

Fraud and Corruption Policy and Response Plan

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NHS Shetland Document Development Coversheet*

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| July 2014 | Version 1.2 amended to take account of Human Resources comments including linkage to Board's voicing concerns policy. |
| July 2014 | Version 1.3 adds section 8 on National Fraud Initiative. |
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1. Introduction

- 1.1. This Fraud and Corruption Response Plan sets out the Board's policy in respect of fraud and corruption. It provides direction and help to members and employees of the Board who may find themselves having to deal with cases of suspected or detected fraud and corruption.
- 1.2. The Plan does not provide guidance on the prevention of fraud and corruption; instructions on this are contained in the Board's Standing Financial Instructions and the detailed policies and procedures which support these instructions. Further guidance can also be obtained from the documents listed in [Appendix 1](#).
- 1.3. The following definitions, which are in line with the [Scottish Public Finance Manual](#) and [NHS Scotland Counter Fraud Strategy](#), will apply for the purpose of this Plan:

- Fraud

Commonly used to describe a wide variety of dishonest behaviour such as deception, forgery, false representation, and concealment of material facts. It is usually used to describe the act of depriving a person of something by deceit, which may involve the misuse of funds or other resources, or the supply of false information.

- Computer fraud

Computer fraud covers the use of information technology equipment to manipulate programs or data dishonestly (for example by altering, substituting or destroying records, or creating spurious records), or where the use of an IT system was a material factor in the perpetration of a fraud. The fraudulent use of computer time and resources is included in this definition.

- Corruption

The offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person.

- 1.4. For simplicity, all such offences are hereafter referred to as "fraud", except where the context indicates otherwise.
- 1.5. This policy covers all fraud, attempted and actual, against the NHS so includes fraud by patients, employees, contractors, external supplier or any other external organisation or individual.
- 1.6. All references in this Plan to the masculine gender should be read as equally applicable to the feminine gender.

2. The Board's policy on fraud and corruption

- 2.1. The Code of Conduct and Accountability for NHS Boards identifies three crucial public service values which must underpin the work of the NHS.

- Accountability

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

- Probity

There should be an absolute standard of honesty in dealing with the assets of the NHS. Integrity should be the hallmark of all personal conduct in decisions affecting patients, staff and suppliers, and in the use of information acquired in the course of NHS duties.

- Openness

There should be an absolute sufficient transparency about NHS activities to promote confidence between the Health Board and its staff, patients, and the public.

- 2.2. All Directors and employees of the Board should be aware of, and act in accordance with, these values. In addition, all employees should be aware of their responsibilities as detailed in the Board's Code of Conduct and the Standing Financial Instructions.
- 2.3. The Board is committed to the [NHS Scotland strategy and policy on countering fraud and corruption, CEL 3 \(2008\)](#) as amended by [CEL 11\(2013\)](#) 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. This Plan is intended to support these measures and to promote a general awareness of the risks posed by fraud and corruption.
- 2.4. The Board promotes an anti-fraud culture and wishes to encourage anyone with reasonable suspicions of fraud or other irregularity to report them. Therefore it is the Board'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.
- 2.5. The ways to report suspicions are set out in [section four](#) of this plan and also in the Board's [general policy on whistleblowing](#).
- 2.6. To ensure the effectiveness of the Board's policy, a summary of this plan has been prepared for issue to all staff. This summary is reproduced as [Appendix 2](#).

3. Roles and responsibilities

3.1. All staff

- 3.1.1. All staff have a responsibility to protect the assets of the Board from fraud, corruption, and other forms of loss.
- 3.1.2. The "[Standards of Business Conduct for NHS Staff](#)" issued by the Scottish Government Health Directorates are incorporated into the contract of employment of each member of staff and set out in [Section 8 of the Boards Corporate Governance handbook](#). These provide guidance on maintaining strict ethical standards in the conduct of NHS business and all Directors and employees are expected to follow this guidance.

3.2. Director of Finance

- 3.2.1. The Director of Finance is responsible for investigating fraud. To fulfil this responsibility he has the resources of NHS Scotland Counter Fraud Services (CFS) to call upon, in addition to the Board's own staff and directors.
- 3.2.2. The Director of Finance will ensure that once the circumstances of fraud are known, action is taken to prevent further fraud and/or loss occurring in the same way.
- 3.2.3. The Director of Finance will report annually to the Audit and Risk Committee on the level of suspected and detected fraud and corruption in the Board, and on arrangements for prevention and detection.
- 3.2.4. The Director of Finance is responsible for the management of complaints and queries received by the Board relating to Primary Care Practitioners.

3.3. Chief Executive

- 3.3.1. Where the suspicions of fraud relate to the Director of Finance, the Chief Executive will assume responsibility for those actions required of the Director of Finance by this Plan.

3.4. Counter Fraud Champion

- 3.4.1. The Chief Executive is supported by a Counter Fraud Champion whose role is to raise the profile of counter fraud initiatives and publicity across the organisation. The Counter Fraud Champion is the Employee Director and as such is a senior officer with access to the Director of Finance, Chair, and Accountable Officer.

