



NHS WALES
Public Health Wales

Annual Counter Fraud Report
01/04/2021- 31/03/2022

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1. INTRODUCTION

This Counter Fraud Annual Report has been written in accordance with Welsh Government Directions on Fraud and Corruption, which requires Local Counter Fraud Specialists (LCFS') to provide a written report at least annually to Public Health Wales (PHW) on Counter Fraud work undertaken. All NHS organisations, in compliance to their service conditions of their NHS standard contract, must comply with the NHS Counter Fraud Authority's (NHSCFA's) fraud, bribery and corruption standards for providers.

This annual report will highlight the activities undertaken by the LCFS team, and demonstrate how they have delivered their counter fraud, bribery and corruption activities. Additionally, in compliance to the NHSCFA's standards for providers, this annual report will also document and present the following details,

- Days used to deliver counter fraud, bribery and corruption work
- The cost of counter fraud, bribery and corruption work carried out during the year
- Details of any risk based proactive exercises conducted during the year
- The number of information reports and cases recorded on the NHSCFA Case management system
- Number and type of sanctions imposed, including recoveries made

This report has been complimented throughout the year with detailed progress reports presented to the Audit Committee and additional briefings being presented to the Executive Director of Finance. Following acceptance and approval by the Audit Committee, this Counter Fraud Annual Report is distributed to the NHS Counter Fraud Service (Wales) and is available to the NHSCFA Quality Assurance Team for review if requested.

The NHSCFA is a Special Health Authority charged with identifying, investigating and preventing fraud within the NHS and the wider health groups. The legislation which created the NHSCFA transferred all functions and powers from NHS Protect to the NHSCFA. The NHSCFA is independent from other NHS bodies and is directly accountable to the Department of Health and Social Care (DHSC). For more information, the NHSCFA website is www.cfa.nhs.uk. For the purposes of this report, the term 'fraud' refers to a range of economic crimes, such as fraud, bribery and corruption or any other illegal acts committed by an individual or group to make a financial or professional gain, or to cause an economic loss.

2. SUMMARY OF COMPLIANCE

In January 2021, the NHS rolled out new counter fraud requirements for NHS-funded services in relation to the Government Functional Standard GovS 013: Counter Fraud. The NHSCFA worked closely with a wide range of stakeholders to ensure that the NHS Counter Fraud Requirements had greater consistency and remained fit for purpose for organisations, including providers and commissioners. The standards apply to all NHS funded services (those receiving partial or full NHS funding). The purpose of the Government Functional Standard is to set expectations for the management of fraud, bribery and corruption risk across government and wider public services, and to reinforce the government's commitment to fighting fraud against the public sector. The final engagement which sealed the implementation of the Government Functional Standard GovS 013: Counter Fraud occurred at the All Wales DoF's meeting on 19th February 2021.

The LCFS' has demonstrated compliance towards the recognised standards as detailed below.

Compliance is Measured as follows:

Green – fully compliant

Amber – partially compliant

Red – non-compliant

(A comprehensive breakdown of the actions undertaken by the LCFS team in direct measurement against the Standard requirements for 2021-2022 will be recorded in the NHS CFA Functional Standard Return. This is due for completion by 31st May 2022. This document will be completed by the Counter Fraud Manager and is required to be submitted to the Director of Finance and the Audit Committee Chair for sign-off prior to submission to the NHS CFA. This document will be made available to the Audit and Assurance Committee upon sign -off.)

- **Accountable Individual and Audit Assurance**

The LCFS' overall governance is held by the Executive Director of Finance. The LCFS' has ensured to notify him of any referrals received and regular updates are provided throughout the investigation process. Additional to this, the LCFS' makes sure to extend this exchange of information to ensure that where appropriate, the senior workforce members are briefed where aspects of a Counter Fraud investigation may overlap with that of a

disciplinary concern. During the course of the year regular updates are provided to the DoF, the Counter Fraud Champion and other senior managers where appropriate.

The LCFS is a member of the Audit Committee and as such provides regular progress reports of Counter Fraud work undertaken throughout the year. All quarterly progress reports have been provided to committee. The Annual Report has now been completed and submitted. The Annual Plan has now been completed in draft form and awaits approval from DoF and Audit Committee. The Govt Standard Functional return has not yet been completed but the aim is to do so by 31st May 2022. There has been a delay in the reporting of in this end of year period due to the change of management within the counter fraud department.

