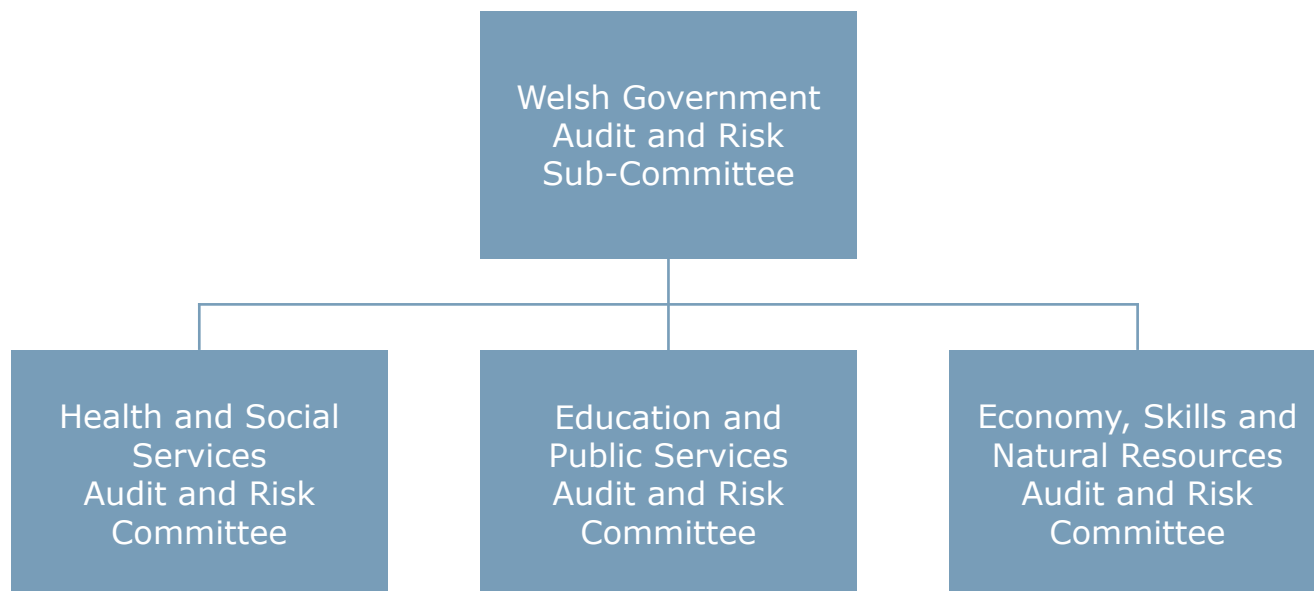
- 4.1 The Welsh Government has overall responsibility for the development and implementation of strategy designed to hold economic crime within NHS Wales at an absolute minimal level, and has put in place three levels of resources/expertise to deliver Counter Fraud Services within NHS Wales.



- 4.2 Practical implementation of the strategy is achieved primarily through action in the following key areas:

- Creating and maintaining an anti-economic crime culture
- Maximising the deterrence of economic crime
- Successful prevention of economic crime which cannot be deterred
- Prompt detection of economic crime that cannot be prevented
- The professional investigation of detected economic crime
- Effective sanctions, including appropriate legal action against those committing economic crime
- Effective methods for seeking redress in respect of identified loss

- 4.3 As part of a risk-based approach, NHS Wales also commission loss measurement exercises on specific NHS service areas e.g. optical services. These exercises are designed to identify and measure potential losses or risk within systems in place, allowing further investigation or review and the implementation of system change where required. By their very nature, these exercises often highlight potential losses which are the result of 'irregularities' or 'errors' as opposed to intentional or deliberate economic crimes. Where this proves to be the case, these matters would be referred to the appropriate body for further action. This may include a revision of the systems and processes in place and, where appropriate, the recovery of any losses. In the small number of instances where recovery would not be possible or appropriate, losses would be recorded and dealt with in accordance with the relevant Standing Financial Instructions, and guidance set out in the Welsh Government's Manual for Accounts.
- 4.4 The Welsh Government commissions clear information about the extent and success of anti-economic crime work in the NHS in both Primary and Secondary care sectors. The CFS Wales Operational Fraud Manager presents regular updates on NHS Wales counter fraud activity, proactive work, potential risks, and accurate data on resources and sanctions to the Health and Social Services Audit and Risk Committee.



4.5 The current counter fraud resource is tailored to the needs of NHS Wales, it remains cost effective and within the Welsh Government's resources.

