



**GIG**  
CYMRU  
**NHS**  
WALES

Iechyd Cyhoeddus  
Cymru  
Public Health  
Wales

**Reference Number:**  
PHW08/TP01

**Version Number:** 1

**Date of next review:** March  
2022

## **Counter Fraud and Corruption Procedure**

### **Introduction and Aim**

This procedure supports the Public Health Wales Counter Fraud and Corruption Policy and provides a framework to ensure that Public Health Wales provides a secure environment in which to work, and one where people feel confident to raise concerns in good faith without fear of reprisal, recrimination or victimisation.

This also extends to ensuring that staff feel protected when carrying out their official duties and that they are not placed in a vulnerable position. If staff have concerns about any procedures or processes, or aspect of work, that they are asked to be involved in, Public Health Wales has a duty to ensure that those concerns are listened to and addressed.

Staff are in the best position to recognise any specific risks within individual areas of responsibility. They have a duty to ensure that those risks however large or small are identified, attended to and eliminated.

### **Linked Policies, Procedures and Written Control Documents**

This procedure should be read in conjunction with the following policies:-

- Counter Fraud Policy
- The Fraud Act 2006
- The Bribery Act 2010
- Concerns, Complaints and Claims Handling (Putting Things Right) Policy
- Procedure for NHS Staff to Raise Concerns
- Public Health Wales Standing Orders and Reservation and Delegation of Power

### **Scope**

This procedure relates to all forms of fraud and corruption and is intended to provide direction and help to members of staff who may identify suspected fraud.

It is intended to provide a framework for responding to suspicions of fraud, advice and information on various aspects of fraud and implication of an

investigation. It is not intended to provide a comprehensive approach to preventing and detecting fraud and corruption.

This procedure applies to all Public Health Wales staff including secondees, those with honorary contracts, agency workers, non-executive directors, and those working in or with bodies hosted by Public Health Wales. Also other parties who may have a business relationship with Public Health Wales e.g. consultants, vendors or contractors.

<b>Equality and Health Impact Assessment</b>	An EHIA has been completed.
<b>Approved by</b>	Audit and Corporate Governance Committee
<b>Approval Date</b>	14 March 2019
<b>Review Date</b>	14 March 2022
<b>Date of Publication:</b>	27 March 2019
<b>Group with authority to approve supporting procedures</b>	Audit and Corporate Governance Committee
<b>Accountable Executive Director/Director</b>	Huw George, Deputy Chief Executive and Executive Director of Operations and Finance

**Disclaimer**

**If the review date of this document has passed please ensure that the version you are using is the most up to date either by contacting the document author or [Corporate Governance](#).**

# Contents

- 1 INTRODUCTION ..... 5**
  - 1.1 The NHS Counter Fraud Service..... 5
- 2 PROCEDURE AIMS AND OBJECTIVES..... 5**
- 3 DEFINITIONS ..... 6**
  - 3.1 Fraud ..... 6
  - 3.2 Common types of fraud ..... 6
  - 3.3 Corruption ..... 7
- 4 ROLES AND RESPONSIBILITIES..... 7**
  - 4.1 Chief Executive..... 7
  - 4.2 Deputy Chief Executive and Director of Operations and Finance. 8
  - 4.3 Local Counter Fraud Specialist ..... 8
  - 4.4 Managers..... 8
  - 4.5 Staff ..... 8
  - 4.6 Internal and external audit ..... 8
  - 4.7 People Team ..... 9
  - 4.8 Head of Information Management and Technology ..... 9
  - 4.9 Head of Communications ..... 9
  - The Head of Communications is responsible for supporting the Local Counter Fraud Specialist in making staff aware of the Counter Fraud policy and of building a counter fraud culture in Public Health Wales. .... 9
- 5 PUBLIC HEALTH WALES APPROACH TO FRAUD AND CORRUPTION..... 9**
  - 5.1 The creation of an anti-fraud culture ..... 9
  - 5.2 Maximum deterrence of fraud.....10
  - 5.3 Successful prevention of fraud which cannot be deterred .....10
  - 5.4 Prompt detection of fraud which cannot be prevented .....10
  - 5.5 Professional investigation of detected fraud.....10
  - 5.6 Effective sanctions, including appropriate legal action against people committing fraud and corruption .....10
  - 5.7 Effective methods for seeking redress in respect of money defrauded.....11
- 6 CODE OF CONDUCT ..... 11**
- 7 REPORTING AND DEALING WITH FRAUD OR CORRUPTION .. 11**
  - 7.1 Reporting fraud or corruption .....11
  - 7.2 Disciplinary action.....12
  - 7.3 Police involvement .....12
  - 7.4 Managing the investigation .....12
  - 7.5 Gathering evidence .....12
  - 7.6 Recovery of losses incurred to fraud and corruption .....13

