

## **Fraud Policy**

### **RECOMMENDATION**

The Board is asked to approve the proposed changes to the Board's Fraud Policy (Appendix 1). The proposed changes were reviewed and passed for Board approval by the Audit Committee on 8 March 2016.

#### **1. BACKGROUND**

The Board's Fraud Policy is reviewed annually by the Board. The changes proposed to the existing Policy are mainly "housekeeping" updates to maintain references and links to other documents and resources. The only proposed substantive changes are:

1. to reflect the issue, in 2015, of the Scottish Government's document "Protecting Public Resources in Scotland – the strategic approach to fighting fraud and error";
2. to revise the definition of theft to be consistent with the NHS Counter Fraud Services Partnership Agreement;
3. clarification that detection includes proactive detection through participation in exercises such as the National Fraud Initiative; and
4. as agreed with the Director of Human Resources and Organisational Development a full revision of the roles and responsibilities of the Director of Human Resources and Organisational Development and human resources staff, has been carried out in order to expand the detail and better reflect the important and extensive role that human resources plays in supporting the NHSGGC Fraud Policy.



# Fraud Policy

Lead Manager	Brian McLean, Fraud Liaison Officer
Responsible Director	Mark White, Director of Finance
Approved By	NHSGGC Board
Date Approved	To be approved
Date for Review	April 2017
Replaces Previous Version	Fraud Policy Version 6, Approved April 2013

# NHS Greater Glasgow & Clyde

## Fraud Policy

### INTRODUCTION

This document sets out NHS Greater Glasgow & Clyde's (NHSGGC) policy in respect of fraud and related criminal offences (which for the purposes of this policy will be referred to generically as fraud). This policy supports the Scottish Government's aim to Protect Public Resources in Scotland and its Strategy to Combat NHS Fraud.

It is a fundamental principle that all who are employed in public service, or who hold public office, should act honestly and with integrity to safeguard the public resources for which they are responsible. The risk of fraud or theft poses an ever-present threat to these resources and therefore, ultimately, to the level of patient care that can be provided. The prevention and detection of fraud should be the concern of all members of staff.

### DEFINITIONS

**Fraud:** *the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.*

**Bribery or Corruption:** *is the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.*

**Embezzlement:** *the felonious appropriation of property by a person to which it has been entrusted.*

**Theft:** *the dishonest appropriation of property without the consent of the rightful owner or other lawful authority.*

For the purposes of this policy, these will be referred to generically as fraud.

### NHS GREATER GLASGOW & CLYDE'S POLICY

NHSGGC is committed to the prevention, detection and, ultimately, elimination of any fraud and wishes to promote an awareness of fraud throughout the organisation. To achieve this aim, NHSGGC has put in place a range of measures to control its activities and minimise the risk of fraud. These measures are set out in a range of documents including Standing Orders for the Proceedings and Business of the NHS Board, Standing Financial Instructions, a Code of Conduct for Staff (which also incorporates a Whistleblowing Policy encouraging the reporting of any concerns of fraud), operational procedures and the Fraud Policy itself.

When anyone suspects that fraud may have occurred, they should report their concerns in accordance with the following paragraph. A key element of this Fraud Policy is that members of staff can be confident that they will not suffer in any way as a result of reporting suspicions held in good faith (for this purpose, suspicions held in good faith are suspicions other than those which are raised maliciously).

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### REPORTING FRAUD

Any staff member with evidence or suspicions of fraud should report the matter immediately to their line manager who will then report the matter without delay to the Fraud Liaison Officer (FLO). Time may be of the utmost importance to ensure that NHSGGC does not suffer further loss.

Anyone who suspects their manager of involvement in fraud has a choice of:

- going to the next more senior person in the department or directorate;
- discussing the matter confidentially and/or anonymously with the FLO, or
- reporting the matter via the NHS Counter Fraud Services Hotline or Website.

Relevant contact details are:

Fraud Liaison Officer	0141 201 4879
NHS Counter Fraud Services	Hotline: 08000 15 16 28 Website: <a href="http://www.cfs.scot.nhs.uk">www.cfs.scot.nhs.uk</a>

Staff should be assured that, in accordance with the NHSGGC Whistleblowing Policy, there will be no recriminations against staff who report suspicions held in good faith. Victimising or deterring staff from reporting concerns is a serious disciplinary matter. Any contravention of this policy should be reported to the Chief Executive. Equally, however, abuse of the process by raising malicious allegations could also be regarded as a disciplinary matter.