3.5. Director of Human Resources (HR) and Support Services

- 3.5.1. The Director of HR and Support Services will provide advice where a member of staff is to be interviewed and disciplinary action may result. Where the Director of HR and Support Services is not available, this advice will be provided by the HR Services Manager.
- 3.5.2. The HR Services Manager (or suitable deputy) will provide pragmatic advice to those investigating any case of fraud or suspected fraud in matters of employment law and other procedural matters, such as disciplinary procedures.

3.6. Fraud Liaison Officer

- 3.6.1. The Fraud Liaison Officer is authorised to receive enquiries and suspicions from staff in confidence and is the Director of Finance's authorised nominee. The post holder is outlined in [Appendix 3](#).
- 3.6.2. The Fraud Liaison Officer will maintain a register of fraud. He will be responsible for the security of the register and will promptly report additions to the Audit and Risk Committee.
- 3.6.3. The Fraud Liaison Officer will establish and maintain contacts with CFS and the local police force to allow prompt liaison in the event of fraud or theft occurring.

3.7. Absence of Executive Director / Manager

3.7.1. Where an Executive Director or manager is identified in this plan 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.

3.8. CFS

3.8.1. CFS has been created specifically to assist all Boards in their efforts to reduce losses through fraud.

3.8.2. The Board has signed a [Partnership Agreement](#) with CFS, which outlines what must happen in the event of a fraud being discovered, and what the Board and CFS will do to actively counter the threat of fraud.

4. Reporting fraud and corruption

4.1. 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. The Board's [Whistleblowing Policy](#) is also applicable to reporting fraud and corruption.

4.2. Where an employee of the Board has grounds to suspect that fraud or corruption has occurred, he should report his concerns without delay. Time may be of the utmost importance, and delay may result in further loss to the Board or allow evidence to be destroyed.

4.3. In the first instance an employee should report his concerns or suspicions to his Head of Department. If the suspicions seem well-founded, the Head of Department will inform the Director of Finance, or nominated officer in the absence of the Director of Finance.

4.4. Alternatively, the employee may prefer to discuss the matter with the Fraud Liaison Officer who is authorised to deal with such matters. If the suspicions seem well-founded, then either the employee and/or the Fraud Liaison Officer will inform the Head of Department who will inform the Director of Finance.

4.5. If an employee is uneasy about discussing their concern locally, he may use the CFS Fraud Reporting Hotline 08000 151628, or report his suspicions, anonymously if desired, through the [CFS Website](#). He may also choose to contact the whistleblowing charity "Protect" on 020 3117 2520 or via [web form](#), who would offer advice on how to proceed. Either of these methods are consistent with the Board's policy on voicing concerns.

4.6. Where the employee's suspicions are in respect of an Executive Director, he should report the matter to the Chair of the Board. If required, the employee may seek the assistance of the Fraud Liaison Officer in reporting to the Chair. This facility can be accessed by a member of staff at any stage.

4.7. The Fraud Liaison Officer is responsible for the management of complaints/queries received by the Board relating to Primary Care Practitioners – GPs, dentists, opticians, and pharmacists. All concerns or suspicions in respect of Primary Care Practitioners should be reported to the Fraud Liaison Officer who will advise the Director of Finance where fraud or corruption has occurred or is suspected.

- 4.8. Where in the legitimate course of his duties an employee has access to documents or other evidence which supports his suspicions, he should if possible make these available to the officer to whom he is reporting his concerns. An employee should not jeopardise his own position, or risk alerting a suspected fraudster, by attempting to obtain evidence which is not normally and/or readily available to him.
- 4.9. The investigation of fraud usually requires specialist skills and training. Under no circumstances therefore should an employee attempt to carry out any investigations before reporting his suspicions.
- 4.10. Where suspicions of fraud arise in the course of internal audit work, the Chief Internal Auditor will immediately notify the Director of Finance or nominated officer in his absence. If the nature of the suspicions is such that it is not appropriate to report to the Director of Finance, the Chief Internal Auditor will advise the Chair of the Board.
- 4.11. In accordance with the [Accounts Commission Code of Audit Practice](#), the external auditor should report suspected fraud or corruption to the Director of Finance or Fraud Liaison Officer in his absence.
- 4.12. The [Partnership Agreement](#) places a duty on the Fraud Liaison Officer to notify CFS of all relevant cases.

5. Response to fraud and corruption

5.1. Register of fraud

- 5.1.1. The Fraud Liaison Officer will maintain a Register of Fraud containing details of all reported suspicions, including those dismissed as being unfounded. The Register will also contain details of the actions taken in respect of each matter reported and the conclusions reached. Additions to the Register will be reported to the Audit and Risk Committee promptly and on a regular basis. The Fraud Liaison Officer will ensure that the Register is held securely at all times, with access restricted to the Director of Finance, Chief Executive, Chair of the Audit and Risk Committee, and Chair of the Board.