7.7	Reporting the results of the investigation .....	13
7.8	Action to be taken.....	13
7.9	Timescales.....	13
7.10	Recording .....	13
<b>8</b>	<b>TRAINING.....</b>	<b>13</b>
<b>9</b>	<b>COMMUNICATION TO STAFF .....</b>	<b>14</b>
<b>10</b>	<b>MONITORING AND AUDITING.....</b>	<b>14</b>
<b>11</b>	<b>REVIEW .....</b>	<b>14</b>
<b>12</b>	<b>INFORMATION GOVERNANCE STATEMENT.....</b>	<b>14</b>
	<b>APPENDIX 1 NHS FRAUD AND CORRUPTION: DOS AND DON'TS..</b>	<b>15</b>
	<b>APPENDIX 2 NHS FRAUD AND CORRUPTION REFERRAL FORM</b>	<b>16</b>

# **1 Introduction**

This procedure supports the Counter Fraud and Corruption Policy. One of the basic principles of public sector organisations is the proper use of public funds. The majority of people who work in the NHS are honest and professional. They find fraud committed by a minority wholly unacceptable as it ultimately leads to a reduction in the resources available for the provision of services.

All members of staff have a duty to ensure that public funds are safeguarded and a duty to protect Public Health Wales from fraud, corruption or any other irregularity. Public Health Wales encourages anyone having reasonable suspicions of fraud to report them. If a member of staff has any concerns regarding fraud or corruption, or has seen any suspicious acts or events, they must report the matter to the nominated Local Counter Fraud Specialist, or the National Fraud Reporting Line or to the Director of Finance. Please refer to paragraph 9.1 of this procedure or to Appendix 1 for further information.

Public Health Wales is committed to the rigorous investigation of any fraud allegations and to taking appropriate action against wrong doers. This includes disciplinary action and criminal prosecution when it is necessary.

To meet its objectives, Public Health Wales has adopted the seven-stage approach developed by the NHS Counter Fraud Service as outlined in Section 8 of this procedure. This is designed to promote an anti-fraud culture and ensure that there are appropriate measures in place to deter, detect, address and prevent fraud.

## **1.1 The NHS Counter Fraud Service**

The NHS Counter Fraud Service (NHS CFS) which includes Counter Fraud Service Wales is part of the NHS Counter Fraud Authority. It has responsibility for all policy and operational matters relating to the prevention, detection and investigation of fraud and corruption and the management of security in the NHS. All instances where fraud is suspected are properly investigated until their conclusion by staff trained by the NHS CFS. Any investigations will be handled in accordance with the *NHS Counter Fraud and Corruption Manual*.

# **2 Procedure aims and objectives**

This procedure aims to discourage and eliminate NHS fraud and corruption within Public Health Wales as far as possible. It also aims to encourage the prevention and detection of such acts. It is intended to provide direction and help to members of staff who may identify suspected fraud. It provides

a framework for responding to suspicions of internal fraud, advice and information on various aspects of fraud and implications of investigation.

The main objectives of this procedure are to:

- Improve the knowledge and understanding of everyone in Public Health Wales about the risk of fraud and corruption within the organisation and its unacceptability;
- Assist in promoting a climate of openness and a culture and environment where staff feel able to raise concerns sensibly and responsibly;
- Set out Public Health Wales' responsibilities in terms of the deterrence, prevention, detection and investigation of internal fraud and corruption;
- Ensure the appropriate sanctions are considered following an investigation, which may include any or all of the following:
  - Internal/external disciplinary action;
  - Civil prosecution;
  - Criminal prosecution.

## **3 Definitions**

### **3.1 Fraud**

The definition for fraud used by NHS Protect is "the deliberate alteration of any financial statements or other records by persons, internal and/or external to the organisation, which is carried out in order to conceal the misappropriation of assets or otherwise for gain."

