

Audit Scotland
National Fraud Initiative- Self-appraisal checklists

Part A: For those charged with governance	Yes/No/Partly	Is action required?	Who by and when?
Leadership, commitment and communication			
1. Are we aware of emerging fraud risks and taken appropriate preventative and detective action?	Yes Irregularities reported by Audit Scotland and the Scottish Local Authority Investigators' Group are reviewed by the Internal Audit Section. This is used to identify projects for review within the Audit Plan. Services also informed of issues of concerns.	No	N/A
2. Are we committed to NFI? Has the council/board, audit committee and senior management expressed support for the exercise and has this been communicated to relevant staff?	Yes The Chief Financial Officer is the delegated NFI Senior Responsible Officer, and the Audit and Risk Manager is the Key Contact Officer. Individual officers within Services are responsible for progressing and investigating matches that fall under their remit (for example, Payroll, Creditors). Internal Audit will investigate any fraud and monitor progress. The outcome of the data matching exercise will be reported to the Audit and Scrutiny Committee by the Audit and Risk Manager.	No	N/A

3. Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error?	Yes NFI is referred to and forms part of the Council's Policy to Combat Fraud, Theft, Bribery and Corruption.	Yes	Policy to Combat Fraud, Theft, Bribery and Corruption has recently been updated. Policy was reported to the Corporate Committee in Jan 2024.
4. Have we considered using the point of application data matching service offered by the NFI team (AppCheck), to enhance assurances over internal controls and improve our approach to risk management?	Yes There is a cost for using these services, which would not be justified based on the outcomes from checking matches thus far. This position will continue to be monitored.	Yes	Keep under review
5. Are NFI progress and outcomes reported regularly to senior management and elected/board members (e.g., the audit committee or equivalent)?	Yes The most recent outcomes were reported to the Audit and Scrutiny Committee on 16 February 2022.	No	N/A
6. Where we have not submitted data or used the matches returned to us (e.g. council tax single person discounts), are we satisfied that alternative fraud detection arrangements are in place and that we know how successful they are?	Yes All data submission requests have been met. However, a decision was made by the Service to use Datatank to validate single-person discount claims. (Datatank is a private company specialising in the provision of data analytic solutions and managed services to support Local Authority revenues and benefits fraud detection. The Service will monitor results from the use of Datatank.)	No	N/A
7. Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?	Yes The Audit and Risk Manager is the Key Contact Officer with oversight of the matching process.	No	N/A
8. Do we review how frauds and errors arose and use this information to improve our internal controls?	Yes When an investigation identifies control weaknesses, recommendations are made to management to reduce the risk of recurrence of the error in the future.	No	N/A

9. Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (eg, successful prosecutions)?	No Investigation of data matches has related to errors or issues that require corrective actions as opposed to fraud that would merit formal prosecution.	No	N/A
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Part B: For NFI Key Contacts and users	Yes/No/Partly	Is action required?	Who by and when?
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Planning and preparation			
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1. Are we aware of emerging fraud risks and taken appropriate preventative and detective action?	Yes Irregularities reported by Audit Scotland and the Scottish Local Authority Investigators' Group are reviewed by the Internal Audit Section. This is used to identify projects for review within the Audit Plan. Services also informed of issues of concerns.	No	N/A
2. Are we investing sufficient resources in the NFI exercise?	Yes Services undertake the investigation of matches. Internal Audit will overview the process and report on the outcomes.	No	N/A
3. Do we plan properly for NFI exercises, both before submitting data and prior to matches becoming available? This includes considering the quality of data.	Yes The Internal Audit Section coordinates the NFI data matching exercise. Services and the ICT Section are provided with guidance on the information and deadlines for uploading the information. The quality of data is continually assessed during the processing of each dataset.	No	N/A

4. Is our NFI Key Contact the appropriate officer for that role and do they oversee the exercise properly? Are our Key Contact's details up to date on the NFI system?	Yes The Audit and Risk Manager is the Key Contact Officer. Internal Audit officers are in regular contact with service representatives to monitor progress.	No	N/A
5. Does our Key Contact have the time to devote to the exercise and sufficient authority to seek action across the organisation?	Yes However, a reduction in staff resources within the Internal Audit Section has resulted in reduced opportunities to support Services.	No	N/A
6. 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?	Yes This has been communicated to the Audit and Scrutiny Committee with the emphasis for each dataset involving taking a proportionate approach to checking returned matches	No	N/A
7. Do we confirm promptly (using the online facility on the secure website) that we have met the fair processing notice requirements?	Yes	No	N/A
8. Do we plan to provide all NFI data on time using the secure data file upload facility properly?	Yes	No	N/A
9. Have we considered using the point of application data matching service offered by the NFI team (AppCheck) to enhance assurances over internal controls and improve our approach to risk management?	Yes There is a cost for using these services which, based on the outcomes from the checking of matches thus far, would not be justified. This position will continue to be monitored.	No	Keep under review.
Effective follow-up of matches			
10. Do all departments involved in NFI start the follow-up of matches promptly after they become available?	Yes The requirement of investigating matches promptly must be balanced with the operational demands of the Service.	No	N/A
11. Do we give priority to following up high-risk matches, those that become quickly out-of-date and those that could cause reputational damage if a fraud is not stopped quickly?	Yes	No	N/A

12. Are we investigating the circumstances of matches adequately before reaching a 'no issue' outcome, in particular?	Yes	No	N/A
13. (In health bodies) Are we drawing appropriately on the help and expertise available from NHS Scotland Counter Fraud Services?	N/A		
14. Are we taking appropriate action in cases where fraud is alleged (whether disciplinary action, penalties/cautions or reporting to the Procurator Fiscal)? Are we recovering funds effectively?	Yes Where errors are disclosed which call for funds to be recovered by the Council, the steps necessary to do this are put in place.	No	Future actions will depend on results from future matching processes
15. Do we avoid deploying excessive resources on match reports where early work (e.g., on high-risk matches) has not found any fraud or error?	Yes The process of checking has been refined over successive exercises to reflect the risk apparent from sampled matches, with testing sufficient to draw conclusions	No	A proportionate approach to checking will continue to ensure resource inputs are optimised.
16. Where the number of high-risk matches is very low, are we adequately considering the medium and low-risk matches before we cease our follow-up work?	Yes The all matches report is used for information only with the focus being on the specific matches involving the individual datasets.	No	No change to current practice proposed
17. Do we follow up matches which indicate a customer may be eligible for a benefit or service which they currently do not receive?	Yes A review of eligibility for additional services is restricted to individuals identified within a dataset allocated to officers within a Service to investigate.	No	N/A
18. Overall, are we deploying appropriate resources on managing the NFI exercise?	Yes In the current financial climate and with the increased demands on Services, available staff resources to complete and manage the NFI data matching exercises have proved challenging.	No	N/A
Recording and reporting			
19. Are we recording outcomes properly in the secure website and keeping it up to date?	Yes	No	N/A

20. Do staff use the online training modules and guidance on the secure website, and do they consult the Cabinet Office NFI team if they are unsure about how to record outcomes (to be encouraged)?	Yes	No	N/A
21. If, out of preference, we record some or all outcomes outside the secure website, have we made arrangements to inform the Cabinet Office NFI team about these outcomes?	Yes To minimise data breaches all results are recorded on the secure website.	No	N/A