5.2. Investigation

- 5.2.1. The Director of Finance will ensure that an appropriate investigation is carried out into every case where suspicions appear to be well-founded. While the ultimate responsibility remains with him, the Director of Finance will appoint CFS to undertake the investigation. Guidance on the investigation of fraud is contained in [section six](#) of this Plan.

5.3. Preliminary enquiries

- 5.3.1. As soon as a case of suspected fraud comes to light, CFS should be contacted to seek its advice on the steps which might be taken. It is essential that preliminary enquiries are carried out in strict confidence and with as much speed as possible.
- 5.3.2. It may be the case that preliminary enquiries do not reveal prima-facie grounds for believing that a criminal offence has occurred and that such grounds only emerge at a later stage of an investigation.

5.4. Reporting to a Procurator Fiscal (PF)

5.4.1. Circular [HDL \(2005\) 5](#) states in paragraph 10: “Where preliminary enquiries suggest that there is prima facie evidence that a criminal offence has been committed, the full investigation will be undertaken by CFS concluding with the production of a standard prosecution report for the procurator fiscal. Notification of this report must be given to the Appointed Auditor. The responsibility for reporting to the procurator fiscal remains with the Accountable Officer of the health body” Therefore, where such grounds exist, CFS will be under a duty to take the case forward and to report those facts of which it is made aware, on the Board’s behalf, to a PF.

5.4.2. Where CFS has been in contact with a PF for an application for a search warrant or Proceeds of Crime Act application, control of the case effectively passes to the PF, who may demand a report on the outcome to be submitted whether or not the Board or CFS wish it.

5.5. Restitution of funds

5.5.1. Restitution of funds or property is not a reason for withholding information or failing to report the facts.

5.6. Communication

5.6.1. At all stages, the Chief Executive should be kept informed of developments in fraud cases.

5.6.2. This plan is communicated to all staff via the Board’s Intranet site and cascaded by various internal communication methods. All aspects of Fraud awareness education and support is cascaded to staff both at induction and via mandatory refresher on-line training to ensure that staff are well informed around their rights, roles, and responsibilities.

5.6.3. The Fraud Liaison Officer must be notified of all referrals to a PF so he can further inform the External Auditor.

5.6.4. It is not appropriate for the Board or its officers to decide whether a suspected person should be prosecuted. The question of whether proceedings should be taken in any particular case is a matter solely for the Crown authorities. It follows that no suspected person should ever be told whether or not he will be prosecuted, except where a decision has already been made by the Crown authorities.

5.7. Response to media enquiries

5.7.1. Where a particular case of fraud attracts enquiries from the media, all employees of the Board should be fully aware of the importance of avoiding issuing any statements which may be regarded as prejudicial to the outcome of criminal proceedings.

5.7.2. Under no circumstances should an employee speak to the media about an alleged fraud, corruption or other irregularity without the express authority of the Chief Executive, the Director of Finance, or the Chair of the Board, in liaison with Crown Authorities. Statements to the media in respect of alleged fraud or corruption will normally be made via the Chief Executive.

5.8. Management action

- 5.8.1. Whether or not the Crown authorities determine that there are sufficient grounds on which to institute criminal proceedings, it remains open to the Board to consider invoking disciplinary or other relevant procedures. Fraud and corruption come within the definition of “[gross misconduct](#)” in the Board’s Disciplinary [Procedure](#). The need to take action to remedy system weaknesses and invoke disciplinary procedures must be balanced against the need to avoid prejudicing or compromising any possible criminal investigation and proceedings. If necessary, the advice of CFS or the police should be obtained.
- 5.8.2. The advice of the Director of HR and Support Services (or deputy) must be obtained before invoking disciplinary procedures as the result of a suspected fraud.
- 5.8.3. In order to facilitate a thorough and fair investigation into fraud, corruption, or other irregularity, it may be necessary to suspend an employee(s) from work. Where this is the case, suspension will be on full pay and the Board’s disciplinary procedure will apply. A suspended employee(s) will be required to be available to attend work at pre-arranged times in order to co-operate with investigations.
- 5.8.4. Whether or not criminal proceeding are taken, or a criminal conviction is obtained, all reasonable means of recovering any identified loss should be pursued. Where recovery is not possible, the Director of Finance, in accordance with Standing Financial Instructions, should write off losses. The limits on the amounts that can be written off are set out in the guidelines issued by the Scottish Government Health Directorates.
- 5.8.5. As with all categories of loss, once the circumstances of a case are known, the Director of Finance will require to take immediate steps to ensure that further loss does not occur. It will be necessary to identify any defects in the control system which may have enabled the initial loss to occur and to decide on any measures to prevent recurrence.
- 5.8.6. The Director of Finance will consider the treatment of any claim(s) for payment which arise from organisations or individuals who are under investigation, or against whom proceedings are being taken for suspected fraud. In doing so, it may be appropriate to distinguish between claims similar to those which may have given rise to the suspicions of fraud and those made by the same person or organisation under different circumstances. The existence of contractual obligations is a significant factor and in cases of doubt the Director of Finance will consult the Board’s legal advisors.