All offences under the Fraud Act 2006 occur where the act or omission is committed dishonestly and with intent to cause gain or loss. The gain or loss does not have to be actioned or have to succeed, so long as there is intent to carry out the act.

### **3.2 Common types of fraud**

Some of the most common types of fraud, which have been experienced by the NHS Counter Fraud Service, are as follows:

- Overstated times on timesheets for hours not worked;
- Staff working elsewhere despite having reported to be on sickness absence;
- Non Declaration of previous criminal convictions on Curriculum Vitae (CV) or Application Forms;

- Overstated qualifications and previous employment history on CVs or Application Forms;
- Claiming for journeys not undertaken or expenses not incurred;
- Using NHS revenue funds to purchase assets for own personal gain;
- Sale of NHS equipment on Internet websites for own personal gain.

### **3.3 Corruption**

This can be broadly defined as the offering or acceptance of inducements, gifts, favours, payment or benefit-in-kind which may influence the action of any person. Corruption may not always result in a loss, e.g. a person may use their position to give some advantage to another and may not benefit directly from doing so.

It is a common law offence of corruption to bribe the holder of a public office. It is similarly an offence for the office holder to accept a bribe.

Corruption prosecutions are most commonly brought within specific legislation dealing with corruption:

- the Public Bodies Corrupt Practices Act 1889;
- the Prevention of Corruption Acts 1889–1916;
- the Anti-terrorism, Crime and Security Act 2001.

## **4 Roles and responsibilities**

Public Health Wales has a duty to provide a secure environment in which to work, and one where people feel confident to raise concerns in good faith without fear of reprisal, recrimination or victimisation. This also extends to ensuring that staff feel protected when carrying out their official duties and that they are not placed in a vulnerable position. If staff have concerns about any procedures or processes, or aspect of work, that they are asked to be involved in, Public Health Wales has a duty to ensure that those concerns are listened to and addressed.

Staff are in the best position to recognise any specific risks within individual areas of responsibility. They have a duty to ensure that those risks – however large or small – are identified, attended to and eliminated.

### **4.1 Chief Executive**

The Chief Executive is liable to be called to account for specific failures in Public Health Wales' system of internal controls. Responsibility for the operation and maintenance of controls falls directly to line managers but it requires the involvement of all of Public Health Wales staff.

## **4.2 Deputy Chief Executive and Director of Operations and Finance**

The Deputy Chief Executive and Director of Operations and Finance , in conjunction with the Chief Executive, monitors and ensures compliance with Welsh Government directions regarding fraud and corruption.

## **4.3 Local Counter Fraud Specialist**

In line with guidance from the Welsh Government, Public Health Wales is required to appoint and nominate a Local Counter Fraud Specialist (LCFS).

## **4.4 Managers**

All managers must be vigilant and ensure that procedures to guard against fraud and corruption are followed. Managers must instil and encourage an anti-fraud and corruption culture within their team and ensure that information on procedures is made available to all staff.

## **4.5 Staff**

Public Health Wales' Standing Orders, Standing Financial Instructions, policies and procedures place an obligation on all members of staff and Non-Executive Directors to act in accordance with best practice.

**If a member of staff has any concerns regarding fraud or corruption, or has seen any suspicious acts or events, they must report the matter to the nominated Local Counter Fraud Specialist, or the National Fraud Reporting Line or to the Director of Finance. Please refer to paragraph 9.1 or to the form at Appendix 1 which explains the process for reporting fraud and corruption.**

**All referrals to Local Counter Fraud Specialist will be investigated on a case by case basis to establish whether or not there is a case to answer.**

## **4.6 Internal and external audit**

Any incident or suspicion that comes to internal or external audit's attention must be passed immediately to the nominated Local Counter Fraud Specialist. The outcome of the investigation by the Local Counter Fraud Specialist may necessitate further review by internal or external audit.

## **4.7 People Team**

The People Team will liaise closely with managers and the Local Counter Fraud Specialist from the outset if a member of staff is suspected of being involved in fraud and/or corruption, in accordance with agreed Human Resources/ Local Counter Fraud Specialist liaison protocols.

## **4.8 Head of Information Management and Technology**

The Head of Information Management and Technology will contact the Local Counter Fraud Specialist immediately in all cases where there is suspicion that IT is being used for fraudulent purposes. The Head of Information Management and Technology will also inform the People Team if there is a suspicion that a member of staff is involved.

