APPENDIX 2



**FRAUD AND CORRUPTION POLICY**

#### NHS Education for ScotlandFRAUD AND CORRUPTION POLICY

**TABLE OF CONTENTS**

|  |  |  |
| --- | --- | --- |
| **Section** |  | **Page No** |
| 1. | Introduction | 3 |
| 2. | Public Service Values | 3 |
| 3. | NHS Education for Scotland (NES) Policy | 4 |
| 4. | Roles and Responsibilities | 4 |
| 5. | Reporting Fraud and Corruption | 5 |
| 6. | The National Fraud Initiative | 7 |
| 7. | Response to Fraud and Corruption | 7 |
| Appendix 1 | Guidance for Staff | 8 |
| Appendix 2 | Further Guidance on Fraud | 11 |
|  |  |  |

**1. INTRODUCTION TO FRAUD AND CORRUPTION RESPONSE POLICY**

* 1. This document sets out NHS Education for Scotland’s (NES) policy in respect of fraud and corruption. It provides direction and help to Directors and employees at NES who may find themselves having to deal with cases of suspected or detected fraud and corruption.
  2. The Policy does not provide guidance on the prevention of fraud and corruption, instructions on this are contained in the NES Standing Financial Instructions (SFI’s). Further guidance can also be obtained from the documents listed in Appendix 1.
  3. The following definitions will apply for the purposes of this Plan:
* **Fraud** – The bringing about of some definite practical result by means of false pretences;
* **Corruption** – The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person;

For simplicity, all such offences are hereafter referred to as “fraud”, except where the context indicates otherwise.

1. **PUBLIC SERVICE VALUES**

2.1 High standards of corporate and personal conduct based on the recognition that patients come first, have been a requirement throughout the NHS since its inception. The Code of Conduct published by the Scottish Executive Health Department (SEHD) in April 1994 sets out the following public service values:

**Accountability** – Everything done by those who work in the organisation must be able to stand the test of parliamentary scrutiny, public judgements on propriety and professional codes of conduct.

**Probity** – Absolute honesty and integrity should be exercised in dealing with NHS patients, staff, assets, suppliers and customers.

**Openness** – The organisation’s activities should be sufficiently public and transparent to promote confidence between the organisation and its patients, staff and the public.

* 1. All Directors and employees of NES should be aware of and act in accordance with these defined values.

**3. THE NHS EDUCATION FOR SCOTLAND (NES) POLICY**

3.1 NES is committed to the NHS Scotland policy on countering fraud and corruption and to the public service values outlined above.

3.2 NES is committed to the elimination of fraud and corruption and to the rigorous investigation of any such cases which may occur. A range of measures has been put in place to reduce the likelihood of any such irregularities occurring. These include Standing Orders, Standing Financial Instructions, procedural guidance and systems of internal control.

3.3 NES is committed to maintaining an open and honest culture, and encourages anyone having reasonable suspicions of theft, dishonesty, corruption, fraud or other irregularity to report them as soon as possible. Therefore it is NES’s policy that no employee will suffer in any way as a result of reporting reasonably held suspicions. For these purposes, “*reasonably held suspicions*” will mean any suspicions other than those which are known to be groundless and/or raised maliciously.

3.4 The ways in which staff can report suspicions are set out in section 4 of this policy.

3.5 To ensure the effectiveness of this Policy, a summary of it has been prepared for issue to all staff. This summary is reproduced in Appendix 1.

1. **ROLES AND RESPONSIBILITIES**

4.1 **The Chief Executive**, as Accountable officer has the responsibility for countering fraud in its broadest terms and for setting the tone from the top of being an organisation with zero tolerance of fraud..