GREEN

- [Counter Fraud Bribery and Corruption Strategy / Policy and Response Plan](#)

The organisation has a Counter Fraud, Bribery and Corruption Policy. This policy is due for review in April 2022. This review to ensure that it is fully aligned to the NHS CFA strategy. The policy is available to staff via the Intranet and has been promoted during fraud awareness work carried out by the team throughout the year. Further work will be carried out in the year ahead to ascertain if possible to make the relevant documents more visible. The LCFS team this year has ensured to align its counter fraud, bribery and corruption work to the recent changes in NHSCFA counter fraud, bribery and corruption requirements.

GREEN

- [Risk Assessment](#)

The LCFS' team have, where appropriate continued to effectively work across the service to share expertise and guidance around fraud proofing, risks and vulnerability. Counter Fraud maintain a direct review and input role in relation to policy which aims to strengthen the wider practices to reducing the risk of fraud through poor policy or governance controls. Throughout the upcoming year this will be strengthened further with a full review into the relevant policies related to Counter Fraud Work. Where local risks are identified, assessment work is been carried out accordingly. During the course of the year work has been undertaken also in relation to Mandate Fraud Risk, Invoice Fraud Risk, Supplier Fraud Risk (this has been informed by a Thematic Assessment exercise implemented by the NHS CFA. A review of the work carried out thus far will be undertaken in 22/23) Work has also been carried out in relation to Pre-employment checks involving the

use of agency staff. This work is now complete and has been reported earlier via the counter fraud progress reports. Due to the implementation of a new risk management reporting style adopted by the NHS CFA, a delay in training, and the service being stretched for a significant part of the year not all of this work has been recorded in the new format. All new risk work will now align to this methodology and be reported upon the CLUE case management system and locally through the AAC process and in line with the local procedure. Relationships and information sharing has continued throughout the year between LCFS and key contacts in key areas. A review of the joint working protocols in place between LCFS and these departments will take place throughout the year ahead.

AMBER

- **Annual Action Plan**

An annual action plan has been completed for the year ahead that has been produced in direct alignment to the new Government Standard 13. This document currently awaits agreement and sign off from the DoF and subsequent ratification by the Audit Committee. Progress of the LCFS teams work will be reported periodically at the Audit Committee. Due to the nature of Counter Fraud work the plan remains broad, flexible and subject to change throughout the year as new risks and requirements are identified.

GREEN

- **Outcome Based Metrics**

Throughout the year the work of the LCFS team has constantly been measured and statistics produced. This has been carried out in the areas of raising awareness, investigation, risk, awareness, joint working, strategic planning, sanctioning, and financial loss and recovery. The service has been successful in documenting direct results. Further work is being implemented in Q1 of the year ahead to routinely collect data in relation to further areas that will assist in being able to directly measure the effectiveness of strategies implemented and work carried out. For example, the effectiveness of a new interactive internal Fraud Enquiry / Reporting tool being implemented, promoted and publicised, will be directly measured against a rise or fall in the amount of contact that is made by staff members. Further monitoring of risk work carried out will be implemented to introduce periodic review in order to assess any savings made.

AMBER

- **Reporting Routes**

Staff have been made aware throughout the year of the reporting routes available to them. In the last year these included direct contact with the team via email, phone and in person, the use of the online CFA reporting tool, the National Reporting Hotline maintained by Crime stoppers, and an internal reporting form. All instances of fraud reporting have been initially assessed and those that are furthered to formal investigation have been recorded on the case management system (CLUE) and reviewed accordingly. New reporting methods are being introduced this year as laid out in the annual plan.

AMBER

- **Reporting Identified Loss**

The CF team has reported all incidents of suspected fraud, bribery using the CLUE management system that was introduced on 9th April 2021. This reporting tool is used to record all investigations, sanctions, recoveries and losses and also has a mechanism to record system weakness and Local Proactive Exercise work. This system has been supervised by CFS Wales and all information has been used to inform progress reporting to Audit Committee and CFS Wales.

GREEN

- **Access to trained investigators**

At the start of the year the organisation employed three fully trained and accredited investigators that were supported by a full-time administrative support assistant. One of these investigators was off work on sickness leave and remained so throughout the year. The administrative support assistant left in September 2021. The team were joined by a further investigator in January 2022. This team member is at the time of reporting three quarters of the way into an accreditation qualification. This is due to be completed in June 2022. The team have been under staffed for the majority of the year and have provided extra time and been bolstered throughout the year with assistance from the CFS Wales team and members of other NHS Wales teams on an ad hoc basis in order to ensure successful provision of the Counter Fraud Plan for 2021-2022.

