

## NFI - Self-appraisal checklist

Part A: For those charged with governance	Yes / No / Partly	Management Commentary	Is action required?	Who by and when?
<b>Leadership, commitment and communication</b>				
1. Are we aware of emerging fraud risk, e.g. due to COVID-19, and have we taken appropriate preventative and detective action?	Yes	Activities and actions in place: <ul style="list-style-type: none"> <li>• Monitoring and response to fraud alerts (NAFN, wider networks, peers, etc);</li> <li>• Membership and active participation in professional networks and groups WCAG; NMWAP &amp; Fraud sub-group Group;</li> <li>• Council has a Strategy to Counter Fraud, Corruption and Bribery (to include Anti-Money Laundering);</li> <li>• Internal audit (IA) offer advice to services on implementation of new systems and processes to ensure effective internal controls maintained;</li> <li>• HIA presented to Corporate Workshop on Fraud Awareness;</li> <li>• Internal Audit conducted authority-wide fraud risk-assessment to establish a fraud risk register.</li> <li>• Fraud Assessment completed by Internal Audit.</li> <li>• Mandatory Counter Fraud &amp; Ethics eLearning module released December 2023 for all Council Staff;</li> <li>• Nominated Council Officers undertake various fraud training to maintain knowledge and expertise;</li> <li>• Key financial control audits added to audit plan, to check controls, governance &amp; risks whilst staff working from home.</li> </ul>	<ul style="list-style-type: none"> <li>• On-going review of audit plan;</li> <li>• On-going assessment of risk of fraud.</li> </ul>	Internal audit / all services.  In place and on-going.

Part A: For those charged with governance	Yes / No / Partly	Management Commentary	Is action required?	Who by and when?
2. Are we committed to the NFI? Have the council/board, audit committee and senior management expressed support for the exercise and has this been communicated to relevant staff?	Yes	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>• Active participation in NFI exercise, which is co-ordinated by the Audit Manager (AM) for the whole Council. IT prepare the data-sets' uploads. Nominated officers throughout the Council have access to the system to investigate and report on matches;</li> <li>• A number of audit days are included in the IA annual audit plan to address NFI requirements;</li> <li>• NFI participation noted in IA quarterly progress reports to Governance &amp; Audit Committee (GAC);</li> <li>• Report on each NFI exercise included in the HIA's Annual Counter Fraud Report, which is presented to Leadership Group (LG) and GAC (and available on Council website).</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A
3. Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error?	Yes	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>• References made to the NFI exercise in the Council's Strategy to Counter Fraud, Corruption and Bribery (to include Anti-Money Laundering);</li> <li>• A number of audit days are included in the IA annual audit plan to address NFI requirements;</li> <li>• Report on each NFI exercise included in the HIA's Annual Counter Fraud Report, which is presented to LG and GAC (and available on Council website).</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A
4. Have we considered using the point of application data matching service offered by the NFI	Yes	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>• AppCheck is an additional service to the mandatory NFI exercise. There were additional fees attached when this was first introduced but these were withdrawn due to lack of uptake. At the moment, it is</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A

Part A: For those charged with governance	Yes / No / Partly	Management Commentary	Is action required?	Who by and when?
team, to enhance assurances over internal controls and improve our approach to risk management?		not considered of any additional benefit to the processes currently in place.		
5. Are NFI progress and outcomes reported regularly to senior management and elected/board members (e.g. the audit committee or equivalent)?	Yes	Activities and actions in place: <ul style="list-style-type: none"> <li>• NFI participation noted in IA quarterly progress reports to GAC and LG;</li> <li>• NFI exercise included in the HIA's Annual Counter Fraud Report, which is presented to LG and GAC (and available on Council website).</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	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	Activities and actions in place: <ul style="list-style-type: none"> <li>• Datatank is being used by CCC in 2023 for the Council Tax Single Person Discount review. The NFI team is aware of this and has provided advice regarding cross checking data. This can be assessed on completion.</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A
7. Does internal audit, or equivalent, monitor our approach to NFI and	Yes	Activities and actions in place: <ul style="list-style-type: none"> <li>• NFI is co-ordinated by the AM for the whole Council;</li> </ul>	<ul style="list-style-type: none"> <li>• On-going review of audit plan.</li> </ul>	Internal audit.