6. Investigation of fraud and corruption

6.1. Introduction

- 6.1.1. The nature of fraud can vary considerably and each investigation may require its own unique approach to meet the particular circumstances. This Plan does not therefore set out to prescribe a detailed programme of action which should be applied in every investigation into suspected fraud. Instead, it highlights the issues which need to be considered when planning an investigation.

6.2. Allegation discussed with CFS

- 6.2.1. The Fraud Liaison Officer will discuss each relevant case with CFS in line with the [Partnership Agreement](#) and NHS Circular [HDL \(2005\) 5](#) to decide if there is a potential for

criminal prosecution, or disciplinary and/or civil action. If the former, then CFS will undertake the investigation on behalf of, and in co-operation with, the Board. This will not preclude the Board taking disciplinary and/or civil action, though it could only occur with agreement from CFS and the relevant PF.

6.2.2. In cases where the Fraud Liaison Officer and CFS cannot agree on a course of action, the Accountable Officer shall make a decision based on the facts presented.

6.3. CFS investigate

6.3.1. Where CFS is undertaking a case on behalf of the Board no further action shall be taken by the Director of Finance, the Fraud Liaison Officer, the Director of HR and Support Services, or any other Board officer without consultation with CFS. This is necessary to maintain the integrity of the investigation.

6.4. Board commence investigation

6.4.1. Where it is agreed that the Board shall commence an internal enquiry with a view to disciplinary proceedings and/or civil recovery, if at any stage it becomes apparent that an actionable criminal act may have taken place, the investigation must be halted and CFS consulted.

- Managing the investigation

6.4.2. The investigation of fraud can quickly consume significant resources. It is important therefore to ensure that the investigation is properly managed.

- i. The Director of Finance should approve the objectives of the investigation.
- ii. The Director of Finance should agree the scope and timing of the investigation.
- iii. The Director of Finance should approve the resources which will be available for the investigation. These should be appropriate to the nature of the fraud and the likelihood of a positive outcome.
- iv. The Director of Finance should ensure the resources used are monitored against the agreed budget.
- v. Although an investigation into an alleged fraud might not lead to criminal proceedings, it could still result in disciplinary action, as this requires a lesser burden of proof. The final fraud investigation report may be tabled as evidence at a disciplinary hearing if one is necessary.

- Gathering evidence

6.4.3. The officer appointed by the Director of Finance to oversee the investigation should maintain a diary of events. This should give a detailed explanation of each action and event in the course of the investigation. In particular:

- i. Details should be recorded of all telephone calls, faxes, electronic mail and communication by any other means;
- ii. A formal record should be made of all interviews and meetings;

- iii. There should be a clear record of where, when, and how documents and other evidence were obtained.

6.4.4. The successful criminal prosecution of a fraudster can depend on details which in another context would appear unimportant. In addition, a considerable time can elapse between the start and conclusion of an investigation and between the completed investigation and any criminal trial. It is important therefore that to aid recall, all relevant details are recorded timeously in the diary of events.

6.4.5. The originals of relevant documents and records should be impounded at the start of the investigation to prevent them being altered to conceal the fraud. These should be logged in such a way to facilitate the identification of the source, nature and purpose of each.

- Interviews

6.4.6. All interviews must be conducted fairly. An employee may be accompanied at the interview by a colleague or trade union representative. The Director of HR and Support Services (or appropriate deputy) must be consulted before any members of staff are interviewed, whether as potential witnesses or as suspects.

6.4.7. Under criminal law, any individual has the right to refuse to answer questions on the grounds that he might incriminate himself. However, where a member of staff chooses to exercise this right at work, it should be made clear that refusal to co-operate with a workplace investigation could, in itself, lead to disciplinary action.

6.5. No action taken without consultation with Fraud Liaison Officer / CFS

6.5.1. Regardless of whether the investigation is carried out with a view to criminal prosecution, or disciplinary action or civil recovery, all staff are under a duty to refrain from taking any direct action with regard to the enquiry without first consulting the Fraud Liaison Officer or the CFS Officer in Charge.

6.6. Director of HR and Support Services

6.6.1. The Director of HR and Support Services (or appropriate member of the HR team) shall ensure that those involved in the investigation are advised in matters of employment law and in other procedural matters, such as disciplinary and complaints procedures, as required where Board employees are the subject of investigation.

6.7. Memoranda of Understanding

6.7.1. There exists a Memorandum of Understanding between NHS Scotland Internal Audit Teams and CFS, which sets out a framework for the co-operation and collaboration between both parties on the deterrence, prevention, detection and investigation of fraud. In addition, there is also a similar Memorandum of Understanding between NHS Scotland HR Teams and CFS.

