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**COUNTER FRAUD, BRIBERY & CORRUPTION**

**Proactive Exercise  
Temporary Staffing COVID-19 Intake  
Overpayments of Salary Review**

**November 2022**

## **Executive Summary**

In response to an identified risk the Local Counter Fraud Specialist (LCFS) has undertaken an exercise to explore the procedure around the termination of staff taken on under temporary fixed term contracts due to the Coronavirus Pandemic within the Health Board.

In order to establish compliance with terminating temporary fixed term contracts from the appropriate dates, research was conducted on data provided by the Workforce Information Team.

At the conclusion of the exercise the LCFS found that whilst the majority of staff recruited under temporary fixed term contracts had been terminated from the correct date and in a timely manner, there were a small proportion of staff whose terminations had not been actioned at the time their employment ceased which resulted in them being paid salary for work they had not carried out.

Due to the uniqueness of the Coronavirus Pandemic there were many factors that contributed to late submission of termination forms, the most common being Managers on long term sickness, new Managers coming in to post and the staff themselves moving around different Wards/Departments to support the service where needed.

## **Introduction and Background**

This exercise, led by Local Counter Fraud Services for the Health Board, centred around the risk relating to the late termination of temporary fixed term contracts for staff recruited in response to the Pandemic, and the means for discovering those assignments that were still active when the staff member had ceased working under the temporary fixed term contract.

There appeared to be substantial delays between the staff member leaving their position under the temporary fixed term contract and the termination request being submitted to the Payroll Department which led to payments of salary for work not completed. The LCFS therefore proposed to undertake a proactive exercise to measure termination compliance at conclusion of contracts and identify the most common cause for any late terminations being submitted.

## **Scope of Exercise**

The exercise was undertaken to establish whether staff recruited in response to the Pandemic on a temporary basis were terminated at the appropriate point at conclusion of respective temporary contracts.

In order to measure the compliance of the termination process, the LCFS collated and analysed data supplied by the Workforce Information Team against Health Board systems.

The exercise enabled the LCFS to escalate any anomalies raised during the course of the exercise with Managers to ensure any terminations required were actioned accordingly.

## Method

The LCFS requested data from the Workforce Information Team, which detailed staff taken on under temporary fixed term contracts due to the Pandemic response, together with staff that were already registered with the Staff Bank that had taken up temporary fixed term contracts due to the Pandemic response, in order to run the exercise.

The Workforce Information Team provided the LCFS with three separate reports with data relating to staff taken on under temporary fixed term contracts due to the Pandemic response, both clinical and non-clinical as follows:-

- Staff in Post Report as of 17.01.2022.
- NHS Leavers Report between 01.03.2020 and 31.12.2021.
- Bank to COVID-19 Report between 01.03.2020 and 31.12.2021 (staff that were already registered with Staff Bank for the Health Board that took up a temporary fixed term contract).

The Staff in Post report was filtered to show only staff recorded as being on fixed term temporary positions. This data was then reviewed and showed there to be 288 matches.

The NHS Leavers report was reviewed and showed there to be 522 matches.

The Bank to COVID-19 report, which related to staff who were already registered with the Staff Bank for the Health Board, before taking up a temporary fixed term contract was reviewed and showed there to be 430 matches.

Verification checks were carried out on the data provided within the three reports against the information held on the ESR system and the E-roster system.

The LCFS contacted the managers recorded on the reports received from the Workforce Information Team, in respect of any staff not recorded on the E-roster system to ensure they were either still in post under the temporary fixed term contract or had been terminated from the correct date.

## Findings

### Staff in Post Report

From the data collated by Local Counter Fraud Services the following findings have been documented with regards to the report supplied for Staff in Post as of 17.01.2022:

- 269 matches had no issues with terminations made at appropriate times.
- 10 Matches flagged as possible overpayments.
- 9 matches flagged as having payments suspended pending Payroll Department receiving a termination form.

Further enquiries were carried out with the Payroll Department who were able to confirm the following.