## 5 NHS Counter Fraud Authority

5.1 On the 1st November 2017, Welsh Ministers entered into an Arrangement with the newly established NHS Counter Fraud Authority under section 83 of the Government of Wales Act (2006). This Arrangement sets out the provision of specialist counter fraud support functions to NHS CFS Wales and the Local Counter Fraud Specialists based at health bodies in NHS Wales. They include:

- IT Support Services (including Information Systems & Analytics)
- Intelligence (including the provision of the Fraud and Corruption Reporting Line in association with Crime Stoppers)
- Operations (including access to a Forensic Computing Unit, provision of a programme of assurance and appraisal for CFS Wales, access to Dental Fraud Advisors and generic operational management, guidance and direction to CFS Wales)
- Training and Development to CFS Wales
- Communications (including the use of media publicity, the production of articles within Wales and maintenance of a specific NHS Wales counter fraud section on the NHSCFA external website)
- Quality and Compliance (including annual quality assurance assessments in accordance with NHS Counter Fraud Standards for Wales)
- Guidance (including the provision of the NHS Counter Fraud Manual)
- Stakeholder Liaison (including membership of the NHS Wales Counter Fraud Steering Group)

- 5.2 The scope, range and volume of the support functions are determined by an annual agreement between Welsh Ministers and the NHSCFA. The Arrangement also makes provision for the specification of standards of conduct in relation to the Welsh Language.
- 5.3 Regular liaison takes place between the NHSCFA and the Welsh Government to update, consult on and discuss particular issues or risks that have arisen and may impact on the health service in Wales.
- 5.4 The NHSCFA produce quarterly reports detailing all support work completed and ongoing for NHS Wales, and outlining actual and projected outcomes to the Welsh Ministers. An annual report is also produced by NHSCFA on the discharge of their counter fraud support functions for NHS Wales over the previous 12 months of each reporting year. These reports are shared with the NHS Wales Directors of Finance and Counter Fraud Steering Group.
- 5.5 As part of their work to provide a clear focus on the prevention and investigation of economic crime across the health service, the NHSCFA has produced the NHS Counter Fraud Manual. Primarily intended for use by investigators at a national and local level, the manual aims to ensure that a consistent approach and best practice in accordance with relevant legislation is applied to all economic crime investigations undertaken across the NHS in England and Wales.

## 6 NHS Counter Fraud Service Wales

- 6.1 The NHS Counter Fraud Service (CFS) Wales team is hosted by the NHS Wales Shared Services Partnership (NWSSP) - part of Velindre NHS Trust who employs the team.
- 6.2 The CFS Wales team consists of experienced investigators whose primary role is the investigation and prosecution of potentially serious, complex, or large scale economic crime cases. This includes economic crimes that involve more than one organisation, cross border investigations and all corruption and bribery cases in NHS Wales.
- 6.3 The CFS Wales team manager completes an annual risk based work plan which identifies proactive priorities and also highlights potential risk areas for the year. This work plan is based upon intelligence work completed by NHSCFA and a review of ongoing cases, referrals and proactive work in Wales. The work plan is submitted to the NHSCFA Head of Operations for review and is also endorsed by the Counter Fraud Steering Group (CFSG).
- 6.4 The team provides a specialist independent investigation resource to health bodies. This is a valuable service designed to investigate complex cases and instances where senior executives or management may be implicated, as suspects or witnesses, to provide the health bodies with the level of independent assurance required.
- 6.5 The CFS Wales team provide an operational lead for NHS Wales / Welsh Government and help to ensure a consistent approach to countering economic crime across health bodies in Wales. While the team's main role is providing a reactive specialist investigation resource, they also conduct regular presentations to key NHS staff, highlight potential economic crime risks to key stakeholders, attend national fraud forums, routinely liaise with the media and also arrange training events and good practice forums for LCFS.
- 6.6 There is a collaborative partnership approach between all counter fraud parties in NHS Wales. The CFS Wales team enjoy a good working relationship with the LCFS teams and routinely provide specialist investigation skills, support and guidance to the network of LCFS in NHS Wales, while the NHSCFA provides generic management, guidance and direction to CFS Wales in relation to operational matters and training.

