



Item 4.2

NFI Self-Appraisal Checklist

Introduction

The National Fraud Initiative (NFI) is a data matching exercise conducted by the Cabinet Office to assist in the prevention and detection of fraud.

Data for the NFI is provided by some 1,200 participating organisations from the public and private sectors including government departments. The NFI works with public audit agencies in all parts of the UK.

Data matching involves comparing sets of data electronically, such as the payroll or benefit records of a body, against other records held by the same or another body to see how far they match. The data is usually personal information. The data matching allows potentially fraudulent claims and payments to be identified. Where a match is found it may indicate that there is an inconsistency that requires further investigation.

No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out.

All bodies participating in the Cabinet Office's data matching exercises receive a report of matches that they should investigate, so as to detect instances of fraud, over- or under-payments, and other errors, to take remedial action and update their records accordingly.

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, eg due to COVID-19, and have we taken appropriate preventative and detective action?	Yes	The Counter Fraud Team, in line with NHS Fraud Standards, maintain a programme of risk assessment to identify and respond to emerging risks.	
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?	Partly	Cwm Taf Morgannwg University Health Board is a mandatory participant of the NFI and the NFI is a key resource for the management of Fraud in NHS Wales. Results will be reported through to Audit Committee and senior management. The UHB's commitment to the NFI will be communicated to relevant staff.	
3. Is the NFI an integral part of our corporate policies and strategies for preventing and detecting fraud and error?	Yes	Cwm Taf Morgannwg University Health Board is a mandatory participant of the NFI and the NFI is a key resource for the management of Fraud in NHS Wales, as per the NHS Wales Fighting Fraud Strategy 2019.	

Part A: For those charged with governance	Yes/No/Partly	Is action required?	Who by and when?
Leadership, commitment and communication			
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	<p>Other existing options are available to verify data and are utilised.</p> <p>Point of application data matching service is viewed as a further available option.</p>	
5. Are NFI progress and outcomes reported regularly to senior management and elected/board members (eg, the audit committee or equivalent)?	Partly	<p>Updates are given as part of regular meetings between Director of Finance and Counter Fraud Specialist. Results will be reported to Audit Committee by the LCFS in June 2023, in the first Counter Fraud report following release of new data on 26 January 2023.</p>	<p>LCFS</p> <p>June 2023 (first report following release of new data on 26 January 2023)</p>
6. Where we have not submitted data or used the matches returned to us, eg 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	<p>Existing auditing systems and controls are considered as part of all NFI work to inform a risk based approach.</p>	

Part A: For those charged with governance	Yes/No/Partly	Is action required?	Who by and when?
Leadership, commitment and communication			
7. Does internal audit, or equivalent, monitor our approach to NFI and our main outcomes, ensuring that any weaknesses are addressed in relevant cases?	Partly	Not explicitly monitored but any identified system weaknesses arising from NFI work is shared with key stakeholders. The LCFS meets with the Head of IA to share details on identified risk, including instances where data mining or sampling has highlighted outliers or concerns.	
8. Do we review how instances of fraud and error arose and use this information to improve our internal controls?	Yes	Creditors matched data from across NHS Wales is being assessed centrally by NWSSP Accounts Payable and Counter Fraud Specialist with view to improving approach and outcomes. This has been ongoing since October 2021.	
9. Do we publish, as a deterrent, internally and externally the achievements of our fraud investigators (eg, successful prosecutions)?	Yes	Publication of achievements from counter fraud work is actively promoted. No successful prosecutions	

Part B: For NFI SROs and Key Contacts	Yes/No/Partly	Is action required?	Who by and when?
Planning and preparation			
1. Are we aware of emerging fraud risks, eg due to COVID-19, and have we taken appropriate preventative and detective action?	Yes	The Counter Fraud Team, in line with NHS Fraud Standards, maintain a programme of risk assessment to identify and respond to emerging risks.	
2. Are we investing sufficient resources in the NFI exercise?	Yes	The Health Board's Counter Fraud Team pick up work around Payroll matches and Creditors matches are picked up by Finance Dept. Accounts Payable staff.	
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	Data submission is organised on an All Wales basis and is promptly submitted. Key stakeholders are kept up to date and informed of timetable.	

Part B: For NFI SROs and Key Contacts	Yes/No/Partly	Is action required?	Who by and when?
Planning and preparation			
4. Is our NFI Key Contact (KC) the appropriate officer for that role and do they oversee the exercise properly?	Yes	The Key Contact is Head of Counter Fraud Services.	
5. Do KCs have the time to devote to the exercise and sufficient authority to seek action across the organisation?	Yes	NFI work is built into the Annual Counter Fraud Workplan. Work is reviewed and backed by the Director of Finance.	
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	The approach to NFI is proportionate to the risk outlined within matched reports and the risk relative to outcomes achieved in previous NFI work.	