Out of the 10 matches flagged as possible overpayments:-

- 2 had overpayments which were not referred to the Local Counter Fraud Team as they did not fit the criteria for referral.
- 4 had overpayments, however there was a record of the employee having made contact with the Health Board to notify of the overpayment.
- 3 had overpayments and are currently with the Local Counter Fraud Team.
- 1 was with the Payroll Department to determine the position with the overpayment.

Out of the 9 matches flagged as showing payments having been suspended, the Payroll Department were awaiting termination forms. Suspend pay status is used by payroll staff if they have become aware that there is an issue with a particular assignment, this status can be set "With Pay" or "Without Pay".

### NHS Leavers Report

From the data collated by Local Counter Fraud Services the following findings have been documented with regards to the report supplied for NHS Leavers between 01.03.2020 and 31.12.2021.:-

- 482 matches had no issues with terminations made at appropriate times.
- 5 matches had already been referred to the Local Counter Fraud Team.
- 22 matches were flagged for possible overpayments of under 3 months.
- 8 matches were flagged for possible overpayments of over 3 months.
- 5 matches were flagged as having their payments suspended.

Out of the 5 matches already referred to the Counter Fraud Team, all had been referred back to the Payroll Department for recovery action to commence due to enquiries having established the staff members had already made contact with the Health Board to notify they were being overpaid.

Further enquiries were carried out with the Payroll Department who were able to confirm the following.

Out of the 22 matches flagged for possible overpayment of under 3 months:-

- 7 were terminated from the correct date.
- 9 had overpayments, however there was a record of the employee having made contact with the Health Board to notify of the overpayment.
- 6 had small overpayments which were not referred to the Local Counter Fraud Team as they did not fit the criteria for referral.

Out of the 8 matches flagged for possible overpayments of over 3 months:-

- 5 had overpayments, however there was a record of the employee having made contact with the Health Board to notify of the overpayment.
- 1 had a small overpayment of less than 3 months, which did not fit the criteria for referral to the Counter Fraud Team.
- 1 had an overpayment just over 3 months, which did not fit the criteria for referral to the Local Counter Fraud Team.
- 1 had been terminated from the correct date.

### **Bank to COVID-19 Report**

From the data collated by Local Counter Fraud Services with regards to the Bank to COVID-19 Report, it was established that the 430 matches on the report included some of the matches already reported on via the Staff in Post Report and the NHS Leavers Report. The balance of the matches on this report were shown to have no issues with terminations made at appropriate times.

### **Conclusion**

Following completion of the field work relating to this report the total matches reviewed were **1240**, out of these matches **37** overpayments of salary were identified.

Of the 37 overpayments of salary identified, 12 cases were reviewed by Counter Fraud Services with a total net value of £116,500. The remaining 25 instances of overpayment were referred back to Payroll for recovery action, as these did not meet the criteria for Counter Fraud review.

9 of the cases reviewed by the Counter Fraud Services were referred back to the Payroll Department for recovery action to commence.

3 of the 12 cases were take forward for investigation by the Local Counter Fraud Services with a net value of £31,000 and are currently ongoing.

The majority of termination forms for staff taken on under temporary fixed term contracts due to the Pandemic were completed at conclusion of the respective temporary contracts. However, the exercise identified there were factors that contributed to the small number of cases that were not compliant. The most common factors identified were:

- Staff moving around departments to provide support to the service resulting in managers not being clear as to who was responsible for carrying out the required terminations and staff unsure of who to contact to report overpayments of salary, thus delaying the termination being actioned.
- Staff covering departments due to sickness with less managerial experience being unclear of their responsibility for the staff on temporary fixed term contracts.
- Delays in budget reports being reviewed resulting in any anomalies in the department budgets not being uncovered in a timely manner.
- Staff with temporary fixed term contracts being set up on the Payroll System without automatic end dates, resulting in staff being paid wages for work not carried out due to late termination request being submitted.

The exercise centred on review of a time when Health Board focus was on battling a pandemic, which significantly disrupted normal business. The small number of instances of overpayment have resulted in relatively large value overpayments of salary, but assurance can be taken that the vast majority of temporary contracts were managed in line with expectations. Recovery actions are underway in relation to identified overpayments and criminal investigation proceeding in appropriate cases.