- 6.7 The CFS Wales team's employers, Velindre NHS Trust, are listed as a regulatory body under the Proceeds of Crime Act (POCA) 2002. This enables accredited Financial Investigators on the CFS Wales team to conduct financial investigations and also restrain and recover funds from convicted persons.
- 6.8 The CFS Wales team are authorised to conduct covert directed surveillance work under the Regulation of Investigatory Powers Act 2000. This work is limited to static surveillance work only.
- 6.9 The management structure of CFS Wales is answerable directly to the Welsh Government for its operational work within Wales and for its effectiveness in the delivery of the Welsh Government's Counter Fraud Policy. The CFS Wales Manager also reports to the Head of Finance NWSSP on budgetary issues.
- 6.10 CFS Wales has clear and consistent reporting, recording and oversight arrangements in place within NHS Wales. The CFS Wales Team inform Welsh Government, NHSCFA and relevant Finance Directors of any significant developments on active cases. The team also produce a quarterly case update report for each of their active investigations and seek to promote media reports on appropriate cases.
- 6.11 A consolidated quarterly summary on all active CFS Wales and LCFS investigations is compiled by CFS Wales and forms part of the NHSCFA quarterly report to Welsh Government. The CFS Wales Team's activities are also subject to inspection reviews and scrutiny by the NHSCFA Governance and Assurance Manager; this is similar to the review arrangement for the national operational teams within NHSCFA.

## 7 Local Counter Fraud Specialists (LCFS)

- 7.1 Individual health bodies are responsible for dealing with economic crime matters occurring at a local level. As such, the Welsh Government Directions on Counter Fraud require each health body to nominate a qualified Local Counter Fraud Specialist (LCFS) who is recognised and accredited by the Counter Fraud Professional Accreditation Board.
- 7.2 LCFS are the primary point of contact for all economic crime concerns within each health body. Their work is closely aligned to the delivery of the Fraud, Bribery and Corruption Standards for NHS Bodies (Wales), which are reviewed and updated annually by the NHSCFA. These Standards are split into four key principles:

### **Strategic Governance**

- Producing and delivering an annual risk-based work plan to counter economic crime within the organisation. Progress against the plan is reported to and monitored by the health body's Finance Director and Audit Committee on an ongoing basis.
- Fully participating with the NHSCFA Quality Assurance process, including the completion of an annual self-review of the organisation's implementation of the Fraud, Bribery and Corruption Standards for NHS Bodies (Wales).
- Undertaking all necessary training and Continuing Professional Development in order to maintain Accredited Counter Fraud Specialist status.
- Providing regular and ad-hoc information and reports to CFS Wales, NHSCFA and/or Welsh Government as required.

## Inform and Involve

- Developing and implementing an ongoing programme of work to raise awareness of fraud, bribery and corruption risks within NHS Wales and their implications, designed to create a strong anti-economic crime culture where fraudulent and corrupt activity is not tolerated, and all staff and contractors are aware of their responsibility to protect NHS resources.
- Creating and implementing a counter fraud, bribery and corruption policy and response plan for the health body, which ensures that staff are aware of the correct way to report any suspicions or concerns they may have, and the action which will be taken as a result.
- Fostering and maintaining effective relationships with other organisations and agencies, in order to assist in countering fraud, bribery and corruption, and to permit the appropriate and lawful exchange of information and intelligence to protect public resources.
- Assisting in the development and implementation of the organisation's code of conduct. This sets out acceptable standards for staff and ensures that potential conflicts of interest are declared and acted upon.
- Putting in place systems and processes designed to measure levels of economic crime awareness within the organisation, and to take appropriate action in those areas where further work is required.

## Prevent and Deter

- The review of relevant new and existing policies and procedures, to ensure that they remain suitable for preventing loss to the public purse, and that emerging economic crime risks and system weaknesses are addressed.
- The use of all available information and intelligence to identify anomalies that may be indicative of fraud, bribery and corruption, and to take appropriate action to address them.
- Full participation in the National Fraud Initiative exercise, a biennial exercise which sees data matched within and between public and private sector bodies in order to identify, prevent and deter fraudulent and erroneous payments.
- Developing appropriate mechanisms for the prompt dissemination of fraud, bribery and corruption warnings and alerts to all relevant staff and the wider NHS community.
- Undertake appropriate pro-active work in areas of locally and nationally identified risk, designed to identify issues of non compliance or potential economic crime risks within systems in place.

## Hold to Account

- Professionally investigate all allocated allegations of economic crime in line with the requirements of all relevant legislation and guidance.
- Consistently pursue the full range of available sanctions against those found to have committed economic crime in primary and/or secondary care sectors, including:
  - ◇ Criminal
  - ◇ Internal Disciplinary
  - ◇ External or Regulatory Body Action
  - ◇ Civil Recovery
- Fully utilise the NHSCFA's electronic information gathering, intelligence dissemination and case management tool (known as FIRST).

7.3 All LCFS in NHS Wales are employed by health bodies in Wales. They are directly accountable to the Finance Directors at their health bodies, and report to their respective Audit Committees on the delivery of their annual work plans.

## 8 Counter Fraud Steering Group

8.1 The Counter Fraud Steering Group (CFSG) was set up in 2014, and is a sub-group of the NHS Wales Directors of Finance Group.

8.2 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.

