



**NHS WALES**  
**Public Health Wales**

**Annual Counter Fraud Report**  
**01/04/2022- 31/03/2023**

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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 incident reports and cases recorded on the NHSCFA Case management system
- Number and type of sanctions imposed, including recoveries made.

Further to this at Appendix 1 performance figures relating to the activities of the Counter Fraud Team for the financial year are provided. (In future this will include year on year benchmarking figures) The aim of this is to provide relevant outcome based metric data to identify areas of strength and areas of need. This will assist in informing work that is required for the following year.

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 will be distributed to the NHS Counter Fraud Service (Wales) and is available to the NHSCFA Quality Assurance and compliance 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](http://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 Directors of Finance meeting on 19<sup>th</sup> February 2021.

The section below highlights how LCFS' has demonstrated compliance towards the recognised standards, with some of the key aspects summarised. The NHS CFA measures compliance as follows: **Green – fully compliant**; **Amber – partially compliant**; **Red – non-compliant**. The self-assessment provided below, is monitored and tested by the NHS Counter Fraud Authority by way of compliance visits to the local team.

*(A similar 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 31<sup>st</sup> 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.)*

- **Accountable Individual and Audit Assurance**

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

disciplinary concern. During the course of the year regular updates and meetings have taken place between the LCFS and DoF, Head of Internal Audit, the Counter Fraud Champion and other senior managers where appropriate.

The LCFS is an invited member of the Audit Committee and as such has presented regular progress reports of Counter Fraud work undertaken throughout the year. All quarterly progress reports have been provided to committee in a timely manner in order that they are appraised prior to the meetings. The Counter Fraud Manager has attended as required any Audit Committee pre-meetings with the Independent Members, Internal Audit and Audit Wales. The Annual Plan has now been completed in and awaits approval from Director of Finance and Audit Committee. The Govt. Standard 013; NHS Requirements Functional return has been completed and submitted to the NHS Counter Fraud Authority Compliance Team.

### GREEN

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

The organisation has a Counter Fraud, Bribery and Corruption Policy. This has been reviewed, updated and amended to ensure that it is fit for purpose and fully aligned to the NHS CFA strategy. The policy has now been approved and is available to staff via the Intranet and will continue to be 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 year the team has carried out risk profiling work in relation to the organisation. Over one hundred and fifty inherent fraud risks to all NHS Organisations have thus far been identified by the NHS Counter Fraud Authority. These are not all relevant to all organisations. Fourteen (14) Fraud Risks have been identified as being directly relevant to Public Health

Wales. A report of this Risk Profile has been provided to Audit Committee (February 2023). Work has commenced into carrying out comprehensive fraud risk assessments into these areas. The Organisational Fraud Risk Profile will remain a 'living' document. Further to the inherent risks known, specific risks are also added to the profile as they arise as a result of investigation or external reporting e.g. Thematic Exercise, Fraud Prevention Notice, Local Intelligence Report. (A breakdown of the risk assessments carried out is provided below.) Where local risks have been identified, assessment work has been carried out accordingly.

During the course of the year, work continued to be undertaken in relation to the NHSCFA Thematic Exercise that was delayed due to the Covid Pandemic (Mandate Fraud Risk, Invoice Fraud Risk, Supplier Fraud Risk). A compliance visit was carried out in October by the NHSCFA compliance and accountability team. The result of this visit was positive.

In order to comply with the organisational risk management policy a new system of reporting has been introduced. A new Fraud Risk Assessment Document that complies with local procedure has been developed and implemented. All fraud risk work is now reported on the CLUE case management system that is maintained by the Counter Fraud Team. Each reported fraud risk remains open with a review date placed upon it. This is to ensure that fraud risks remain under constant review. Every fraud risk that is assessed is now reported to relevant stakeholders by way of the new document. If appropriate requests are then made for this risk to be added to the local risk register. All fraud risk assessment work is reported to the Audit Committee by way of quarterly progress reports and this will in the coming year include the Fraud Risk Profile document for the organisation to provide an overview of the fraud risk position. Further in-house training has been provided to staff to ensure consistency in approach.

This is reported as partially compliant at the time of reporting due to the relatively new introduction of the methodology and processes, and due to the backlog of reporting of the fraud risks to the organisation thus far. It is anticipated that full compliance will be achieved within Quarter 1 of the new financial year.

It is anticipated that the All Wales risk reporting module on Datix will be introduced later this year that will add further assurance to this model.

## **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 has approval / agreement and sign off from the Director of Finance and has been submitted to Audit Committee for approval. 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 flexible and subject to change throughout the year as new risks and requirements are identified, and investigation referrals received.

## GREEN

### ■ Outcome Based Metrics

Throughout the year new data systems have been developed and implemented with the aim of assisting in recording the work of the LCFS team. These new systems supplement existing systems such as ESR, CLUE case management, NFI, and All Wales Statistical reporting. These are constantly measured and statistics produced as at Appendix 1. 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. The collection and review of these figures aims to identify the effectiveness of the team and its activity in all areas of its work with a view to the identification of areas that are proving effective and areas that may require further resource or improvement.

## GREEN

### ■ Reporting Routes

Staff and contractors 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 interactive 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 introduced this year involving QR coding, generic email address and Interactive Referral forms have proven effective. They have been publicised by way of the Intranet system, the Counter Fraud Intranet Suite, placement of posters at key venues, Fraud Pop Up stalls, screen saver messaging, all staff News emailing and via awareness sessions. This will continue throughout the upcoming year.