Part A: For those charged with governance	Yes / No / Partly	Management Commentary	Is action required?	Who by and when?
our main outcomes, ensuring that any weaknesses are addressed in relevant cases?		<ul style="list-style-type: none"> <li>• A number of audit days are included in the IA annual audit plan to address NFI requirements;</li> <li>• Report on each NFI exercise included in the HIA's Annual Counter Fraud Report, which is presented to LG and GAC (and available on Council website).</li> </ul>		In place and on-going.
8. Do we review how instances of fraud and error arose and use this information to improve our internal controls?	Yes	Activities and actions in place: <ul style="list-style-type: none"> <li>• A review of internal controls is undertaken when any instances of fraud and/or error are detected by, or reported to, IA;</li> <li>• IA's annual audit plan can address any necessary re-prioritisation of work, allowing IA to be reactive to any changes in risk within the Council.</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A
9. Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (e.g. successful prosecutions)?	Yes	Activities and actions in place: <ul style="list-style-type: none"> <li>• HIA provides an Annual Counter Fraud Report, which is presented to LG and GAC (and available on Council website);</li> <li>• Where appropriate, successful prosecutions publicised on Council website (and in local press), e.g:  <a href="#">Ceredigion County Council</a>  <a href="#">Ceredigion County Council</a></li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A

Part B: For NFI SROs and Key Contacts	Yes / No / Partly	Management Commentary	Is action required?	Who by and when?
<b>Planning and preparation</b>				

Part B: For NFI SROs and Key Contacts	Yes / No / Partly	Management Commentary	Is action required?	Who by and when?
1. Are we aware of emerging fraud risks, e.g. due to COVID-19, and have we taken appropriate preventative and detective action?	Yes	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>• Monitoring and response to fraud alerts (NAFN, wider networks, peers, etc);</li> <li>• Membership and active participation in professional networks and groups WCAG; NMWAP &amp; Fraud sub-group Group;</li> <li>• Council has a Strategy to Counter Fraud, Corruption and Bribery (to include Anti-Money Laundering);</li> <li>• IA offer advice to services on implementation of new systems and processes to ensure effective internal controls maintained;</li> <li>• Internal audit (IA) offer advice to services on implementation of new systems and processes to ensure effective internal controls maintained;</li> <li>• HIA presented to Corporate Workshop on Fraud Awareness;</li> <li>• Internal Audit conducted authority-wide fraud risk-assessment to establish a fraud risk register.</li> <li>• Fraud Assessment completed by Internal Audit.</li> <li>• Mandatory Counter Fraud &amp; Ethics eLearning module released December 2023 for all Council Staff;</li> <li>• Nominated Council Officers undertake various fraud training to maintain knowledge and expertise;</li> <li>• Key financial control audits added to audit plan, to check controls, governance &amp; risks whilst staff working from home.</li> </ul>	<ul style="list-style-type: none"> <li>• On-going review of audit plan;</li> <li>• On-going assessment of risk of fraud.</li> </ul>	<p>Internal audit / all services.</p> <p>In place and on-going.</p>

<b>Part B: For NFI SROs and Key Contacts</b>	<b>Yes / No / Partly</b>	<b>Management Commentary</b>	<b>Is action required?</b>	<b>Who by and when?</b>
2. Are we investing sufficient resources in the NFI exercise?	Yes	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>• NFI exercise is co-ordinated by the AM for the whole Council. IT prepare the data-sets' uploads. Nominated officers throughout the Council have access to the system to investigate and report on matches;</li> <li>• A number of audit days are included in the IA annual audit plan to address NFI requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	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	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>• NFI is co-ordinated by the AM, who ensures: <ul style="list-style-type: none"> <li>○ All necessary fair processing notices are issued in a timely manner,</li> <li>○ IT have a copy of the most recent data specs for each upload and are aware of the set deadlines,</li> <li>○ Any problems / anomalies discovered in reports prior to issue are discussed with the AW contact, and</li> <li>○ All officers responsible for investigating the matches are aware of the training modules, are familiar with the website, and have a regard for report deadlines;</li> </ul> </li> <li>• The quality of data is continually assessed during the processing of each dataset.</li> <li>• Email sent by KC to inform participants of the exercise and give them their dataset data specifications.</li> </ul>	<ul style="list-style-type: none"> <li>• Report to be presented to LG to highlight importance of NFI exercise in preparation for 24/25 exercise</li> <li>• SRO &amp; KC to arrange refresher information session with all officer checking data matches to ensure expectations are clearly communicated.</li> </ul>	SRO & AM

<b>Part B: For NFI SROs and Key Contacts</b>	<b>Yes / No / Partly</b>	<b>Management Commentary</b>	<b>Is action required?</b>	<b>Who by and when?</b>
4. Is our NFI Key Contact (KC) the appropriate officer for that role and do they oversee the exercise properly?	Yes	Activities and actions in place: <ul style="list-style-type: none"> <li>• The AM is the KC, who has worked in IA since 1996 and holds a CIPFA Certificate in Investigative Practices (the Council does not have a dedicated fraud section);</li> <li>• The AM has been the NFI KC for numerous years and is well acquainted with the system and procedures;</li> <li>• IA falls within the Legal and Governance Service which is led by the Monitoring officer who is the NFI SRO.</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A
5. Do KCs have the time to devote to the exercise and sufficient authority to seek action across the organisation?	Yes	Activities and actions in place: <ul style="list-style-type: none"> <li>• A number of audit days are included in the IA annual audit plan to address NFI requirements;</li> <li>• Nominated officers throughout the Council have access to the system to investigate and report on matches;</li> <li>• In accordance with the Council's Constitution (1.8.2), IA has authority to:               <ol style="list-style-type: none"> <li>a) Enter any Council premises or land at any reasonable times,</li> <li>b) access all assets, records, documents, correspondence and control systems relating to any financial or other transactions of the Council.</li> <li>c) require and receive any such information and explanation considered necessary concerning any matter under consideration/examination,</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A