8.3 The Group is currently 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

8.4 In addition to its core membership, CFSG meetings are also attended by:

- NHS CFS Wales Operational Fraud Manager
- NHS Counter Fraud Authority representative
- NHS Wales LCFS representative
- NWSSP Head of Corporate Services
- NWSSP Legal & Risk Representative
- Wales Audit Office representative (Observer)

8.5 The CFSG full terms of reference have been included at **Appendix 1**.

## 9 Fraud, Bribery & Corruption Standards for NHS Bodies in Wales

- 9.1 One of the five stated main objectives of the NHSCFA is to lead, guide and influence an improvement in standards of counter fraud work. A significant element in achieving this is the production and annual review and revision of the Fraud, Bribery and Corruption Standards for NHS Bodies, and administration of the accompanying quality assurance process.
- 9.2 These Standards have been developed to support NHS Wales in implementing appropriate measures to counter fraud, bribery and corruption. Having appropriate measures in place helps to protect NHS Wales' resources against economic crime and ensures they are used for their intended purpose, the delivery of patient care. It is the responsibility of each health body to ensure it has the appropriate resources to meet the required standards.
- 9.3 The Standards themselves are set out under the following four key principles:
- Strategic Governance
  - Inform and Involve
  - Prevent and Deter
  - Hold to Account
- 9.4 The Standards apply to all NHS organisations in Wales and are designed to ensure that counter fraud work is carried out in accordance with agreed requirements. The accompanying assessment processes comprises two main elements:
- An annual self-review of performance against the Standards, which is conducted by each health body and submitted to NHSCFA.
  - A programme of on-site assessments conducted by NHSCFA Quality & Compliance team in partnership with each health body.
- 9.5 A more detailed synopsis of the quality assurance process has been included at **Appendix 2**.

## 10 Intelligence / Information Sharing

10.1 The nature of economic crime is ever changing and evolving, with new risks to NHS Wales constantly emerging. The appropriate and lawful sharing of information and intelligence with key stakeholders is an important element in the fight against economic crime within NHS Wales. These include:

- Department of Health Anti Fraud Unit
- NHS Counter Fraud Authority
- NHS Scotland Counter Fraud Services
- NHS Northern Ireland Counter Fraud Services
- Wales Audit Office
- Welsh Government Counter Fraud
- Wales Fraud Forum
- Health Inspectorate Wales

10.2 CFS Wales host a six-monthly LCFS forum where current economic crime trends and recent investigations are discussed and reviewed. Key skills training development sessions and good practice are also covered in order to ensure compliance with CPD requirements. The forums are well attended by NHS Wales LCFS and form a valuable networking and intelligence sharing opportunity.

10.3 The CFS Wales Manager and the NHSCFA Quality Assurance Lead for Wales also arrange regular meetings for Lead LCFS. This provides a smaller forum where current economic crime risks, proactive work in the practitioner services sector and developing trends and priorities can be discussed in more detail.

## 11 National Fraud Initiative

11.1 The National Fraud Initiative (NFI) is a biennial exercise which matches data between public and private sector bodies, with the aim of identifying, preventing and deterring potentially fraudulent, duplicate or erroneous payments from the public purse.

11.2 The NFI in Wales is run by the Wales Audit Office, and all of the health bodies in Wales take part in the exercise. Since its commencement in 1996, the exercise has resulted in the detection and prevention of more than £30 million of fraud and overpayment in Wales.

## 12 Additional Assurance Sources

- 12.1 In addition to the work directly undertaken by the NHS Counter Fraud Authority, Counter Fraud Service Wales and the Local Counter Fraud Specialists, NHS Wales is also able to benefit from additional assurance provided by the work of other NHS stakeholders:

### **NWSSP Audit & Assurance**

The NWSSP Audit & Assurance function was formed in April 2011, and provides bi-lingual internal audit, specialist audit and consultancy services to the whole of NHS Wales. Their work centres on the provision of audit assurance through the independent and objective assessment of governance, risk management and internal control.

The Audit & Assurance function should not be relied upon to detect economic crime or other irregularities, and is not expected to have the expertise of a person whose primary responsibility is detecting and investigating fraud.

However internal auditors must have sufficient knowledge to evaluate the risk of economic crime and the manner in which it is managed by each health body, and give due regard to the possibility of economic crime and other irregularities in the work they undertake. They should seek to identify weaknesses in control that could permit fraud to occur and refer any fraud concerns to CFS Wales or the LCFS. An updated protocol was agreed in May 2018 between Audit & Assurance and the Lead LCFS at each health body in Wales.