6.8. Prevention of further fraud

6.8.1. The Director of Finance will ensure that any lessons learned from a case of fraud are converted into an action plan to prevent a similar occurrence in future.

7. Theft

- 7.1. Although it is a different offence, it is appropriate to include some reference to theft in this Plan. Theft can be defined as “dishonestly appropriating the property of another with the intention of permanently depriving them of it”.
- 7.2. This may include the removal or misuse of funds, assets, or cash.
- 7.3. Where an employee of the Board discovers a clear case of theft of Board property, he should report the matter to the police immediately and then inform the Director of Finance of the circumstances.
- 7.4. Where it is not certain that theft of Board property has occurred but an employee of the Board suspects that such theft may have occurred, he should report the matter to the Director of Finance, following the guidance contained in [section five](#) of this Plan - Reporting Fraud and Corruption.
- 7.5. The Director of Finance has specific responsibility for co-ordinating action where there are reasonable grounds for thinking that an item of property, including cash, has been stolen. He will report details to the police and notify the circumstances to the Chief Internal Auditor.
- 7.6. The police will normally undertake any investigation into theft. If however, the police leave the investigation to the Board, then the guidance contained in [section six](#) of this Plan should be followed.
- 7.7. Where an individual’s personal property is stolen, it is that individual’s responsibility to report the matter to the police.

7.8. Series of thefts

- 7.8.1. The Board should recognise that in cases of series of thefts, it may be appropriate for CFS to be notified and provide additional assistance. The Board should seek the advice of CFS as appropriate.

8. National Fraud Initiative (NFI)

8.1. About NFI

- 8.1.1. The NFI in Scotland is a counter-fraud exercise led by Audit Scotland. 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.
- 8.1.2. The 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.
- 8.1.3. This page contains links to a range of documents about the NFI in Scotland that can be downloaded by the public and by audited bodies.

8.1.4. NFI contact details

- The NFI in Scotland is overseen by the Audit Strategy Group in Audit Scotland. Contact points are by e-mail on info@audit-scotland.gov.uk or telephone 0131 625 1500.
- Information about the NFI exercise can be found on the [Audit Scotland website](#).
- Information about the UK NFI exercise can be found on the [Cabinet Office's website](#).

8.2. Shetland Health Board's responsibility under NFI

8.2.1. The Board must ensure it meets the requirements set out in the checklist below. A completed checklist should be presented to the Audit and Risk Committee at the beginning of each bi-annual exercise to give assurances that all necessary steps have been taken to ensure satisfactory processes and outcomes.

| Number | Category | Complete? |
|--------|---|-----------|
| | Leadership and commitment | |
| 12. | Are we committed to the NFI? Has the Council/Board, Audit and Risk Committee, and senior management expressed support for the exercise and has this been communicated to relevant staff? | |
| 13. | Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error? | |
| 14. | Are the NFI progress and outcomes reported regularly to senior management and elected/Board members (for example the Audit and Risk Committee or equivalent)? | |
| 15. | Where we have not submitted data or used the matches returned to us, for example Council tax single person discounts, are we satisfied that alternative fraud detection arrangements are in place and that we know how successful they are? | |
| 16. | Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases? | |
| 17. | Do we review how frauds and errors arose and use this information to improve our internal controls? | |
| 18. | Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (for example successful prosecutions)? | |
| | Planning and preparation | |
| 1. | Are we investing sufficient resources in the NFI exercise? | |

| Number | Category | Complete? |
|--------|--|-----------|
| 2. | Do we plan properly for NFI exercises, both before submitting data and prior to matches becoming available? This includes considering the quality of data. | |
| 3. | Is our NFI key contact (KC) the appropriate officer for that role and do they oversee the exercise properly? | |
| 4. | Do KCs have the time to devote to the exercise and sufficient authority to seek action across the organisation? | |
| 5. | Where NFI outcomes have been low in the past, do we recognise that this may not be the case the next time, that NFI can deter fraud and that there is value in the assurances that we can take from low outcomes? | |
| 6. | Do we confirm promptly (using the online facility on the secure website) that we have met the fair processing notice requirements? | |
| 7. | Do we plan to provide all NFI data on time using the secure data file upload facility properly? | |
| 8. | Do we adequately consider submission of any 'risk based' data-sets in conjunction with our auditors? | |
| 9. | Have we considered using the real-time matching (Flexible Matching Service) facility offered by the NFI team to enhance assurances over internal controls and improve our approach to risk management? | |
| | Effective follow-up of matches | |
| 1. | Do all departments involved in the NFI follow-up of matches promptly after they become available? | |
| 2. | Do we give priority to following up recommended matches, high-quality matches, those that become quickly out of date and those that could cause reputational damage if a fraud is not stopped quickly? | |
| 3. | Do we recognise that the NFI is no longer predominantly about preventing and detecting benefit fraud? Have we recognised the wider scope of the NFI and are we ensuring that all types of matches are followed up? | |
| 4. | Are we investigating the circumstances of matches adequately before reaching a 'no issue' outcome, in particular? | |