## **4.9 Head of Communications**

The Head of Communications is responsible for supporting the Local Counter Fraud Specialist in making staff aware of the Counter Fraud policy and of building a counter fraud culture in Public Health Wales.

# **5 Public Health Wales approach to fraud and corruption**

Public Health Wales will take all necessary steps to counter fraud and corruption in accordance with this procedure, the Counter Fraud and Corruption Policy, the *NHS Counter Fraud and Corruption Manual*, the policy statement 'Applying Appropriate Sanctions Consistently' published by the NHS Counter Fraud Policy and any other relevant guidance or advice issued by the NHS Counter Fraud Policy.

Public Health Wales will implement the seven generic areas of counter fraud action, developed by the NHS Counter Fraud Service, as outlined in sections 7.1 to 7.7 below.

## **5.1 The creation of an anti-fraud culture**

Public Health Wales will use counter fraud publicity material such as fraud awareness sessions, counter fraud web page updates etc to inform those who work in Public Health Wales that fraud and corruption is serious and takes away resources from important services. Such activity will demonstrate that fraud and corruption is not acceptable and all suspected cases will be investigated and dealt with appropriately.

## **5.2 Maximum deterrence of fraud**

Deterrence is about increasing the expectation that someone will be caught if they attempt to defraud – this is more than just tough sanctions. Public Health Wales will introduce measures to minimise the occurrence of fraud and corruption for example through counter fraud awareness training.

## **5.3 Successful prevention of fraud which cannot be deterred**

Public Health Wales has policies and procedures in place to reduce the likelihood of fraud and corruption occurring. These include a system of internal controls, Standing Financial Instructions and documented procedures, which involve physical and supervisory checks, financial reconciliations, segregation and rotation of duties, People and IT Policies, and clear statements of roles and responsibilities. Where fraud and corruption has occurred, Public Health Wales will ensure that any necessary changes to policies, systems, and procedures take place immediately to prevent similar incidents from occurring in the future.

## **5.4 Prompt detection of fraud which cannot be prevented**

Public Health Wales will develop and maintain effective controls to prevent fraud and corruption and to ensure that if it does occur, it will be detected promptly and referred to the Local Counter Fraud Specialist for investigation.

## **5.5 Professional investigation of detected fraud**

The Local Counter Fraud Specialist will be professionally trained and accredited to carry out investigations into suspicions of fraud and corruption to the highest standards. In liaison with the NHS Counter Fraud Authority, the Local Counter Fraud Specialist will professionally investigate all suspicions of fraud and corruption accessing appropriate advice as necessary to prove or disprove the allegation.

## **5.6 Effective sanctions, including appropriate legal action against people committing fraud and corruption**

Following the conclusion of an investigation, if there is evidence of fraud, available sanctions will be considered in accordance with the guidance issued by the NHS Counter Fraud Authority – ‘Applying Appropriate Sanctions Consistently’. This may include criminal prosecution, civil

proceedings and disciplinary action, together with referral to the professional or regulatory body where appropriate.

## **5.7 Effective methods for seeking redress in respect of money defrauded**

Recovery of any losses incurred will also be sought through civil proceedings if appropriate, to ensure losses to Public Health Wales and the NHS are returned for their proper use.

## **6 Code of Conduct**

The Code of Conduct and Accountability for NHS health boards sets out the key public service values. The Code was issued by the Welsh Government in January 2007 (WHC 2006 090) and it states that high standards of corporate and personal conduct and integrity is paramount. These values are summarised as:

- **Accountability** - Everything done by those who work in the organisation must be able to stand the tests of parliamentary scrutiny, public judgements on propriety and professional codes of conduct.
- **Probity** - Absolute honesty and integrity should be exercised in dealing with citizens, assets, staff, suppliers and customers.
- **Openness** - The health body's activities should be sufficiently public and transparent to promote confidence between the organisation, its staff and the public.

All staff must be made aware of, and act in accordance with, these values.