* 1. **The Director of Finance** is designated as the Counter Fraud Champion, in accordance with CEL 11 (2013) and is the Board Member with responsibility for overseeing counter fraud measures and, in particular, the development of an effective Counter Fraud Strategy and awareness campaign.
  2. **The Fraud Liasion Officer** is responsible for acting as the key liaison between NES and Counter Fraud Services, in accordance with CEL11, (2013). The Fraud Liaison Officer is the Head of Financial Services.
  3. **Members of the Executive Team** are responsible for being fraud aware and committed to promoting the Counter Fraud Strategy and awareness campaigns.
  4. **All Staff** have a responsibility to protect the assets of NES from fraud, corruption and other forms of loss.
  5. The “Standards of Business Conduct for NHS Staff” issued by the Scottish Executive Health Department are incorporated into the contract of employment of each member of staff. They provide guidance on maintaining strict ethical standards in the conduct of NHS business and all Directors and employees are expected to follow this guidance.
  6. **The Director of Human Resources** is responsible for ensuring that the HR department understand fraud and has policies in place to deal with the impact on staff who may be caught up in fraud investigations.
  7. The Director of Human Resources will advise those investigating any case of fraud or suspected fraud in matters of employment law and other procedural matters e.g. disciplinary procedures, in consultation with the Fraud Liaison Officer and CFS.
  8. The Director of Human Resources will ensure that appropriate training materials in relation to fraud awareness are made available to staff and will monitor the take up of such materials.
  9. **The Audit Committee** will ensure that all appropriate counter fraud measures are in place, will receive a regular report on counter fraud measures and will ensure that agreed actions are followed up. The Audit Committee will also oversee the completion of the Counter Fraud Checklist in advance of the start of each financial year and will ensure that a Fraud Risk Assessment is completed on behalf of NES and that appropriate action is taken resulting from this.
  10. **The Chief Internal Auditor** is authorised to receive enquiries and suspicions from staff in confidence and will liaise with CFS in relation to the investigation of such enquiries and suspicions..
  11. **Absence of Executive Director/Manager** – Where an Executive Director or manager is identified in this policy as having a specific role or responsibility, an authorised nominee will be empowered to discharge that role or responsibility in the absence of the Executive Director or manager.
  12. **Non-Executive Director** – The NES Board nominates the Chair of the Audit Committee as a Non Executive Director to receive suspicions from employees where the suspicions relate to an Executive Director or where the employee is concerned that his/her suspicions may not be properly investigated. The Chair of the Audit Committee will obtain assistance from an appropriate source and liaise with CFS to allow the necessary investigations to be carried out. This assistance will normally be secured via the Director of Finance but where the suspicions relate to the Director of Finance, the Chief Executive will provide support to the Non Executive Director.

4.13 In the event of any allegation of fraud or corruption all staff and non executive members shall act in accordance with the Fraud Action Plan and the Partnership Agreement with CFS.

1. **REPORTING FRAUD AND CORRUPTION**

5.1 **Public interest Disclosure Act 1998**

5.1.1 As noted in the policy statement, the Board will maintain an honest and open culture and wishes to encourage anyone having suspicions of theft, dishonesty, corruption or fraud to report them without delay. All NHSS Boards are required to have a policy in place which provides for a secure environment for staff, practitioners and patients to report suspected frauds

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5.2 These procedures are intended to reassure members of staff who might be worried about their concerns not being properly investigated or being discriminated against for having raised their concerns.

5.3 Where any employee of NES has grounds to suspect that fraud or corruption has occurred, he/she should report his concerns without delay. Time may be of the utmost importance as delay may result in further loss to NES or may allow evidence to be destroyed. All employees have the right to either report their suspicions internally within NES or direct to Counter Fraud Services, including by use of the CFS confidential help line.

* 1. When wishing to report suspicions internally, in the first instance employees should report their concerns or suspicions to their head of department. If the suspicions seem well founded, the head of department will inform the Fraud Liaison Office or Counter Fraud Champion.
  2. Where the employee’s suspicions concern their head of department, they should report them to the Fraud Liaison Officer, or the Counter Fraud Champion.
  3. Where the employee’s suspicions are in respect of an Executive Director, the matter should be reported to the Chair of the Audit Committee. If required, the employee may seek the assistance of the Fraud Liaison Officer or Chief Internal Auditor in reporting to the Chair of the Audit Committee. This facility can be accessed by a member of staff at any stage.
  4. Where in the legitimate course of their duties, an employee has access to documents or other evidence which supports his suspicions; they should if possible make these available to the officer to whom the concern is being reported. Employees should not jeopardise their own position or risk alerting a suspected fraudster by attempting to obtain evidence which is not normally and/or readily available to them.
  5. The investigation of fraud usually requires specialist skills and training. Under no circumstances therefore, should employees attempt to carry out any investigations before reporting their suspicions.
  6. Where suspicions of fraud arise in the course of internal audit work, the Chief Internal Auditor will immediately notify the Fraud Liaison Officer or Counter Fraud Champion.. If the nature of the suspicions is such that it is not appropriate to report to the Fraud Liaison Officer or the Counter Fraud Champion, the Chief Internal Auditor will advise the Chair of the Audit Committee.
  7. In accordance with the Audit Scotland Code of Audit Practice, the external auditor should report suspected fraud to the Director of Finance (Counter Fraud Championi) or nominated officer in his absence.