Anyone concerned about speaking to another member of staff can obtain independent and confidential advice from the charity “Public Concern at Work” telephone 0207 404 6609 ([www.pcaw.org.uk](http://www.pcaw.org.uk), email - [whistle@pcaw.org.uk](mailto:whistle@pcaw.org.uk)).

### INVESTIGATION OF FRAUD

NHSGGC is committed to the rigorous and thorough investigation of all cases of fraud or suspected fraud. This policy has been designed to comply with and support

- NHS Circular HDL (2005) 5 “Tackling Fraud in NHS Scotland – Joint Action Programme/Financial Control: Procedure Where Criminal Offences Are Suspected”.
- The Scottish Government’s Strategy to Combat NHS Fraud in Scotland [CEL 3 (2008)]
- The Scottish Government’s document: Protecting Public Resources in Scotland – The strategic approach to fighting fraud and error

NHSGGC has entered into a formal Partnership Agreement with NHS Counter Fraud Services (CFS), which provides a specialist investigation service to all NHS bodies in

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Scotland. All instances of fraud, corruption or embezzlement will be referred to CFS for consideration/investigation.

Where CFS carry out an investigation and conclude that there is prima facie evidence of a criminal offence, then CFS will submit a Standard Prosecution Report to the Procurator Fiscal on behalf of NHSGGC. Any decision to take forward a prosecution will be at the sole discretion of the Procurator Fiscal.

Where it is decided that CFS will not carry out an investigation, the FLO will discuss and agree with the relevant Service Head and Human Resources manager the action to be taken.

NHSGGC will report instances of theft to the police in accordance with the Standing Financial Instructions.

NHSGGC will also take appropriate disciplinary action and/or refer the matter to the appropriate professional body in every case where an investigation provides grounds for such action (including instances where there is insufficient evidence to support a referral to the Procurator Fiscal, or no prosecution results after a referral). However, where there is a referral to the Procurator Fiscal, any internal investigation work or disciplinary action will be carried out in a manner that avoids prejudicing any potential criminal prosecution. All disciplinary action will be taken in accordance with established NHSGGC Policies.

Irrespective of the outcome of the criminal prosecution process, NHSGGC will seek restitution of any losses suffered.

#### **ROLES AND RESPONSIBILITIES**

NHSGGC through the **Chief Executive**, as **Accountable Officer**, is responsible for:

1. developing and maintaining effective controls to prevent and detect fraud (including proactive detection of fraud, such as participation in the National Fraud Initiative);
2. carrying out vigorous and prompt investigations where fraud is identified.
3. taking appropriate action in response to fraud including: criminal, disciplinary and recovery sanctions; .

**Managers** are responsible for:

1. identifying the risks to which systems and procedures are exposed;
2. developing and maintaining effective controls to prevent and detect fraud;
3. ensuring that controls are being complied with;
4. investigating, and reporting to the police, instances of theft; and
5. reporting all instances of fraud (including theft) to the FLO.

**Individual Members of Staff** are responsible for:

1. acting in accordance with NHSGGC's Code of Conduct for Staff;
2. reporting details immediately if they suspect that a fraud has been committed or see any suspicious acts or events.

The **Director of Finance** is the NHSGGC designated **Counter Fraud Champion (CFC)** and is responsible for:

1. promoting awareness of fraud and the measures taken to counter fraud;
2. issuing procedures that are consistent with the Partnership Agreement and details the action to be taken by management when fraud is identified or suspected;
3. ensuring that all instances of fraud are investigated appropriately and in accordance with the Partnership Agreement;
4. keeping the Chief Executive advised of any significant fraud issues;
5. notifying the Appointed Auditor and Scottish Government Health and Social Care Directorates of fraud issues when appropriate; and
6. nominating a **Fraud Liaison Officer**

The **Fraud Liaison Officer (FLO)** will:

1. act as a point of contact with CFS;
2. receive enquiries relating to fraud (confidentially and/or anonymously) on behalf of the Director of Finance;
3. co-ordinate any fraud investigation including liaison with the relevant Human Resources managers;
4. keep the Director of Finance apprised of all issues relating to fraud;
5. support the Counter Fraud Champion in discharging his responsibilities; and
6. maintain records of fraud and financial irregularities on behalf of the Director of Finance.

The **Director of Human Resources and Organisational Development** will support the CFC and FLO in discharging their responsibilities by ensuring that **Human Resources (HR) staff** provide appropriate advice to local managers, promote awareness of NHSGGC's counter fraud measures and comply with the national Memorandum of Understanding for co-operation between HR teams and CFS. All appropriate HR staff, in particular Employee Relations and HR generalists will ensure that instances of suspected fraud are reported to the FLO and any internal investigations are carried out in compliance with the Partnership Agreement.