Part B: For NFI SROs and Key Contacts	Yes/No/Partly	Is action required?	Who by and when?
Planning and preparation			
7. Do we confirm promptly (using the online facility on the secure website) that we have met the fair processing notice requirements?	Yes	Fair Processing and Privacy Notices are issued in line with NFI timetable guidance. This is confirmed in the secure website upon completion.	
Leadership, commitment and communication			
8. Do we plan to provide all NFI data on time using the secure data file upload facility properly?	Yes	Uploads are managed centrally via NWSSP Accounts payable for creditors data and directly from ESR for Payroll data.	

Part B: For NFI SROs and Key Contacts	Yes/No/Partly	Is action required?	Who by and when?
<p>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?</p>	<p>Yes</p>	<p>Other existing options are available to verify data and are utilised.</p> <p>Point of application data matching service is viewed as a further available option.</p>	
<p>Effective follow-up of matches</p>			
<p>10. Do all departments involved in NFI start the follow-up of matches promptly after they become available?</p>	<p>Partly</p>	<p>Work on Payroll matches is commenced upon first availability. Work on Creditors matches is undertaken when resource is available; this is a reflection of the work being viewed as a systems audit given the systems and controls in place within Accounts Payable centred on the same risks arising from NFI creditors matched data.</p> <p>Request that NWSSP ensure prompt follow up on creditors matches.</p>	<p>Director of Finance</p> <p>January 2023</p>
<p>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?</p>	<p>Yes</p>	<p>A Risk based approach is used to complete work on NFI matches.</p>	

Part B: For NFI SROs and Key Contacts	Yes/No/Partly	Is action required?	Who by and when?
Effective follow-up of matches			
12. Are we investigating the circumstances of matches adequately before reaching a 'no issue' outcome, in particular?	Yes	Matches are thoroughly reviewed in line with NFI guidance on completing matches before outcomes reached.	
13. (In health bodies) Are we drawing appropriately on the help and expertise available from NHS Counter Fraud Service Wales?	Yes	<p>NHS Counter Fraud Service Wales have a commitment to become involved in cases of identified complex fraud.</p> <p>No such fraud has been identified to engage CFS Wales however.</p>	
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	Investigations (disciplinary/criminal) have commenced in relation to identified concerns arising from Payroll matches.	

Part B: For NFI SROs and Key Contacts	Yes/No/Partly	Is action required?	Who by and when?
Effective follow-up of matches			
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	Risk based approach is utilised taking account of existing systems and controls that cover the same risks. In particular Creditors matches are seen as a systems audit as there is duplication between risk management systems in use and the matches NFI produces.	
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	Matches are assessed in light of existing systems and controls for risk beyond the risk profile attributed by the NFI system.	
17. Overall, are we deploying appropriate resources on managing the NFI exercise?	Yes	The level of resource deployed is proportionate to risk presented by NFI matched data and the level of previous outcomes achieved from NFI work.	

Part B: For NFI SROs and Key Contacts	Yes/No/Partly	Is action required?	Who by and when?
Recording and reporting			
18. Are we recording outcomes properly in the secure website and keeping it up to date?	Yes	All NFI work is recorded within the secure website.	
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	Guidance and training modules are utilised.	
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?	No	All NFI work is recorded within the secure website.	

The National Fraud Initiative in Wales 2020-21: Management Response

Recommendation	Management response	Completion date	Responsible officer
<p>Recommendation 1 All participants in the NFI exercise should ensure that they maximise the benefits of their participation. They should consider whether it is possible to work more efficiently on the NFI matches by reviewing the guidance section within the NFI secure web application.</p>	<p>The available guidance within the NFI is considered at the outset of work on NFI matches. The available guidance is utilised as a reference point throughout the exercise to ensure efficient and accurate completion.</p> <p>Additionally, NWSSP are undertaking a review of Creditors matched data across NHS Wales NFI data reports with intent to maximise value from work around reviewing these match types.</p>		
<p>Recommendation 3 Audit committees, or equivalent, and officers leading the NFI should review the NFI self-appraisal checklist. This will ensure they are fully informed of their organisation's planning and progress in the 2022-23 NFI exercise.</p>	<p>The NFI self-appraisal checklist has been completed and received as part of the agenda of the Health Board's Audit & Risk Committee.</p> <p>Completion of the self-appraisal checklist resulted in identification of actions relating to progress reporting and operational completion of the 2022-23 NFI exercise.</p>		