| Number | Category | Complete? |
|--------|---|-----------|
| 5. | In health bodies are we drawing appropriately on the help and expertise available from NHS Scotland Counter-fraud Services? | |
| 6. | Are we taking appropriate action in cases where fraud is alleged (whether disciplinary action, penalties/cautions or reporting to a PF)? Are we recovering funds effectively? | |
| 7. | Do we avoid deploying excessive resources on match reports where early work (for example on recommended matches) has not found any fraud or error? | |
| 8. | Where the number of recommended matches is very low, are we adequately considering the related 'all matches' report before we cease our follow-up work? | |
| 9. | Overall, are we deploying appropriate resources on managing the NFI exercise? | |
| | Recording and reporting | |
| 1. | Are we recording outcomes properly in the secure website and keeping it up to date? | |
| 2. | Do staff use the online training modules on the secure website and do they consult the NFI team if they are unsure about how to record outcomes (to be encouraged)? | |
| 3. | If, out of preference, we record some or all outcomes outside the secure website have we made arrangements to inform the NFI team about these outcomes? | |

Appendix 1 – Further guidance on fraud

Audit Scotland

Counter Fraud and irregularity-reporting guidance is available on the [Audit Scotland website](#).

- Safeguarding public money

[Guidance issued to other public sector bodies](#) is also relevant to the NHS.

- [National Fraud Initiative \(NFI\)](#)

Audit Scotland is responsible in Scotland for leading upon co-ordinating the activities of the NFI in Scotland, including the counter-fraud exercise. The main NFI exercise takes place every two years and culminates with a national report on outcomes published on the Audit Scotland website.

HM Government

The UK treasury has a [published manual on Fraud management](#).

- [Managing the Risk of Fraud – A Guide for Managers](#)

This offers guidance for managers' management of fraud risks. This practical guidance analyses reported fraud in Government departments.

- [Applying Behavioural Insight to reducing Fraud, Error and Debt](#)

This offers guidance on how to design documents to minimise the risk of fraud or error occurring from false declarations.

Published by the Scottish Government and Health Directorates

- [Scottish Public Finance Manual](#) (SPFM)

The SPFM is issued by the Scottish Ministers to provide guidance on the proper handling and reporting of public funds.

- [Standard of Conduct, Accountability and Openness in the NHS](#)

This deals with the public service values which must underpin the work of the health service and the observance of these values by Directors and staff, and sets out the basic principles underlying public access to information about the NHS in Scotland.

- [Strategy to Counter NHS Fraud in Scotland](#)

The Scottish Government published its counter fraud strategy 2023–26 to counter NHS Fraud in Scotland. The strategy forms a key element of the Scottish Government's determination to reduce fraud against NHS Scotland.

- [Protecting the Public Purse](#)

Published in 2015 this gives advice on the prevention and detection of fraud.

- Guidance on Losses and Special Payments

The Health Department has issued limits on the levels of authority delegated to Health Boards. These are set out in the scheme of delegation, Shetland is assigned category 3.

- [NHS Scotland Standards of Conduct Accountability and Openness \(2001\) 31](#)

This guide explains the expected standards of behaviour from all employees in the workplace. The following guide forms part of the standard for workforce policies that apply to all staff within NHS Scotland regardless of which Board they are employed by.

- [NHS Circular HDL \(2002\) 23 procedures to Financial Control: Procedures Where Criminal Offences are Suspected](#)

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.

- [NHS Circular HDL \(2005\) 5 procedure to tackling fraud in NHS Scotland – joint action programme financial control](#)

This informs NHS Scotland bodies to adapt their policy towards a more pro-active approach to:

- i. Countering fraud and development of a counter fraud culture;
 - ii. Ensuring that an operational manager with the health body is delegated specific responsibility for co-ordinating action following an act of theft; and
 - iii. Nominating an officer or officers to undertake the role of Fraud Liaison Officer for their Board.
- [NHS Circular CEL \(2013\) 11 – Updating CEL \(2008\) 03 – Strategy to Combat Financial Crime in NHS Scotland](#)

This informs NHS Scotland bodies of the best practice tools and assessments in combating financial crime in the NHS.

Partnership agreement between NHS Scotland Counter Fraud Services and NHS Boards and National Health Boards is currently set out in [DL \(2022\) 06](#). The original circular that introduced partnership agreements was [CEL 3 \(2008\)](#). This also created the role of the Fraud Champion.

Published by CFS

- [Counter Fraud Standard](#)

The NHS Scotland Counter Fraud Standard is a quality assurance approach adopted across much of the public sector.

The standard contains twelve components against which organisations can assess how effectively they tackle fraud, bribery, and corruption.

- [Four strategic pillars](#)

CFS states the strategic objective of these pillars is to “understand how fraud bribery and corruption adapt and impacts the NHS”. This will ensure the NHS is equipped to take proactive action to prevent future losses from occurring.