Part B: For NFI SROs and Key Contacts	Yes / No / Partly	Management Commentary	Is action required?	Who by and when?
		<p>d) require any employee of the Council to account for cash, stores or any other Council property under his or her control, and</p> <p>e) have access to records belonging to third parties, such as contractors or partnership agencies, according to the relevant contractual terms.</p>		
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	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>• NFI is usually run at full capacity on every occasion, regardless of past outcomes for the Council. There has been an exception for the 2022/23 exercise due to changes to system access requirements.</li> <li>• The value of the exercise as a deterrent (as well as for detection purposes) is recognised and acknowledged;</li> <li>• Assurances gained from low outcomes are also reported upon.</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	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	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>• Notification regarding the NFI exercise is always available via the privacy notice internally on Cerinet and externally on the NFI page on CCC's website:  <a href="#">National Fraud Initiative Notification   Cerinet (ceredigion.gov.uk)</a>  <a href="#">National Fraud Initiative Notification - Ceredigion County Council</a></li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A
<b>Leadership, commitment and communication</b>				



<b>Part B: For NFI SROs and Key Contacts</b>	<b>Yes / No / Partly</b>	<b>Management Commentary</b>	<b>Is action required?</b>	<b>Who by and when?</b>
8. Do we plan to provide all NFI data on time using the secure data file upload facility properly?	Yes	Activities and actions in place: <ul style="list-style-type: none"> <li>NFI is co-ordinated by the AM for the whole Council, this includes ensuring system administrators and the IT data upload contact have a copy of the most recent data specs for each upload and are aware of the set deadlines.</li> </ul>	<ul style="list-style-type: none"> <li>No additional actions required.</li> </ul>	N/A
9. 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	Activities and actions in place: <ul style="list-style-type: none"> <li>AppCheck is an additional service to the mandatory NFI exercise. There were additional fees attached when this was first introduced but these were withdrawn due to lack of uptake. At the moment, it is not considered of any additional benefit to the processes currently in place.</li> </ul>	<ul style="list-style-type: none"> <li>No additional actions required.</li> </ul>	N/A
<b>Effective follow-up of matches</b>				
10. Do all departments involved in NFI start the follow-up of matches promptly after they become available?	Partly	Activities and actions in place: <ul style="list-style-type: none"> <li>NFI is co-ordinated by the AM for the whole Council, this includes monitoring the completion of the reports to ensure they are completed by the set date;</li> <li>There is not always prompt progress by all nominated officers as soon as the NFI matches are available, but sufficiency of overall progress is checked;</li> </ul>	<ul style="list-style-type: none"> <li>No additional actions required.</li> </ul>	N/A

Part B: For NFI SROs and Key Contacts	Yes / No / Partly	Management Commentary	Is action required?	Who by and when?
		<ul style="list-style-type: none"> <li>• Regular reminder are sent to all officers by the AM when any actions are due, which are followed-up as deadlines near.</li> <li>• For the 2022-23 exercise, Ceredigion encountered difficulties with undertaking some of the testing, as access to the NFI secure system is now subject to the Government's BPSS security standards. There was some confusion about the requirements to achieve the standard, with conflicting messages received from the Cabinet Office by different LAs. It was decided by the 22 Welsh Authorities that meet in the WCAG group to try and establish a joint approach. This delayed work on the matches considerably, with no definitive answer available by the end of 2023. Subsequently each Council took their own course of action, with most deciding that the safest approach was to apply for DBS checks for all system users. This was undertaken in December 2023, by which time there were long delays in DBS checks being returned.</li> <li>• The BPSS security delays did not affect the matches for Housing Benefits, Council Tax Reduction Scheme and Blue Badges, as staff already had the necessary clearance to undertake the work. The datasets affected are: Payroll, Creditors, and the Housing Waiting List.</li> <li>• As the data was extracted for matching as at 30/09/22, it is now historic and there would be very little benefit in using that data for testing. IA will</li> </ul>		