### **NWSSP Primary Care Services (PCS)**

The NHS Wales Shared Service Partnership Primary Care Services function is responsible for undertaking Post Payment Verification (PPV) duties on behalf of Health Boards across Wales. PPV checks are undertaken 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 Dental Services part of the NHS Business Services Authority in England.

The purpose of the PPV process / Dental Services 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. Regular meetings now take place between PPV, CFS Wales and Lead LCFS to discuss potential economic crime issues and the PPV process.

Where PPV work identifies any potential economic crime concerns, these will be immediately notified to the health body's Finance Director, CFS Wales and LCFS for further investigation. The CFS Wales Manager and the Lead LCFS for the health body will discuss the referral and agree the most appropriate investigative resource to conduct initial enquiries into the issue.

## 13 Conclusion

- 13.1 Fraud has been identified as the crime that people are most likely to experience in the UK, and no individual or organisation is immune from the risk.
- 13.2 Economic crime in the NHS is unacceptable, and it is right and proper that the NHS in Wales should protect itself from the minority who would seek to deprive it of resources which are vital to the provision of high quality patient care.
- 13.3 The Welsh Government, working with key stakeholders within the NHS Wales community and beyond, is absolutely committed to reducing the level of economic crime within NHS Wales to an absolute minimum. The robust measures and collaborative working arrangements detailed in this document outline the comprehensive structures, systems and processes which have been put in place in order to achieve this aim.



## Appendix 1: Counter Fraud Steering Group Terms of Reference

|                              |   |
|------------------------------|---|
| <b>Purpose</b>               | The role of the CFSG is to provide strategic oversight and review of the Counter Fraud Service provided to NHS Wales. It will make recommendations for change to Welsh Government and to the NHS Wales Directors of Finance Group for adoption.   |
| <b>Authority</b>             | The CFSG will report to the NHS Wales Directors of Finance Group. The draft minutes of the Group will be reported to the Directors of Finance Group at the earliest opportunity after each meeting.<br><br>The Terms of Reference will be reviewed at least annually and approved by the NHS Wales Directors of Finance Group.  |
| <b>Chair</b>                 | The CFSG will be Chaired by a Director of Finance of an NHS Wales organisation.   |
| <b>Membership</b>            | <p><b>Chairman</b></p> <ul style="list-style-type: none"> <li>• Director of Finance of an NHS Wales organisation</li> </ul> <p><b>Steering Group Membership</b></p> <ul style="list-style-type: none"> <li>• Welsh Government, represented by the Head of NHS Wales Financial Management</li> <li>• Nominated Chair of an NHS Wales Audit Committee</li> <li>• Director of Finance, NWSSP</li> <li>• Director of Audit and Assurance, NWSSP</li> <li>• Director of Primary Care Services, NWSSP</li> <li>• Nominated representative from NHS Wales Directors of Finance Group</li> </ul> <p><b>In attendance</b></p> <ul style="list-style-type: none"> <li>• Operational Fraud Manager, CFS Wales</li> <li>• Nominated representative, NHSCFA</li> <li>• Nominated representative, LCFS Wales</li> <li>• Head of Corporate Services</li> <li>• Legal Solicitor</li> <li>• PA to Director of Finance, NWSSP (secretarial support)</li> </ul> <p><b>Observer</b></p> <ul style="list-style-type: none"> <li>• Wales Audit Office</li> </ul>  |
| <b>Meeting frequency</b>     | Initial meeting frequency to be determined by the Group. No less than quarterly.  |
| <b>Main responsibilities</b> | <ul style="list-style-type: none"> <li>• To provide strategic leadership and direction to the Counter Fraud Services provided to NHS Wales as a whole.</li> <li>• Develop a strategic direction for Counter Fraud Services across Wales which encompasses the three requirements of: <ol style="list-style-type: none"> <li>1. Inform and Involve those who work for or use the NHS about economic crime and how to tackle it.</li> <li>2. Prevent and Deter economic crime in the NHS to take away the opportunity for economic crime to occur or to re-occur and discourage those individuals who may be tempted to commit economic crime.</li> <li>3. Hold to account those who have committed economic crime against the NHS.</li> </ol> </li> <li>• Focus on improving proactive fraud work, including improving: <ol style="list-style-type: none"> <li>1. External communications, to educate and inform employees and the public;</li> <li>2. Fraud risk assessment;</li> <li>3. Data analysis and interrogation.</li> </ol> </li> <li>• To ensure that NHS Protect, CFS Wales and Local Counter Fraud Services are co-ordinated effectively and that the benefits of working across Wales are maximised.</li> <li>• Agree and approve the annual work plan for CFS Wales in association with NHS Protect.</li> <li>• Review the reporting arrangement process for CFS Wales.</li> <li>• Receive regular progress reports from CFS Wales.</li> <li>• Review the results of the quality assurance process for health bodies across Wales.</li> <li>• Review the Service Level Agreement and support arrangements provided by NHS Protect to NHS Wales.</li> <li>• Review performance measures for NHS Protect, CFS Wales and LCFS in Wales.</li> <li>• Make recommendations to Welsh Government and/or NHS Wales Directors' of Finance on changes to service provision.</li> <li>• To review Welsh Government Directions where appropriate and recommend changes.</li> </ul> |