## **7 Reporting and dealing with fraud or corruption**

### **7.1 Reporting fraud or corruption**

If a member of staff has any concerns regarding fraud and corruption then, they must inform the nominated Local Counter Fraud Specialist or the Director of Finance immediately, unless the Director of Finance or Local Counter Fraud Specialist is implicated. If that is the case, they must report it to the Chair or Chief Executive, who will decide on the action to be taken. Staff can also call the NHS Fraud and Corruption Reporting Line on freephone 0800 028 40 60.

Public Health Wales would like all members of staff to feel confident that they can expose any wrongdoing without any risk to themselves. In accordance with the provisions of the Public Interest Disclosure Act 1998, Public Health Wales has adopted the All-Wales Procedure for NHS Staff to Raise Concerns (Whistleblowing). This is designed to complement the Public Health Wales Counter Fraud and Corruption Policy and procedure and ensures there is full provision for staff to raise any concerns with the appropriate members of staff if they do not feel able to raise them with their line manager/management chain. Procedure for NHS Staff to raise concerns can be accessed on the policies intranet page.

## **7.2 Disciplinary action**

The disciplinary policy and procedure of Public Health Wales must be followed if a member of staff is suspected of being involved in a fraudulent or otherwise illegal act.

It should be noted, however, that the duty to follow the disciplinary policy and procedure will not override the need for legal action to be taken e.g. consideration of criminal action. In the event of doubt, legal statute will prevail.

## **7.3 Police involvement**

In accordance with the *NHS Counter Fraud and Corruption Manual*, the Deputy Chief Executive and Director of Operations and Finance, in conjunction with the Local Counter Fraud Specialist, will decide whether or not a case should be referred to the police. Any referral to the police will not prohibit action being taken under the local disciplinary procedures of Public Health Wales.

## **7.4 Managing the investigation**

The Local Counter Fraud Specialist, in consultation with the Deputy Chief Executive and Director of Operations and Finance, will investigate an allegation in accordance with procedures documented in the *NHS Counter Fraud and Corruption Manual* issued by the NHS Counter Fraud Authority.

Public Health Wales will follow its disciplinary procedure if there is evidence that a member of staff has committed an act of fraud or corruption.

## **7.5 Gathering evidence**

The Local Counter Fraud Specialist will take control of any physical evidence, and record this in accordance with the procedures outlined in the *NHS Counter Fraud and Corruption Manual*.

Interviews under caution or to gather evidence will only be carried out by the Local Counter Fraud Specialist, if appropriate, or the investigating police officer in accordance with the Police and Criminal Evidence Act 1984 (PACE). The Local Counter Fraud Specialist will take written statements where necessary.

## **7.6 Recovery of losses incurred to fraud and corruption**

The seeking of financial redress or recovery of losses must always be considered in cases of fraud or corruption that are investigated by either the Local Counter Fraud Specialist or NHS Counter Fraud Authority where a loss is identified.

## **7.7 Reporting the results of the investigation**

The investigation process requires the Local Counter Fraud Specialist to review the systems in operation to determine whether there are any inherent weaknesses. Any such weaknesses identified must be corrected immediately.

## **7.8 Action to be taken**

Sections 10 and 11 of the *NHS Counter Fraud and Corruption Manual* provide in-depth details of how sanctions can be applied where fraud and corruption is proven and how redress can be sought. To summarise, local action can be taken to recover money by using the administrative procedures of Public Health Wales or the civil law.

## **7.9 Timescales**

Action to recover losses will be commenced as soon as practicable after the loss has been identified.

## **7.10 Recording**

A record to be maintained identifying when and what recovery action was taken. This will be reviewed and updated on a regular basis.

# **8 Training**

Fraud awareness training will be disseminated throughout Public Health Wales by the Local Counter Fraud Specialist.

New staff will receive a fraud awareness leaflet as part of the induction package.

## **9 Communication to staff**

This procedure will be communicated with staff through the staff news and policies and procedures web pages.

## **10 Monitoring and auditing**

This procedure will be monitored and audited by the Deputy Chief Executive and Director of Operations and Finance who will provide updates to Public Health Wales' Audit and Corporate Governance Committee.

## **11 Review**

This procedure will be reviewed every three years unless new legislation or guidance requires an earlier review.