**6 NATIONAL FRAUD INITIATIVE**

6.1 The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland, assisted by the Audit Commission. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify circumstances (matches) that might suggest the existence of fraud or error.

**NFI allows:**

* public bodies to investigate these matches and, if fraud or error has taken place, to stop payments and attempt to recover the amounts involved
* auditors to assess the arrangements that the bodies have put in place to prevent and detect fraud, including how they approach the NFI exercise itself.

6.2 NES will co-operate fully with Audit Scotland in undertaking such checks as required by the NFI and will report the findings from the NFI on a six monthly basis to the Audit Committee.

**7 RESPONSE TO FRAUD AND CORRUPTION**

7.1 Where concerns or suspicions relating to potential fraud, corruption or irregularities are reported the provisions contained within the NES Fraud Plan shall be adhered to.

**8 Regular Reporting**

8.1 A quarterly report will be prepared in relation to Counter Fraud Activity which will be considered by the Executive team and then submitted to the Audit committee for review. When the review is complete the Audit committee will submit the report to Counter Fraud Services.

# **Appendix 1**

**GUIDANCE TO STAFF**

**1. FRAUD AND CORRUPTION RESPONSE POLICY**

1.1 NES has approved a Fraud and Corruption Policy which sets out its policy in respect of fraud and corruption. This provides direction and help to Directors and employees of NES who may find themselves faced with a case of suspected fraud or corruption. NES also has a Fraud Action Plan which gives further detail of the steps to be taken in the event of a fraud or irregularity being detected.

1.2 This guide summarises the main points in the Policy and/or Plan. If you have any questions or require further information, you should contact the Fraud Liaison Officer, the Counter Fraud Champion (Director of Finance) or the Chief Internal Auditor. A list of contact names and telephone numbers is attached to this guidance.

## 2. NES POLICY ON FRAUD AND CORRUPTION

2.1 There are three crucial public service values which must underpin the work of the NHS. All Directors and employees of NES should act in accordance with these values.

## 2.1.1 Accountability

Everything done by those who work in the NHS must be able to withstand public and parliamentary scrutiny.

## 2.1.2 Probity

Absolute honesty and integrity should be exercised in dealing with NHS patients, assets, staff, and customers.

## 2.1.3 Openness

The organisations activities should be sufficiently public and transparent to promote confidence between NES and its staff, patients and the public.

**3. NES POLICY**

3.1 **NES’s Policy**

NES is absolutely committed to maintaining an honest, open and well intentioned atmosphere within the organisation, so as best to fulfill the objectives of NES and of the NHS. It is therefore committed to the elimination of any fraud within the organisation, to the rigorous investigation of any such cases, and where fraud or other criminal act is proven to ensure that those perpetrating fraud are appropriately dealt with. NES will also take appropriate steps to recover any assets lost as a result of fraud.

3.2 NES wishes to encourage anyone having suspicions of fraud to report them. NES policy, which will be rigorously enforced, is that no employee should suffer as a result of reporting suspicions held in good faith.

3.3 NES has therefore set in place procedures (in the form of Standing Orders, Standing Financial Instructions and procedure notes) designed to minimise the likelihood of NES being a victim of fraud, a response plan to be followed in the event suspected fraud being reported, and these guidance notes issued to all staff.

**4. INSTRUCTIONS TO STAFF**

4.1 You should be assured that 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 or Chair of the Audit Committee. Equally however, abuse of the process by raising malicious allegations would, if proven, be regarded as a disciplinary matter.

