

Audit Scotland

National Fraud Initiative: Self Appraisal Checklist

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, e.g. due to Covid-19, and taken appropriate preventative and detective action?	Yes.	CMT/SMT and the Internal audit manager are aware of emerging risks and these have been and will be reflected in changes to internal control systems or in audit plans.	CMT/SMT, Managers to be alert to risks arising as consequence of changes in working practices; and to the opportunities for fraud and irregularity these may present.
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 council has fully participated in previous exercises and is committed to doing so for the currently ongoing 2020/21 exercise.	Staff have been advised, either where directly involved in the exercises, or via fair processing notices advising their data is used for NFI secure processing.	No further action required.
3. Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error?	Yes, reference to the NFI is included within the Policy to Combat Fraud, Theft, Bribery and Corruption.	Participation provides assurance on the reliability and integrity of systems from which data is sourced for the matching exercises.	No further action required.
4. Have we considered using the point of application data matching service offered by the NFI team, to enhance assurances over internal controls and improve our approach to risk management?	Yes, based on results to date and balancing cost, risk and return, it is considered doing so would not provide any additional benefit to the council.	No further action required.	
5. Are NFI progress and outcomes reported regularly to senior management and elected/board members (e.g.	Yes this checklist is provided within a report that summarises national and local	This report constitutes the output report for senior	No further action required.

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the audit committee or equivalent)?	outcomes for the matching exercise completed for 2018/19.	management and elected members.	
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?	N/A. The council does submit the required data and it is all checked on return for potential fraud /error.	Council tax single person discount data in particular is used to canvass recipients of the discount seeking positive confirmation from them that entitlement to the discount should continue and corrective action is taken where appropriate.	No change proposed to current practice.
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 Internal Audit Manager is the key contact and co-ordinates the whole exercise for the council	No further action required.	
8. Do we review how frauds and errors arose and use this information to improve our internal controls?	Yes, the reasons for any discrepancies identified are understood.	We could perhaps formalise reporting of these more, as contact with services on issues arising tends to be done on an 'as and when' basis.	Lower risk issue but to be considered by Internal Audit Manager.
9. Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (e.g. successful prosecutions)?	N/A	Nothing of significance to be reported; benefits fraud is the main area where prosecutions occur and such cases are referred to the Department for Work and Pensions.	Internal Audit Manager to monitor depending on outcomes identified.