

## 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?	Comments
<b>Leadership, commitment and communication</b>			
1. 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	No	
2. Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error?	Yes	No	
3. Have we considered using the real-time matching (Flexible Matching Service) facility and 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	No	There is a cost for using these services which, based on the outcomes from the checking of matches thus far, is not considered to be required. This position will continue to be monitored.
4. Are the NFI progress and outcomes reported regularly to senior management and elected/board members (e.g. the audit committee or equivalent)?	Yes	No	Regular reports are made to the Audit Committee at which senior Council officers are present.
5. 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	No	
6. Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?	Yes	No	Internal Audit have been responsible for administering the NFI from 18 March 2015. The outcomes from the process are taken account of in the Internal Audit work plan.
7. Do we review how frauds and errors arose and use this information to improve our internal controls?	Yes	No	

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<b>8.</b> Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (e.g. successful prosecutions)?	Yes	No	Recent articles in the Staff magazine and the Tenants' newsletter have focused on the role of the Corporate Fraud team. The Corporate Fraud Annual Report has been reported to the CMT, Audit Committee and the Integrity Group.

<b>Part B: for the NFI key contacts and users</b>	<b>Yes / No / Partly</b>	<b>Is action required? Who by and when?</b>	<b>Comments</b>
<b>Planning and preparation</b>			
<b>1.</b> Are we investing sufficient resources in the NFI exercise?	Yes	No	
<b>2.</b> 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	No	
<b>3.</b> Is our NFI Key Contact (KC) the appropriate officer for that role and do they oversee the exercise properly?	Yes	No	The key contact has been the Senior Auditor since 18 March 2015
<b>4.</b> Do KCs have the time to devote to the exercise and sufficient authority to seek action across the organisation?	Yes	No	
<b>5.</b> 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	No	It is understood that the existence of data matching has a deterrent effect
<b>6.</b> Do we confirm promptly (using the online facility on the secure website) that we have met the fair processing notice requirements?	Partly	Yes  Key Contact  31 March 2017	The fair processing notice was completed on the website by the Senior Responsible Officer on 26 September 2016. In addition an action plan has been implemented to ensure all documentation contains the appropriate notice.
<b>7.</b> Do we plan to provide all NFI data on time using the secure data file upload facility properly?	Yes	No	
<b>8.</b> Do we adequately consider the submission of any 'risk-based' data sets in conjunction with our auditors?	N/A	No	All datasets in the 2016/17 exercise are mandatory

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<p><b>9.</b> Have we considered using the real-time matching (Flexible Matching Service) facility and 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?</p>	Yes	No	<p>There is a cost for using these services which, based on the outcomes from the checking of matches thus far, is not considered to be required.</p> <p>This position will continue to be monitored.</p>
<b>Effective follow-up of matches</b>			
<p><b>10</b> Do all departments involved in NFI start the follow-up of matches promptly after they become available?</p>	Yes	No	
<p><b>11</b> 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?</p>	Yes	No	
<p><b>12</b> Do we recognise that NFI is no longer predominantly about preventing and detecting benefit fraud? Have we recognised the wider scope of NFI and are we ensuring that all types of matches are followed up?</p>	Yes	No	
<p><b>13</b> Are we investigating the circumstances of matches adequately before reaching a 'no issue' outcome, in particular?</p>	Yes	No	
<p><b>14</b> (In health bodies) are we drawing appropriately on the help and expertise available from NHS Scotland Counter-Fraud Services?</p>	N/A	No	
<p><b>15</b> 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?</p>	Yes	No	
<p><b>16</b> Do we avoid deploying excessive resources on match reports where early work (eg, on recommended matches) has not found any fraud or error?</p>	Yes	No	
<p><b>17</b> 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?</p>	Yes	No	

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18 Overall, are we deploying appropriate resources on managing the NFI exercise?	Yes	No	
<b>Recording and Reporting</b>			
19 Are we recording outcomes properly in the secure website and keeping it up to date?	Yes	No	
20 Do staff use the online training modules and guidance on the secure website and do they consult the NFI team if they are unsure about how to record outcomes (to be encouraged)?	Yes	No	In the first instance staff refer queries to the key contact, who will consult the NFI team if required.
21 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?	Yes	No	Outcomes are recorded on the secure website. Additional information is included in the website comments.