## GREEN

- **Reporting Identified Loss**

The CF team has reported all incidents of suspected fraud, bribery using the CLUE management system that was introduced on 9<sup>th</sup> 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. All identified loss to fraud is reported in the Annual report. This year for the first time, in compliance with the NHS CFA requirements, figures in relation to prevention have also been recorded and are reported in the body of this document.

**GREEN**

- **Access to trained investigators**

At the start of the year the organisation employed three fully trained and accredited investigators (ACFS) and one fully qualified investigator undertaking accreditation. This accreditation was achieved in July 2022. During the course of the year one full time team member left for another role. This resulted in the team being understaffed by 25% for a period of time totalling one quarter. A recruitment campaign successfully attracted a new team member that commenced in the role in January 2023. This team member is already qualified and accredited. Therefore, at the close of the financial year, the team is made up of four qualified and accredited Counter Fraud Specialist investigators.

**GREEN**

- **Undertake Detection Activity**

Where anomalies have been 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. A PPV programme is undertaken by the organisation and the Counter Fraud Manager attends quarterly meetings in relation to this. Final reports are submitted to counter fraud, and where appropriate an investigation will be started in relation to outlier information. There has been no requirement to commence any investigation as a result of PPV reporting in this year. Regular liaison has taken place with the head of internal audit. Data mining



has also been undertaken within the context of the NFI database and all investigations carried out in relation to the 2020-2021 exercise have now been successfully closed. The new NFI exercise went live on 27<sup>th</sup> January 2023 and the investigation of high risk matches has begun. All referrals to the team have been fully investigated. All actions taken by the CF team in relation to work in this area have been reported accordingly on CLUE inclusive of any recoveries/preventions made.

## GREEN

- [Access to and Completion of Training](#)

Due to the aftermath of the COVID situation fraud awareness sessions to staff members continue to be disrupted. However, the team have successfully commenced a program of in person sessions to different staffing cohorts. Remotely delivered sessions have continued in support of this. A new program of remote webinar Fraud Training Sessions and Q and A sessions have been developed and implemented and are open to all members of staff within the organisation. They take place twice a month focussing on General Fraud Awareness and Mandate fraud awareness every other week. It is too early to measure how effective this roll out will be. This requires pre-registration and continues to be advertised throughout the organisation via the communications department.

All wales fraud awareness training has remained available throughout the year via ESR. The report at Appendix 1 shows the uptake of this training module. This module remains non-mandatory training.

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. A full breakdown of Staff CPD undertaken is provided at within the report at Appendix 1.

## 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 2023 **110** days of Counter Fraud work have been completed against the agreed 100 days in the Counter Fraud Annual Work-Plan for the 2022/23 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; and carrying out a risk assessment activity.

Strategic Requirements 30 Days

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

Proactive Work 51 Days

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

Reactive Work 29 Days

*(inclusive of the investigation of all referrals, attendance at court hearings, preparation of reports for disciplinary processes, preparation of reports for professional body investigations.)*

### 4. Summary of Costs

<b>Total Costs</b>	<b>£ 27,824</b>
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### 5. Breakdown of Investigative work areas

At 1<sup>st</sup> April 2022 a total of (0) investigations were open and being investigated by the team.

During the course of this financial year a total of (4) new referrals have been received and investigated by the team. A total of (4) cases have been promoted

to formal investigation. At 31<sup>st</sup> March 2023 there are (0) live cases being investigated by the team on behalf of PHW.

## 6. Sanctions and Recoveries

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

<b>Disciplinary Sanctions</b>	<b>1</b>
<b>Criminal Sanctions</b>	<b>0</b>
<b>Professional Sanctions</b>	<b>0</b>
<b>Financial loss attributed to fraud related activity</b>	<b>£0</b>
<b>Financial Recoveries</b>	<b>£0</b>
<b>Financial Prevention *</b>	<b>£0</b>

\* as defined by the NHS CFA formula and requirement.

## 7. Fraud Awareness

During the period 1<sup>st</sup> April 2022 – 31<sup>st</sup> March 2023 a total of (7) awareness sessions were delivered to staff members across the organisation. A total of (22) staff were presented to. The feedback from these presentations was positive.

## 8. Fraud Risk Assessments

During the course of the year a Fraud Risk Profile has been developed for the organisation. This has been presented through audit committee. It is intended to be a live document subject to review and will be presented in each future Counter Fraud Progress report submitted to Audit Committee. As it develops, it will inform future detection and compliance activity via the use of Local Proactive Exercise. The Fraud Risk Profile details the risks identified as inherent to the organisation as identified by the NHS Counter Fraud Authority and the local Counter Fraud Manager. Local/Specific risks will be added to the profile as they arise. These will be informed externally by Fraud Prevention Notices, and intelligence from other agencies and organisations; and, internally, from identified system weakness reporting post/during investigation work.

During this year the following subject areas have been subject to Fraud risk assessment work by the team:

- Mandate Fraud
- Cyber Enabled Mandate Fraud
- Credit Card Use
- Staff Expenses

Formal fraud risk assessment documents are outstanding in the areas underlined. These reports are being worked upon presently. Assurance is provided however that all proactive work carried out as the result of FPN and IBURN notices issued in relation to these risks is currently mitigated as far as possible with robust procedures and processes already in place.

## 9. Lines of Reporting

**CEO** – Tracy Cooper

**Executive Director of Finance** – Huw George

**Counter Fraud Manager** – Gareth Lavington

**LCFS** – Nigel Price

**LCFS** – Nicola Tillings

**LCFS** – Henry Bales

## 10. Executive Sign Off / Declaration

I declare that the Counter Fraud work carried out on behalf of Public Health Wales for the year 2022-2023 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.

Executive Director Finance: Huw George

Date: /2023