## **12 Information Governance statement**

This procedure does not introduce any additional or special information governance or privacy issues or risks beyond those already inherent in the reporting and detecting fraud and counter fraud detailed within this policy. Section 6 of this procedure clarifies that it is the responsibility of every member of staff of Public Health Wales to report fraud and Section 9 informs staff how to make their concerns known and to whom. 'The Caldicott Report, the Data Protection Act 1998 or the Human Rights Act 1998, will not prevent the justifiable and lawful exchange of information for the prevention of serious crime'.

New GDPR Requirements include the introduction of Privacy Impact Assessments. These assessments, which are required for any new uses of personal data or changes to the way it is processed, are intended to ensure "privacy by design". This is where data protection and confidentiality issues are considered right at the start of new projects and are built into the arrangements at every step. Documents must be processed through the use of an information asset register and we will soon be required by law to report certain data breaches to the Information Commissioner, instead of doing as voluntarily as we do now. We will also have to look carefully at the legal basis for processing personal data, by making sure that we rely on consent from people only when they truly have full control over that consent and can opt out if they wish. Revision of privacy notices is also be advised.

## Appendix 1 NHS fraud and corruption: dos and don'ts

**FRAUD** is the deliberate or reckless intent to permanently deprive an employer of money or goods through false representation, failing to disclose information or abuse of position.  
**CORRUPTION** is the deliberate use of bribery or payment of benefit-in-kind to influence an individual to use their position in an unreasonable way to help gain advantage for another.

If you suspect that fraud against the NHS has taken place, report it immediately

- Contact the **Local Counter Fraud Specialist**, or
- Telephone the **freephone NHS Fraud and Corruption Reporting Line: 0800 028 40 60**, or
- Contact the **Director of Finance** on **029 20 348770**

Your Local Counter Fraud Specialist is **Craig Greenstock Counter Fraud Manager. Cardiff & Vale University Health Board. 2nd Floor, Monmouth House. University Hospital of Wales. Heath Park. Cardiff CF14 4XW**

Tel: **02920 742725** Fax: **02920 745581** or by e-mail on [craig.greenstock@wales.nhs.uk](mailto:craig.greenstock@wales.nhs.uk)

**Protecting your NHS**

### DO

- **note your concerns**

Record details such as your concerns, names, dates, times, details of conversations and possible witnesses. Time, date and sign your notes.

- **retain evidence**

Retain any evidence that may be destroyed, or make a note and advise your Local Counter Fraud Specialist.

- **report your suspicion**

Confidentiality will be respected – delays may lead to further financial loss. Complete a fraud report and submit in a sealed envelope marked 'Restricted – Management' and 'Confidential' for the personal attention of the Local Counter Fraud Specialist.

### DO NOT

- **confront the suspect or convey concerns to anyone other than those authorised, as listed below**

Never attempt to question a suspect yourself; this could alert a fraudster or accuse an innocent person.

- **try to investigate, or contact the police directly**

Never attempt to gather evidence yourself unless it is about to be destroyed; gathering evidence must take into account legal procedures in order for it to be useful. Your Local Counter Fraud Specialist can conduct an investigation in accordance with legislation.

- **be afraid of raising your concerns**

The Public Interest Disclosure Act 1998 protects employees who have reasonable concerns. You will not suffer discrimination or victimisation by following the correct procedures.

- **Do nothing!**

## Appendix 2 NHS fraud and corruption referral form

All referrals will be treated in confidence and investigated by professionally trained staff

**Note:** Referrals should only be made when you can substantiate your suspicions with one or more reliable pieces of information. Anonymous applications are accepted but may delay any investigation.

### 1. Date

### 2. Anonymous application (Delete as appropriate)

Yes (If 'Yes' go to section 6) or No (If 'No' complete sections 3–5)

### 3. Your name

### 4. Your organisation/profession

### 5. Your contact details

### 6. Suspicion

**7. Please provide details including the name, address and date of birth (if known) and place of work of the person to whom the allegation relates.**

**8. Possible useful contacts**

**9. Please attach any available additional information (such as e-mails, copies of documents etc).**

Submit the completed form (in a sealed envelope marked 'Restricted – Management' and 'Confidential') for the personal attention of:

***Craig Greenstock  
Counter Fraud Manager  
Cardiff & Vale University Health Board  
2nd Floor, Monmouth House  
University Hospital of Wales  
Heath Park  
Cardiff CF14 4XW  
Tel: 02920 742725  
Fax: 02920 745581***

Under no circumstances should this report, which contains personal details, be transmitted electronically.