4.2 If you believe you have good reason to suspect a colleague, patient, supplier, customer or other person of a fraud or an offence involving NES or a serious infringement of NES or NHS rules you should discuss it in the first place with your manager. Examples could include:

• theft of NES property

• abuse of NES property

• deception or falsification of records (e.g.: fraudulent time or expense

claims)

4.3 If you have suspicions about the actions of your manager, such that you suspect that manager of involvement in the fraud, then you have a choice of:

• going to the next more senior person in your department or directorate

• discussing the matter confidentially and anonymously with the Fraud Liaison Officer, the Counter Fraud Champion (the Director of Finance) the Chief Internal Auditor or the Chair of the Audit Committee.

4.4 Further choices for staff are:

• you may use the Counter Fraud Services Fraud Reporting Line 08000 15 16 28 or report your suspicions (anonymously if desired) through the CFS Website on SHOW.

([www.show.scot.nhs.uk/fiu](http://www.show.scot.nhs.uk/fiu))

• if you are concerned about speaking to another member of staff you could ask for advice first from the charity “Public Concern at Work” telephone 0207 404 6609. They can provide independent and confidential advice to you.

4.5 If it is decided that your suspicion may be justified, it will be reported to Counter Fraud Services. The Board will then follow the **Fraud Action Plan** to investigate and take appropriate action.

4.6 Under no circumstances should staff speak to representatives of the press, radio, TV or other third party unless expressly authorised by the Chief Executive.

4.7 Please be aware that time may be of the utmost importance to ensure that the Board does not continue to suffer a loss.

4.8 Your cooperation in this matter is appreciated. Relevant contact points are as follows:

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| **Position** | **Name** | **Contact Details** |
| Director of Finance (Counter Fraud Champion) | Caroline Lamb | caroline.lamb@nes.scot.nhs.uk |
| Chief Executive | Malcolm Wright | [malcolm.wright@nes.scot.nhs.uk](mailto:malcolm.wright@nes.scot.nhs.uk) |
| Fraud Liaison Officer | Janice Sinclair | Janice.sinclair@nes.scot.nhs.uk |
| Chief Internal Auditor | Chris Brown | Chris.brown@scottmoncrieff.com |
| Appointed External Auditor | David Bell | dabell@deloitte.co.uk |
| Chair of the Audit Committee | Alice Belcher | c.a.belcher@dundee.ac.uk |
| Counter Fraud Services |  | Earlston House  Almondvale Business Park  Almondvale Way  Livingston  EH54 6GA[www.nhsnss.org](http://www.nhsnss.org) |

**Appendix 2**

**FURTHER GUIDANCE ON FRAUD**

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| **Internal** | Contents |
| NES Fraud Action Plan | Sets out the steps to be followed once a suspected fraud is reported. |
| **Published by the Audit Commission** |  |
| Protecting the Public Purse | This gives advice on the prevention and detection of fraud. |
| Fraud and Corruption Manual | This contains strategies for the prevention, detection and investigation of fraud. |
| Opportunity Makes a Thief | This summarises a survey of computer abuse including fraud, theft and hacking etc. |
| **Published by the SGHD** |  |
| Guidance on Losses and Special Payments | The SGHD has issued limits on the levels of authority delegated to health boards. These are reproduced in the Standing Financial Instructions. |
| Codes of Conduct for Members of Devolved Public Bodies | These deal with the public service values which must underpin the work of the health service and the observance of these values by Directors and staff. |
| Codes of Practice on Openness in the NHS | This sets out the basic principles underlying public access to information about the NHS in Scotland. |
| NHS Circular HDL (2002)23  Financial Control: Procedures Where Criminal Offences are Suspected  Don’t let Fraud Drain our Resources – January 2008  CEL3(2008) Strategy to Combat Financial Crime in Scotland  CEL 11 (2013) – Updating CEL3 (2008) Strategy to Combat Financial Crime in Scotland | This provides guidance on the procedures to be followed where there is cause to suspect that a criminal offence has been committed involving public funds or property.  This updated the counter fraud strategy for NHS Scotland and provided general advice on actions to be taken.  This provides detailed advice to Chief Executives and Directors of HR on the actions they should be taking to implement the January 2008 strategy  This updated CEL3 (2008) with further measures to be taken to prevent fraud occurring. |
| **Published by HM Treasury** |  |
| Managing the Risk of Fraud – A Guide for Managers | This is published annually and analyses reported fraud in Government Departments. |
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