## Appendix 2: The Counter Fraud Quality Assurance Process

### 1 Background

- 1.1 A key function of the NHS Counter Fraud Authority (CFA) is to quality assure the delivery of counter fraud, bribery and corruption work with stakeholders in order to ensure that the highest standards are consistently applied.
- 1.2 Using the Fraud, Bribery and Corruption Standards for NHS Bodies (Wales), NHSCFA support health bodies in Wales through regular benchmarking, compliance testing and evaluation of effectiveness. The quality assurance programme enables the analysis of trends and patterns in performance and provides robust assurance to stakeholders, including the Welsh Government.
- 1.3 The quality assurance programme has been shown to drive up standards through the use of monitored action plans, which ensure that counter fraud work carried out mitigates both national and locally identified risks.

### 2 Fraud, Bribery and Corruption Standards for NHS Bodies (Wales)

- 2.1 The Fraud, Bribery and Corruption Standards for NHS Bodies (Wales) were first produced in May 2013, and have subsequently been reviewed and updated on an annual basis. The current Standards are applicable to all NHS organisations in Wales, and are designed to ensure that counter fraud, bribery and corruption measures are implemented in accordance with the Minister for Health and Social Services Directions, and the service level agreement between the Welsh Government and NHS Counter Fraud Authority (formerly NHS Protect) under Section 83 of the Government of Wales Act 2006.
- 2.2 There are currently a total of 23 Standards which have been developed to support NHS organisations in implementing appropriate measures to counter fraud, bribery and corruption. They are grouped under the following four key principles:
  - Strategic Governance** – which sets out the standards in relation to the organisation’s strategic governance arrangements, with the aim of ensuring that counter fraud, bribery and corruption measures are embedded at all levels across the organisation.
  - Inform and Involve** – which sets out the requirements in relation to raising awareness of fraud, bribery and corruption risks against the NHS, and working with staff, stakeholders and the public to highlight the consequences.
  - Prevent and Deter** – which sets out the requirements in relation to discouraging individuals who may be tempted to commit economic crime against the NHS, and ensuring that opportunities for it to occur are minimised.
  - Hold to Account** – which deals with the requirements relating to detecting and investigating fraud, bribery and corruption, applying the appropriate sanctions, and seeking redress.
- 2.3 The quality assurance programme comprises of two main processes; assurance and assessment. The assurance process primarily focuses on an annual self review against the Standards, which is conducted by the organisation and submitted to the NHSCFA. The assessment process is then conducted by the NHSCFA Quality and Compliance team in partnership with the organisation.

## 3 Self Review

- 3.1 The self review process is facilitated via the completion of an online Self Review Tool (SRT), which enables the organisation to produce a summary of the counter fraud, bribery and corruption work carried out over the previous 12 months. Each health body is required to complete the SRT annually and submit it to the NHSCFA by a specified deadline.
- 3.2 The SRT utilises a traffic light system, with performance against each of the Standards being assessed as red, amber or green (RAG). This in turn generates an overall RAG rating for each Key Principle, and a final RAG rating for the organisation as a whole. Further detail on the red, amber and green ratings can be found at Section 5.

## 4 The Assessment Process

- 4.1 The assessment process is a means of evaluating a health body's effectiveness in dealing with the fraud, bribery and corruption risks it faces, and reviews all activity carried out during the two years immediately before the date of the assessment.
- 4.2 All completed SRT are reviewed by the NHSCFA Quality and Compliance team, and a risk-based decision is taken on which organisations are to receive an assessment visit, and which of the four types of assessment will be undertaken:

**Full Assessment** – This would normally take place where an organisation's counter fraud arrangements are identified as at significant risk, and involve an assessment of all key areas of activity outlined in the Standards.

**Focussed Assessment** – This would be undertaken in cases where an organisation either demonstrates a risk in a particular area of counter fraud activity, or effective practice in one or more areas. A focussed assessment will typically involve a review of activity in no more than two key areas.

**Thematic Assessment** – This would typically apply to a number of organisations and may be conducted regionally or across organisations of a similar type. The focus of such an assessment is likely to be fairly narrow, possibly only one Standard rather than the whole of a key area.

**Triggered Assessment** – At any stage during the year, organisations may be selected for a triggered assessment. These are driven by emerging risk, normally of a serious nature, which may come to the attention of the Quality and Compliance team through Senior Quality and Compliance Inspector (SQCI) liaison with other parts of the NHSCFA or the NHS CFS Wales Manager. If an organisation is selected for a triggered assessment, this can be either Full or Focussed.

- 4.3 Prior to any assessment visit, the SQCI will notify the organisation of the date and type of assessment to be undertaken, and will request information from the organisation in relation to the areas that will be reviewed. This information enables the SQCI to formulate relevant questions in advance, and assist in the review of further evidence collected during the course of the visit.
- 4.4 During the course of the visit, the SQCI will speak to the Lead Counter Fraud Specialist in relation to the work conducted. Depending on the area of enquiry and the type of assessment being conducted, the SQCI may also wish to speak to the member of the Executive Board responsible for overseeing counter fraud, bribery and corruption work, and any other key staff deemed appropriate.

- 4.5 Based on a review of the evidence gathered and meetings held during the site visit, the SQCI will draft an assessment of the organisation's performance in implementing each of the Standards included in the review, together with any relevant recommendations for the organisation to take forward. The draft ratings and recommendations will then be discussed at a closing meeting. At this stage, it is expected that the rating, recommendations and proposed actions can be agreed.
- 4.6 A finalised report will follow the site visit within four weeks. The report will outline the findings of the visit in full and include the ratings and recommendations discussed and agreed at the closing meeting. Within another four weeks, the organisation is expected to complete an action plan for the recommendations and return it to the SQCI.
- 4.7 Where it is deemed necessary in the opinion of the SQCI, some organisations may be subject to a further assessment visit between nine and twelve months following the original. This second review should only focus on the progress made against recommendations following the original, unless there are significant matters which have arisen in the meantime.

## 5 Performance Ratings

5.1 As a result of both the assurance and assessment processes, organisations are rated as being at a level of **RED**, **AMBER** or **GREEN** depending on how well they have performed against the NHSCFA requirements.

5.2 The definitions for each performance level are as follows:

### **RED – Non-Compliance**

A risk has been identified but no action has been taken to mitigate it, or the action taken is insufficient in scope.

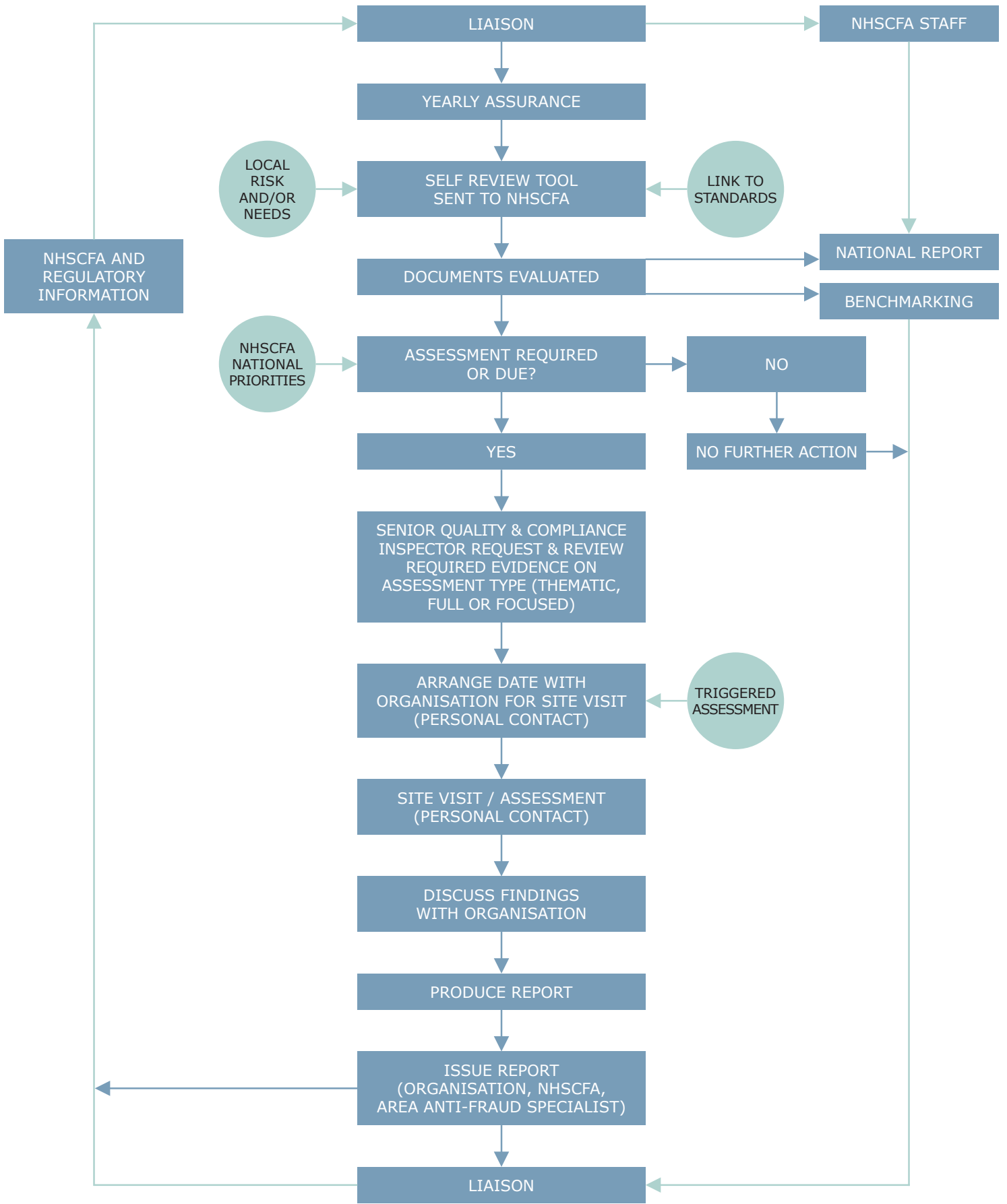
### **AMBER – Partial compliance, but little or no impact of work undertaken**