- [Accurate and honest declaration](#)

With the aim of ensuring that new and reviewed systems adopt the latest evidence-based principles to countering fraud, CFS has published a guide to designing application forms and declarations.

- [Insider threat – Managing people securely](#)

Public sector organisations have to manage an increasing number of risks to their assets, data, and reputation. In the midst of this struggle, it can seem reassuring that all of our employees are committed to the same goals as the organisation.

Unfortunately, evidence tells us this cannot be assumed. The risk from a small minority of our own people is ever-present and its impact often reported in the media. This guide provides a framework for us to understand ‘people security’, also known as ‘insider threat’, with particular emphasis on financial and other acquisitive crime.

- [Bank mandate fraud](#)

This describes the fraudulent changing of bank account details for a supplier of goods or services or any other beneficiary, to divert payments from your organisation to an account controlled by the fraudster.

- [Procurement fraud](#)

Procurement fraud is any fraud relating to the purchase of goods, services, or works, or the commissioning of construction projects from third parties.

The potential scale of procurement fraud is vast and can encompass many forms of dishonest behaviour.

NHS Scotland National Policy Documents

NHS Scotland has moved to creating national staff policy guidance and the following are relevant to investigating and managing the consequences of fraud.

NHS Scotland Principles and Values: [NHS Scotland Principles-and-Values](#)

Conduct Policy Full Policy: [Once for Scotland National Conduct Policy](#)

Conduct Policy Guide for Managers: [Conduct-policy-guide-for-managers](#)

Conduct Policy Guide for Employees: [Conduct-policy-guide-for-employees](#)

Conduct Policy Flow chart: [Flow chart NHS Scotland-workforce-conduct-policy](#)

NHS Scotland Investigation Process: [Investigation-process-overview](#)

[Investigation-process-associated-with-criminal-offences](#)

[Misconduct](#)

There is no legal definition of misconduct. However, it is recognised that misconduct is any type of behaviour or conduct at work that falls below the standard required by the employer.

[Gross Misconduct](#)

Acts of gross misconduct are those which are so serious in themselves, or have such serious consequences, that the relationship of trust and confidence, which is needed between the employer and employee, has been damaged beyond repair and therefore dismissal is the appropriate sanction.

Appendix 2 – Guidance to staff

Fraud and Corruption Response Plan

The Board has approved a Fraud and Corruption Response Plan which sets out its policy in respect of fraud and corruption. The Plan provides direction and help to Directors and employees of the Board who may find themselves faced with a case of suspected fraud and corruption.

This guide summarises the main points of the Plan. If you have any questions or require further information, you should contact the Director of Finance. A list of telephone numbers is provided in [Appendix 3](#).

For the avoidance of doubt this policy covers all concerns of fraud against the NHS. This may concern the actions of a patient, external trade supplier, colleagues working for the NHS or any other body or person. Due to advancement in technology cyber-crimes are coming more common. Further details on NHS Shetland cyber awareness guidance can be found [here](#).

The Board's policy on fraud and corruption

The Code of Conduct for NHS Boards identifies three crucial public service values which must underpin the work of the NHS. All Directors and employees of the Board should act in accordance with these values.

- Accountability

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

- Probity

There should be an absolute standard of honesty in dealing with the assets of the NHS; integrity should be the hallmark of all personal conduct in decisions affecting patients, staff and suppliers, and in the use of information acquired in the course of NHS duties.

- Openness

There should be sufficient transparency about NHS activities to promote confidence between the Health Board and its staff, patients, and the public.

The Board 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 fraud and corruption occurring. This guide is intended to support these measures and to promote a general awareness of the risks posed by fraud and corruption.

The Board wishes to encourage anyone with reasonable suspicions of fraud or corruption to report them. Therefore it is the Board'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.

Reporting fraud and corruption

If you think that fraud or corruption has occurred, you should report your suspicions without delay. Time may be of the utmost importance; delay may result in further loss to the Board or allow evidence to be destroyed.

In the first instance, you may report your suspicions to your Head of Department. If the suspicions seem well-founded, your Head of Department will inform the Director of Finance.

If your suspicions concern your Head of Department, you should report them to the Director of Finance or, in his absence, the Fraud Liaison Officer and agree a course of action.

If your suspicions are in respect of an Executive Director, you should report the matter to the Chair of the Board who can be contacted via the office of Chair of the Board. If you would like assistance with this, you may contact the Fraud Liaison Officer.

Where, in the legitimate course of your duties, you have access to documents or other evidence which supports your suspicions, you should, if possible, make these available to the officer to whom you report your concerns. You should not jeopardise your own position or risk alerting a suspected fraudster by attempting to obtain evidence which is not normally and/or readily available to you. Under no circumstances should you attempt to carry out any investigations before reporting your suspicions.

Finally, these procedures are intended to assure you that any reasonably held concern which you raise will be properly investigated. If you are uneasy about discussing your concern with your Head of Department or another employee you may use the CFS Fraud Reporting Hotline 08000 151628, or report your suspicions, anonymously if desired, through the [CFS website](#). Alternatively, you may choose instead to contact the [charity "Protect"](#) on 020 3117 2520 or via their website, who would offer you advice on how to proceed.