GREEN

- **Undertake Detection Activity**

Where anomalies are identified through counter fraud work e.g. investigations, the CF team strives to carry out detection activity to assess whether there are any weaknesses present. Where this is the case corrective activity is proactively undertaken to mitigate the identified risk. Regular liaison takes place with internal audit in order to understand risks identified by them in order to identify and inform upon Fraud Risk. Data mining has also been undertaken within the context of the NFI database. The majority of matches have now been closed in relation to this year's exercise. No investigations in this area have identified fraud. Further work required to understand the bespoke nature of PHW in order to ascertain where proactive detection work would be most effective.

AMBER

- **Access to and Completion of Training**

Due to the COVID situation fraud awareness sessions to staff members have been significantly disrupted. However remotely delivered sessions have been created and delivered where possible. The plan for the year ahead is to get back to in room presenting and making sure that Fraud Awareness is mandatory at corporate induction. All wales fraud awareness training has remained available throughout via ESR. A counter fraud newsletter has been published quarterly in order to keep staff appraised. CF team staff have attended all sessions of training provided by CFS Wales and NHS CFA and a number of webinars from NHS CFA have also been undertaken in relation to update training into areas such as risk assessment and CLUE implementation.

GREEN

- **Policies and Registers for Gifts and Hospitality and Conflicts of Interest**

The organisation has in place policies and registers in compliance with this requirement. The register of Conflicts is managed by the Director of Governance and where appropriate liaison with CF can be sought.

GREEN

3. Allocation of Resources

At 31st March 2022 95 days of Counter Fraud work have been completed against the agreed 100 days in the Counter Fraud Annual Work-Plan for the 2021/22 financial year as shown below. The days have been used investigating allegations of fraud; interviewing witnesses; preparing, delivering and analysing the feedback from the fraud awareness presentations; preparing quarterly and annual reports for, and attending, the organisation's audit committee meetings; interviewing suspects; and carrying out a risk assessment work including an exercise on pre-employment checks conducted by agencies which supply staff to the organisation, and reviewing the areas of risk raised in the CFA Thematic assessment document.

Strategic Requirements 37 Days

(inclusive of corporate governance undertaking, attendance of departmental team at staff training events, report writing, planning and attendance all wales meetings.)

Proactive Work 50 Days

(inclusive of fraud awareness sessions, and publicity work such as newsletters and bulletins, system weakness reviews and reporting, Local Proactive work eg pre-employment Risk Assessment. NHSCFA procurement exercise, and National Fraud Initiative work.)

Reactive Work 8 Days

(inclusive of the investigation of all referrals, preparation of reports for disciplinary processes.)

4. Summary of Costs *(based upon £230 per day)*

Proactive Costs	£23,352.00
Reactive Costs	£2148.00
Total Costs	£25,500.00

5. Breakdown of Investigative work areas

At 1st April 2021 a total of 0 investigations were open and being investigated by the team. There have been 2 referrals promoted to investigation during the reporting period. (1) Information was received that an employee of Public Health Wales was working elsewhere while on long-term sick leave from her post. After being interviewed as part of the return to work process a phased return to work programme was agreed. It is was agreed with Directorate Management that further investigation would be detrimental to the subject's recovery and not in the public interest nor in the interest of the organisation to pursue the matter further from the point of view of a criminal prosecution. The matter was pursued internally and advice and reflection applied as the sanction. (2) An applicant for a role at PHW was suspected of having falsified qualifications. A CF investigation followed and this was found to be the case. The applicant was not given the role. This was not in the public interest to pursue to criminal prosecution and the fact that she was unsuccessful as a result of her dishonesty was a proportionate outcome.

A brief summary of allegations received throughout the year is provided in the table below.

Offence	No. of Referrals	Type
False Representations	1	Working elsewhere whilst sick
False Representations	1	False Claims on Application form

6. Sanctions and Recoveries

During the financial year the team has achieved the following sanctions and recoveries.

Disciplinary Sanctions	1
Criminal Sanctions	0
Civil Sanctions	0
Recoveries	NA

In the upcoming year savings attributed to fraud risk identification and remedy will also be recorded.

7. Fraud Awareness

During the period 1st April 2021 – 31st March 2022 a total of 4 awareness sessions were delivered to staff members across the organisation. A total of 60 staff were presented to. The feedback from these presentations was positive.

8. Lines of Reporting

CEO	
Director of Finance	Huw George
Head of Counter Fraud	Gareth Lavington
LCFS	Nigel Price
LCFS	Emily Thompson
LCFS	Henry Bales

9. Executive Sign Off / Declaration

I declare that the Counter Fraud work carried out on behalf of PHW for the year 2021/2022 has been reviewed against the NHSCFA requirements (as stipulated in the Government Functional Standard 13). The ratings that have been achieved are reported above and meet that standards set as shown.

Head of Counter Fraud: Gareth Lavington

Executive Director Finance: Huw George

Date: /2022