Part B: For NFI SROs and Key Contacts	Yes / No / Partly	Management Commentary	Is action required?	Who by and when?
		include Active Data testing for the affected datasets in the 2024/25 Audit Plan, to provide current fraud coverage to mitigate the risk caused by the delays in the last NFI exercise. There will be another NFI exercise in 2024/25 and all system users will have a DBS in place to undertake their dataset testing.		
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	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>• NFI is co-ordinated by the AM for the whole Council, this includes highlighting to the nominated officers that matches should be investigated in accordance with the RAG system;</li> <li>• Dissemination of reports to nominated officers within the various services ensures a range of different cases can be investigated at the same time.</li> </ul>	<ul style="list-style-type: none"> <li>• Overview of outcomes to be requested from each service.</li> </ul>	AM
12. Are we investigating the circumstances of matches adequately before reaching a 'no issue' outcome, in particular?	Yes	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>• For the 2022/23 exercise only (see above), some nominated officers throughout the Council have access to the system to investigate and report on matches;</li> <li>• All matches are dealt with on a case by case basis, as satisfied by the appropriate service.</li> </ul>	<ul style="list-style-type: none"> <li>• IA to conduct a review of a sample of 'no issue' outcomes following 24/25 exercise for assurance that circumstances of matches are investigated adequately and to assess</li> </ul>	Internal Audit

Part B: For NFI SROs and Key Contacts	Yes / No / Partly	Management Commentary	Is action required?	Who by and when?
			value of exercise.	
13. (In <b>health bodies</b> ) Are we drawing appropriately on the help and expertise available from NHS Counter Fraud Service Wales?	n/a	Local Authority.	n/a	N/A
14. Are we taking appropriate action in cases where fraud is alleged (whether disciplinary action, penalties/cautions or reporting to the Police or NHS Counter Fraud Service Wales)? Are we recovering funds effectively?	Yes	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>• Where fraud is suspected, cases are escalated for investigation in line with each Service's customary procedures;</li> <li>• All funds identified for recovery are recovered in line with the Council's Strategy to Counter Fraud, Bribery and Corruption (to include Anti-Money Laundering) as updated and approved by Council on 17/6/21.</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A
15. Do we avoid deploying excessive resources on match reports where early work (eg, on high-risk matches) has not found any fraud or error?	Yes	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>• Each service decides on the appropriate methodology for progressing their individual matches dependant on available resources.</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A

<b>Part B: For NFI SROs and Key Contacts</b>	<b>Yes / No / Partly</b>	<b>Management Commentary</b>	<b>Is action required?</b>	<b>Who by and when?</b>
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	Activities and actions in place: <ul style="list-style-type: none"> <li>• Each service decides on the appropriate methodology for progressing their individual matches dependant on available resources.</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A
17. Overall, are we deploying appropriate resources on managing the NFI exercise?	Yes	Activities and actions in place: <ul style="list-style-type: none"> <li>• NFI exercise is co-ordinated by the AM for the whole Council. System administrators and the IT data upload contact prepare the datasets for upload. Nominated officers throughout the Council have access to the system to investigate and report on matches</li> <li>• A number of audit days are included in the IA annual audit plan to address NFI requirements.</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A
<b>Recording and Reporting</b>				
18. Are we recording outcomes properly in the secure website and keeping it up to date?	Yes	Activities and actions in place: <ul style="list-style-type: none"> <li>• NFI is co-ordinated by the AM for the whole Council, this includes monitoring the completion of the reports to ensure they are completed by the set date;</li> <li>• There is not always prompt progress by all nominated officers as soon as the NFI matches are available, but sufficiency of overall progress is checked;</li> </ul>	<ul style="list-style-type: none"> <li>• No additional actions required.</li> </ul>	N/A

Part B: For NFI SROs and Key Contacts	Yes / No / Partly	Management Commentary	Is action required?	Who by and when?
		<ul style="list-style-type: none"> <li>Reminders are sent to any officers if the AM envisages any problems arising re completion of any reports by set date;</li> <li>Datatank is being used by CCC in 2023 for the Council Tax Single Person Discount review. The NFI team is aware of this and has provided advice regarding cross checking data.</li> </ul>		
19. 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	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>Nominated officers throughout the Council have access to the system to investigate &amp; report on matches;</li> <li>NFI is co-ordinated by the Audit Manager for the whole Council, who provides continuous support throughout the exercise to include ensuring all officers are aware of the NFI training modules and other available resources prior to the commencement of investigating matches;</li> <li>Any complex queries arising are directed via the AM to the NFI contact / query desk.</li> </ul>	<ul style="list-style-type: none"> <li>No additional actions required.</li> </ul>	N/A
20. 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?	n/a	<p>Activities and actions in place:</p> <ul style="list-style-type: none"> <li>All NFI outcomes are recorded within the NFI secure system:</li> <li>Datatank is being used by CCC in 2023 for the Council Tax Single Person Discount review. The NFI team is aware of this and has provided advice regarding cross checking data.</li> </ul>	<ul style="list-style-type: none"> <li>No additional actions required.</li> </ul>	N/A