A risk has been identified and action has been taken to mitigate that risk. There is evidence of compliance through outputs. However, the effectiveness of the work undertaken has not yet been evaluated, or there is no reduction of the risk. There is therefore little or no evidence of outcomes.

### **GREEN – Full compliance demonstrating impact of the work**

A risk has been identified, work has been carried out and the effectiveness of this work has been measured. The risk has been mitigated, or significant progress has been made in mitigating the risk. Outcomes are therefore present.

5.3 Organisations which fulfil the NHSCFA requirements and can provide evidence of this through evaluation, can determine performance to be **GREEN** for that Standard. Organisations which can provide evidence of activity carried out, but cannot yet demonstrate that the activity has been assessed for effectiveness will determine performance to be **AMBER** for that Standard. Organisations which have carried out no activity or do not have evidence of sufficient activity will need to determine performance at the **RED** rating. Each rating reached for each standard contributes to an overall rating for the relevant key area of activity, as well as an organisational rating for achievement against all of the Standards.



**Appendix 3**

**FRAUD AWARENESS PRESENTATIONS 2016/17  
 FEEDBACK ANALYSIS**

|   | <b>Strongly Agree</b> | <b>Agree</b> | <b>Not Sure</b> | <b>Disagree</b>   | <b>Strongly Disagree</b> | <b>N/A</b> |
|---|-----------------------|--------------|-----------------|-------------------|--------------------------|------------|
| The session highlighted and helped clarify what types of fraud are committed in the NHS, and the examples used will help me identify potential areas of fraud in the future | <b>63.5%</b>          | <b>36.2%</b> | <b>00.3%</b>    | -                 | -                        | -          |
| The examples of fraud used are an effective deterrent to further fraudulent activity  | <b>61.5%</b>          | <b>36.8%</b> | <b>1.6%</b>     | <b>&lt;00.10%</b> | -                        | -          |
| I am aware that the Health Board has published Standards of Business Conduct for LHB staff which sets out standards of acceptable behaviour, and I know how to access them. | <b>56.1%</b>          | <b>40.8%</b> | <b>2.9%</b>     | <b>0.2%</b>       | -                        | -          |
| I am aware that the organisation has a Counter Fraud Policy & Response Plan in place for dealing with reported suspicions of fraud, and I know how to access it.            | <b>58.7%</b>          | <b>39.6%</b> | <b>1.6%</b>     | -                 | <b>&lt;00.10%</b>        | -          |
| I am aware that the organisation has a Bribery Policy in place and that I must report any offers of gifts or hospitality received.  | <b>61.4%</b>          | <b>37.8%</b> | <b>0.8%</b>     | -                 | -                        | -          |
| I know how to contact the Health Board Counter Fraud Specialists to report suspicions of fraud, bribery or corruption.  | <b>61.8%</b>          | <b>36.7%</b> | <b>1.5%</b>     | -                 | -                        | -          |

|  | <b>Just Right</b> | <b>Too Long</b> | <b>Too Short</b> |
|--|-------------------|-----------------|------------------|
| I consider the duration of this session to be: | <b>96.7%</b>      | <b>2.6%</b>     | <b>0.7%</b>      |