The media

You should not speak to the media about a case of fraud or corruption without the express authority of the Chief Executive, Director of Finance, or the Chair of the Board. Statements to the media in respect of alleged fraud and corruption will normally be made via the Chief Executive.

Reporting theft

If you are sure that theft of Board property has occurred, you should report the matter to the police immediately and then inform the Director of Finance. If you only suspect that theft of Board property has occurred, you should report the matter in the same way as you would report a suspected fraud.

If your own personal property is stolen, it is for you to report the matter to the police in the first instance.

Appendix 3 – Main points of contact

| Role | Name | Telephone | Email |
|--|--|---------------|--|
| Chair of Board | Gary Robinson | 01595 743648 | gary.robinson1@nhs.scot |
| Chair of Audit and Risk Committee | Gaynor Jones | 01595 743648 | gaynor.jones@nhs.scot |
| Chief Executive | Brian Chittick | 01595 743064 | brian.chittick@nhs.scot |
| Director of Finance | Colin Marsland | 01595 743070 | colin.marsland@nhs.scot |
| Director of HR and Support Services | Lorraine Hall | 01595 743024 | Lorraine.hall@nhs.scot |
| Chief Internal Auditor | David Eardley (Azets) | 0131 4733500 | David.Eardley@azets.co.uk |
| External Auditor | Rachel Browne (Audit Scotland) | 0131 6251939 | RBrowne@audit-scotland.gov.uk |
| Counter Fraud Champion | Bruce McCulloch (Employee Director) | 01595 743648 | bruce.mcculloch@nhs.scot |
| Fraud Liaison Officer (FLO) | Colin Marsland | 01595 743070 | colin.marsland@nhs.scot |
| CFS | | 08000 151628 | nss.cfsintelligence@nhs.scot |
| Protect – Speak up stop harm (formerly: Public Concern at Work) | | 020 3117 2520 | Web-form |

Please note names of post holders or contacts listed above can be amended to reflect changes in the current post holders or contact details during the four year period without undergoing a complete review cycle.

Appendix 4 – Rapid Impact Checklist

An equality and diversity impact assessment tool:

Which groups of the population do you think will be affected by this proposal?*

Potentially all groups may be affected in a positive manner.

Other groups:

- Minority ethnic people (incl. Gypsy/travellers, refugees & asylum seekers)
- Women and men
- People with mental health problems
- People in religious/faith groups
- Older people, children and young people
- People of low income
- Homeless people
- Disabled people
- People involved in criminal justice system
- Staff
- Lesbian, gay, bisexual and transgender

*the word proposal is used as shorthand for the policy, procedure, strategy or proposal that is being assessed

In the following sections, please consider what positive and negative impacts you think there may be and which specific groups will be affected by these impacts?

What impact will the proposal have on lifestyles?

For example, will the changes affect:

- Diet and nutrition
- Exercise and physical activity
- Substance use: tobacco, alcohol and drugs
- Risk taking behaviour
- Education and learning or skills

The level of risk-taking should reduce.

This policy will provide education on fraud and corruption.

The policy may reduce stress by providing clear guidance.

| | |
|---|---|
| <p>Will the proposal have any impact on the social environment?</p> <p>Things that might be affected include:</p> <ul style="list-style-type: none"> • Social status • Employment (paid or unpaid) • Social/Family support • Stress • Income | <p>No.</p> |
| <p>Will the proposal have any impact on the following?</p> <ul style="list-style-type: none"> • Discrimination? • Equality of opportunity? • Relations between groups? • Fairer Scotland Duty | <p>No.</p> |
| <p>Will the proposal have an impact on the physical environment?</p> <p>For example, will there be impacts on:</p> <ul style="list-style-type: none"> • Living conditions? • Working conditions? • Pollution or climate change? • Accidental injuries or public safety? • Transmission of infectious disease? | <p>The policy should contribute to improved working conditions.</p> |
| <p>Will the proposal affect access to and experience of services?</p> <p>For example:</p> <ul style="list-style-type: none"> • Health care • Transport • Social services • Housing services • Education | |

Summary sheet

| | |
|--|--|
| <p>Positive Impacts (note the groups affected) The policy should assure all stakeholders that there is clear guidance and controls around the issue of fraud and corruption.</p> | <p>Negative Impacts (Note the groups affected) None identified.</p> |
| <p>Additional Information and Evidence Required</p> | |
| <p>Recommendations</p> | |
| <p>From the outcome of the RIC, have negative impacts been identified for race or other equality groups? Has a full EQIA process been recommended? If not, why not? No negative impacts have been identified for race or other equality groups therefore a full EQIA process is not required.</p> | |

Signature(s) of Level One Impact Assessor(s):

Date:

Signature(s) of Level Two Impact Assessor(s):

Date: