

Agenda – Public Accounts and Public Administration Committee

Meeting Venue:	For further information contact:
Hybrid – Committee Room 5 Ty Hywel and video conference	Fay Bowen Committee Clerk
Meeting date: 6 November 2024	0300 200 6565
Meeting time: 09.15	SeneddPAPA@senedd.wales

Private pre-meeting (09.00 – 09.15)

Public meeting (09.15 – 11.05)

- 1 Introductions, apologies, substitutions and declarations of interest
(09.15)
- 2 Papers to note
(09.15)
 - 2.1 Response from the Cabinet Secretary for Finance and Welsh Language to the Chair regarding Welsh Government's procurement of electric vehicles
(Pages 1 – 2)
 - 2.2 Letter from Aberystwyth Town Council to Senedd Committees regarding the formula for the funding of local authorities in Wales
(Pages 3 – 6)
 - 2.3 Letter from the Chair to Andrew Slade, Director General, Economy, Energy and Transport Group – Welsh Government with follow-up questions from the evidence session of 19 September 2024
(Pages 7 – 8)

2.4 Response from Andrew Slade, Director General, Economy, Energy and Transport Group – Welsh Government to the Chair with follow-up questions from the evidence session of 19 September 2024

(Pages 9 – 12)

2.5 Letter from the Chair to David Richards OBE, Director of Propriety and Ethics – Welsh Government regarding the Cabinet Manual and Ministerial Code

(Pages 13 – 14)

2.6 Response from David Richards OBE, Director of Propriety and Ethics – Welsh Government to the Chair regarding the Cabinet Manual and Ministerial Code

(Pages 15 – 17)

Break (09.30 – 09.35)

3 Supporting Ukrainians in Wales: evidence session with Welsh Government senior officials

(09.35 – 11.05)

(Pages 18 – 45)

Sioned Evans, Director General, Education, Culture & Welsh Language
Welsh Government

Ruth Meadows, Director of Tertiary Education – Welsh Government

Emma Williams, Director of Housing and Regeneration – Welsh Government

Amelia John, Director, Communities & Social Justice – Welsh Government

Research brief

4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting

(11.05)

5 Supporting Ukrainians in Wales: consideration of evidence

(11.05–11.20)

- 6 Scrutiny of Accounts: Senedd Commission 2022 – 23:
consideration of draft report**
(11.20 – 11.40) (Pages 46 – 88)
Paper 1 – draft report
- 7 Covering Teachers' Absence: consideration of draft report**
(11.40 – 12.00) (Pages 89 – 126)
Paper 2 – draft report
- 8 National Fraud Initiative: consideration of Audit Wales' report**
(12.00 – 12.20) (Pages 127 – 153)
Paper 3 – Audit Wales report
- 9 Response from David Richards OBE, Director of Propriety and
Ethics – Welsh Government to the Chair regarding the Cabinet
Manual and Ministerial Code: consideration of response**
(12.20 – 12.30)

Mark Isherwood MS
Chair of the Public Accounts and Public
Administration Committee
Welsh Parliament
Cardiff Bay, Cardiff
CF99 1SN

16 October 2024

Dear Mark,

Thank you for your letter of 27 September 2024 in relation to the collaborative procurement framework for electric vehicles.

You reference the Welsh Government's Welsh Procurement Policy Note 07/21 which aims to promote SME-friendly procurement within the Welsh public sector. WPPN 07/21 specifies that the Welsh public sector should not ask for more than two years audited accounts, and accept alternative information from newer businesses, through their procurement activities. This is in line with the UK Government's procurement policy and published guidance and is standard practice across public sector procurement. The UK Government's PPN 03/24 provides statutory guidance on the Standard Selection Questionnaire (SQ) that forms the basis of all Welsh Government's procurements to test bidders' suitability to perform a contract. Within PPN 03/24, the standard question to test bidders' economic and financial standing requires evidence in the form of two years of accounts or alternative information if unavailable.

PPN 03/24 also stipulates the mandatory and discretionary exclusion criteria that bidders are tested against when procuring authorities undertake their qualification analysis and due diligence. Bidders are required to respond to these mandatory and discretionary exclusion criteria on behalf of the organisation and all relevant persons and entities, in accordance with the Public Contracts Regulations (PCR) 2015 regulation 57(2). This ensures that company directors and executive board members are reviewed in addition to any entities or persons that have powers of representation, decision or control in the supplier. Whilst a bidder does not have to provide a definitive list of entities or persons that their declarations include, they must ensure that their declarations are truthful in respect of all those that are covered by the regulation.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
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Gohebiaeth.Mark.Drakeford@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

The mandatory and discretionary exclusion criteria cover a range of financial factors that are considered in relation to the bidding organisation and their relevant persons and entities. These include, but are not limited to, bankruptcy or subject of insolvency; payment of taxes; financial criminal convictions; and past contractual performance. Welsh Government implement this process on all procurements over £25k.

Moving forward, the Procurement Act 2023 will come into force on 24 February 2025 which changes how Welsh Government and the public sector procures. The Act creates a new debarment regime to place suppliers on a published debarment list, which must be taken into account for all covered procurements. The debarments process covers both the bidding organisation and any associated persons and tests their suitability to be awarded contracts under a broader supplier exclusions regime than the current PCR (2015).

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive style and is centered within a white rectangular box.

Mark Drakeford AS/MS

Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language

Agenda Item 2.2

Annwyl Bwyllgorau'r Senedd,

Yn dilyn cynnig diweddar a basiwyd gan Gyngor Tref Aberystwyth, ysgrifennwn atoch fel Pwyllgorau perthnasol y Senedd ynghylch y fformiwla ar gyfer ariannu awdurdodau lleol yng Nghymru. Rydym yn nodi gyda phryder bod y fformiwla ariannu bresennol a ddefnyddir gan Lywodraeth Cymru i ddyrannu adnoddau ariannol i awdurdodau lleol yn effeithio'n anghymesur ar Sir Ceredigion a Chyngor Sir Ceredigion. Mae'r fformiwla, fel y mae, wedi arwain at ganran sylweddol is o gyllid ar gyfer ein sir, sy'n niweidiol i les economaidd, diwylliannol ac addysgol ein cymunedau.

Rydym yn nodi ymhellach:

- 1. Nodweddion demograffig a daearyddol unigryw Ceredigion, sy'n gofyn am fodel ariannu sy'n adlewyrchu'n ddigonol yr heriau sy'n wynebu ardaloedd gwledig a llai poblog.**
- 2. Yr effeithiau hirdymor posibl ar economi, diwylliant a system addysg Ceredigion os yw'r fformiwla ariannu bresennol yn parhau heb newid, gan gynnwys y risg o leihau gwasanaethau cyhoeddus a seilwaith.**
- 3. Pwysigrwydd sicrhau bod Ceredigion yn derbyn cyfran deg o gyllid sy'n gymesur â'i hanghenion, gan ganiatáu i'r sir ffynnu a pharhau i gynnig gwasanaethau o ansawdd uchel i'w thrigolion.**

Rydym felly'n ysgrifennu i ofyn ac erfyn am eich cymorth i eiriol dros newid yn y fformiwla ariannu a fydd o fudd i Geredigion.

Edrychwn ymlaen at eich ymateb a'ch cefnogaeth.

.....

Dear Senedd Committees,

Further to a recent motion passed by Aberystwyth Town Council, we write to you as the relevant Senedd Committees regarding the formula for the funding of local authorities in Wales. We note with concern that the current funding formula used by the Welsh Government to allocate financial resources to local authorities is disproportionately affecting Ceredigion County & Ceredigion County Council. The formula, as it stands, has resulted in a significantly lower percentage of funding for our county, which is detrimental to the economic, cultural, and educational wellbeing of our communities.

We further note:

- 1. The unique demographic and geographic characteristics of Ceredigion, which require a funding model that adequately reflects the challenges faced by rural and less densely populated areas.**
- 2. The potential long-term impacts on Ceredigion's economy, culture, and education system if the current funding formula remains unchanged, including the risk of declining public services and infrastructure.**
- 3. The importance of ensuring that Ceredigion receives a fair share of funding that is commensurate with its needs, allowing the county to thrive and continue to offer high-quality services to its residents.**

We are therefore writing to seek and urge for your assistance in advocating for a change in the funding formula that will benefit Ceredigion.

We look forward to your response and support.

Will Rowlands

Clerc y Dref & Swyddog Ariannol Cyfrifol / Town Clerk & Responsible Financial Officer



Cyngor Tref Aberystwyth Town Council

Tŷ'r Offeiriad / The Presbytery

Neuadd Gwenfrewi

Morfa Mawr / Queen's Road

Aberystwyth

SY23 2HS

Cynnig i gefnogi ac annog ymdrechion lloio Cyngor Sir Ceredigion am Fformiwla Ariannu Decach gan y Senedd

Cynnigwyd gan: Cyng Kerry Ferguson

Dyddiad: 3^{ydd} Medi 2024

Cynnig:

Mae'r Cyngor hwn yn nodi gyda phryder bod y fformiwla ariannu bresennol a ddefnyddir gan Lywodraeth Cymru i ddyrannu adnoddau ariannol i awdurdodau lleol yn effeithio'n anghymesur ar Sir Ceredigion a Chyngor Sir Ceredigion. Mae'r fformiwla, fel y mae, wedi arwain at ganran sylweddol is o gyllid ar gyfer ein sir, sy'n niweidiol i les economaidd, diwylliannol ac addysgol ein cymunedau.

Mae'r Cyngor hwn yn nodi ymhellach:

- Nodweddion demograffig a daearyddol unigryw Ceredigion, sy'n gofyn am fodel ariannu sy'n adlewyrchu'n ddigonol yr heriau sy'n wynebu ardaloedd gwledig a llai poblog.
- Yr effeithiau hirdymor posibl ar economi, diwylliant a system addysg Ceredigion os yw'r fformiwla ariannu bresennol yn parhau heb newid, gan gynnwys y risg o leihau gwasanaethau cyhoeddus a seilwaith.
- Pwysigrwydd sicrhau bod Ceredigion yn derbyn cyfran deg o gyllid sy'n gymesur â'i hanghenion, gan ganiatáu i'r sir ffynnu a pharhau i gynnig gwasanaethau o ansawdd uchel i'w thrigolion.

Mae'r Cyngor hwn yn penderfynu:

- Mynegwch ei gefnogaeth lawn i ymdrechion parhaus Cyngor Sir Ceredigion i lloio Llywodraeth Cymru am adolygiad ac adolygu'r fformiwla ariannu bresennol.
- Annog Llywodraeth Cymru i gymryd camau ar unwaith i ymgysylltu â Chyngor Sir Ceredigion a rhanddeiliaid perthnasol eraill mewn deialog ystyrlon gyda'r nod o sefydlu model ariannu mwy teg.
- Annog cynghorau tref a chymuned eraill yng Ngheredigion i gefnogi ac ehangu'r alwad am ddyraniad cyllid tecach sy'n adlewyrchu anghenion ac amgylchiadau ein sir yn well.
- Cais i Glerc y Dref ysgrifennu at weinidogion perthnasol Llywodraeth Cymru, Aelodau Cynulliad lleol, ac Aelodau Seneddol, gan gyfleu safbwynt y Cyngor hwn a'u hannog i eirioli dros newid yn y fformiwla ariannu a fydd o fudd i Geredigion.
- Parhau i fonitro'r sefyllfa a chydweithio â Chyngor Sir Ceredigion i sicrhau bod buddiannau Aberystwyth a'r sir ehangach yn cael eu cynrychioli ym mhob trafodaeth ynghylch dyraniadau cyllid.

Canlyniad:

Bydd y cynnig hwn, os caiff ei basio, yn cael ei anfon ymlaen at Gyngor Sir Ceredigion, Llywodraeth Cymru, a rhanddeiliaid perthnasol fel rhan o ymrwymiad Cyngor Tref Aberystwyth i gefnogi sefydlogrwydd ariannol ein sir a ffyniant yn y dyfodol.

Motion to Support and Encourage Ceredigion County Council's Lobbying Efforts for a Fairer Funding Formula from the Welsh Government

Proposed by: Cllr Kerry Ferguson

Date: 3rd September 2024

Motion:

This Council notes with concern that the current funding formula used by the Welsh Government to allocate financial resources to local authorities is disproportionately affecting Ceredigion County & Ceredigion County Council. The formula, as it stands, has resulted in a significantly lower percentage of funding for our county, which is detrimental to the economic, cultural, and educational wellbeing of our communities.

This Council further notes:

1. The unique demographic and geographic characteristics of Ceredigion, which require a funding model that adequately reflects the challenges faced by rural and less densely populated areas.
2. The potential long-term impacts on Ceredigion's economy, culture, and education system if the current funding formula remains unchanged, including the risk of declining public services and infrastructure.
3. The importance of ensuring that Ceredigion receives a fair share of funding that is commensurate with its needs, allowing the county to thrive and continue to offer high-quality services to its residents.

This Council resolves to:

1. Express its full support for Ceredigion County Council's ongoing efforts to lobby the Welsh Government for a review and revision of the current funding formula.
2. Urge the Welsh Government to take immediate steps to engage with Ceredigion County Council and other relevant stakeholders in a meaningful dialogue aimed at establishing a more equitable funding model.
3. Encourage other town and community councils within Ceredigion to also support and amplify the call for a fairer funding allocation that better reflects the needs and circumstances of our county.
4. Request that the Town Clerk writes to the relevant Welsh Government ministers, local Assembly Members, and Members of Parliament, conveying this Council's position and urging them to advocate for a change in the funding formula that will benefit Ceredigion.
5. Continue to monitor the situation and collaborate with Ceredigion County Council to ensure that the interests of Aberystwyth and the wider county are represented in all discussions regarding funding allocations.

Outcome:

This motion, if passed, will be forwarded to Ceredigion County Council, the Welsh Government, and relevant stakeholders as part of Aberystwyth Town Council's commitment to supporting our county's financial stability and future prosperity.

Andrew Slade

Director General, Economy, Energy and Transport
Group, Welsh Government

30 September 2024

Cardiff Airport

Thanks to you and your officials for attending the meeting of the Public Accounts and Public Administration Committee on 19 September 2024.

I list the action points from the meeting, together with the areas about which we would welcome additional information or an update, as appropriate.

- You were asked about the 15 capital expenditure requests made by the Airport, ranging in value between £50,000 and £1 million each, totalling £4.6m, as well as three requests above £1m each, totalling £13.6m. You agreed to provide a summary of each of these payments and the reasons they were made. We look forward to receiving this and ask that as much information is provided as possible, whilst acknowledging the need for commercial confidentiality.
- In relation to the new Holdco Board, you committed to providing more information about how the Welsh Government will assess their performance. This should include specific measures used to measure their performance and confirmation on whether this information will be publicly available.

On a more general point, the Committee would like to accept your invitation to appear before us following the conclusion of the Competition Markets Authority process, to further examine questions relating to the Welsh Government's proposed investment in the Airport. The Committee's clerking team will liaise with the relevant Welsh Government Officials to arrange a suitable date for this session.

We would welcome your response by 21 October 2024.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark Isherwood', written over a thin horizontal line.

Mark Isherwood MS

Committee Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.



Mark Isherwood MS
Chair – Public Accounts and Public Administration Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN

28 October 2024

Dear Chair

CARDIFF AIRPORT

Thank you for your letter of 30 September outlining the follow up actions from the Committee's evidence session on Cardiff Airport on 19 September. I am pleased to provide the additional details requested below.

Capital expenditure:

The following table provides a high-level breakdown of approved spend. Committee members will appreciate we are unable to provide any detail beyond what is provided below in order to protect the commercial interests and future negotiating positions of Cardiff International Airport Limited (CIAL) and the third parties involved. However, I hope this provides Committee members with an indication of what areas of airport operations the capital investment has supported.

Between £50,000 and £1m:

Year of Initial Request	Item	Reason
2021	Instrument landing system (east approach)	Replacement to maintain regulatory compliance
2022	Security screening equipment	Mandatory regulatory upgrade
2022	Agricultural Tractor	Replacement to maintain regulatory compliance

Parc Cathays/Cathays Park
Caerdydd/Cardiff
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2022	Terminal building roof replacement (phase 1)	Facilities Management
2022	Passenger terminal building air chiller	Facilities Management
2022	Instrument landing system (west approach) and distance measuring equipment	Replacement to maintain regulatory compliance
2022	External consultancy to support runway rehabilitation project	Preparation to achieve regulatory compliance
2022	Radar – mechanical refresh	Replacement to maintain regulatory compliance
2022	Aircraft refuelling truck	Replacement
2023	Air traffic control room instrument housing replacement	Replacement to maintain regulatory compliance
2023	Air traffic control emergency voice control system	Replacement to maintain regulatory compliance
2024	Passenger terminal building roof replacement (phase 2)	Facilities management
2024	Emergency lighting	Replacement to maintain regulatory compliance
2024	Upgrade of tenant facilities	Promote business growth
2024	Radar antenna	Replacement to maintain regulatory compliance

Over £1m:

Year of Initial Request	Item	Reason
2022	Next generation security baggage scanners	Mandatory regulatory upgrade
2023	Taxiway rehabilitation	Replacement to maintain regulatory compliance
2024	Radar data processor	Replacement to maintain regulatory compliance

Holdco

The Holdco Board's primary duty is to ensure that Welsh Ministers receive the value they expect from their shareholding in CIAL. To fulfil this duty, Holdco Board members have the following responsibilities:

- To attend WGC Holdco only, and joint Holdco / CIAL meetings on a regular basis.
- Consider, and approve where appropriate, consent matters for CIAL such as the annual Business Plan and Operating Budget, entering into any contracts and agreement above a certain value, including land and property.

- Scrutinise the performance of CIAL in meeting agreed goals and objectives and monitor the reporting of performance by CIAL.
- Support the CIAL board in developing strategies and business plans for the airport, offering constructive challenge, strategic insights and steers to the CIAL board as appropriate.
- Ensure the financial viability of CIAL and WGC Holdco are maintained.
- Sign off the annual accounts of WGC Holdco and ensure that any statements made fully reflect the financial position of the Company.
- Exercise their powers in their roles as a company director, having regard to relevant obligations under prevailing law and regulation, including the Companies Act 2006, the UK Corporate Governance Code and associated regulations and legislation.
- Promote high standards of use of public finance, upholding the principles of regularity, propriety and value for money.
- Ensure that the WGC Holdco activities are conducted efficiently and effectively.
- Ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.
- As appropriate, offer insights and strategic advice to the WG to assist the shaping and delivery of WG airport policy.
- Ensure that the Company is compliant with any statutory or administrative requirements in respect of the use of public funds; that it operates within the limits of its statutory authority and any delegated authority, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, it takes into account guidance issued by the WG;
- Ensure that WG receives and reviews regularly, financial information concerning the management of the WGC Holdco; that WG is informed in a timely manner about any concerns as to the activities of WGC Holdco.
- Demonstrate high standards of corporate governance at all times, to address key financial and other risks.

To perform these duties and responsibilities, the Holdco Board meets with CIAL on at least a quarterly basis and occasionally on an ad hoc basis when urgent matters of consent need to be considered. Transport policy officials in Welsh Government (WG) provide the secretariat function for these meetings and support the Holdco board in performing its duties listed above. Officials at Senior Civil Servant (SCS) level also attend each of those meetings as observers to ensure Holdco is fulfilling its duties and applying a high-level of scrutiny and challenge to the airport Board's commercial decisions. The Chair of Holdco also meets fortnightly on a more informal basis with:

- The Airport Chair and CEO to discuss business performance, operational issues, risks and business opportunities. These meetings are also attended by an SCS.
- The SCS policy lead for the Airport, to discuss Airport policy and strategy matters and to discuss the performance of Holdco.

There are frequent informal conversations between the SCS Airport policy lead and the Airport CEO, which provide the opportunity for the Airport executive team to provide their perspective on the functioning of Holdco. There is also a professional relationship between the Airport Chair and the WG's Director of Transport and Digital Connectivity, should there be a matter relating to Holdco's performance that requires escalation to that degree.

Based on these regular engagements, WG is happy with the performance of the new Holdco Board since its appointment and is content that it is fulfilling all its agreed duties and responsibilities on behalf of the Welsh Ministers. I am sure the Committee will understand that I am unable to disclose any of the details of the minutes from those engagements or copies of written consents, for example, due to certain commercial sensitivities.

Finally, the Committee will have noted the Competition & Markets Authority's assessment of our proposed long-term investment in Cardiff Airport which was published on 2 October. The Cabinet Secretary for Economy, Energy & Planning issued a Written Statement in response: [Written Statement: The Competition & Markets Authority assessment of the Welsh Government's proposed long term strategy for Cardiff Airport \(2 October 2024\) | GOV.WALES](#). We are not going to comment on the detail of the CMA report. As per the Written Statement, we will now take the time needed to give full consideration to their assessment. We remain open to refining our proposed programme of investment based on that assessment and the Cabinet Secretary for Economy, Energy and Planning will update the Senedd in due course once we have decided on the best way forward.

We will consider the need for adaptations to Holdco's governance functions once Ministers have decided on the best way forward.

I hope you find the above of interest.

With best wishes.

Yours sincerely



Andrew Slade
Director General
Economy, Energy and Transport

David Richards
Director of Governance and Ethics
Welsh Government

15 October 2024

Cabinet Manual and Ministerial Code

Dear Mr Richards,

Following our recent evidence session with the Permanent Secretary, we agreed to write to give you an opportunity to provide responses to the questions we planned to put to you directly had you been able to attend. These are noted at Annex A.

We would be grateful to receive a response by 29 October.

Regards,



Mark Isherwood MS

Chair of the Public Accounts and Public Administration Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.
We welcome correspondence in Welsh or English.

Annex A –

The Ministerial Code and complaints: how guidance is applied

- 1.** Were you acting as an independent adviser under the terms of the Code when you investigated whether the former Deputy Minister for Arts, Sport and Tourism had breached the Ministerial Code. If so, how were you appointed.
- 2.** On 23 May, you told the Committee you provided advice over the phone about a potential breach of the Ministerial Code by the then Economy Minister. You said the advice was written up on your behalf. Were you acting as an independent adviser under the Code and if so, how were you appointed.
- 3.** If not acting as an independent adviser, in what capacity did you provide advice about the former Economy Minister and who commissioned that advice.
- 4.** Why was your report about the former Deputy Minister for Arts, Sport and Tourism published but not your advice about the former Economy Minister: does this suggest inconsistencies in the approach since paragraph 1.7 of the Ministerial Code notes the findings of the independent adviser will be published.
- 5.** You confirmed no leak inquiry was commissioned or undertaken by the Welsh Government in relation to the recent case of the former Minister for Social Partnerships, but the former First Minister requested and received advice about the process for handling a breach of the Ministerial Code. Can you explain the interaction between the Ministerial Code and leak inquiries.
- 6.** Before 2021, the Ministerial Code gave no role to the Permanent Secretary and other officials for the investigation of breaches of the Ministerial Code. Versions of the Code between 2007 and 2016 specifically said "it is not the role of the Permanent Secretary or other officials to enforce [the Code] or to investigate Ministers". Can you explain what prompted this change, and why this was deemed appropriate.



Llywodraeth Cymru
Welsh Government

David Richards OBE
Cyfarwyddwr Priodoldeb a Moeseg
Director of Propriety and Ethics

Mark Isherwood MS
Chair of the Public Accounts and Public Administration Committee
Welsh Parliament
Cardiff Bay
CF99 1SN

28 October 2024

Dear Chair,

Cabinet Manual and Ministerial Code

Thank you for your letter of 15 October following your evidence session with the Permanent Secretary.

I am sorry that I was not able to join the Permanent Secretary for the evidence session and I am grateful for your understanding of the circumstances. I am pleased to have the opportunity here to respond to the questions which the Committee had intended to put to me at the session.

1. Were you acting as an independent adviser under the terms of the Code when you investigated whether the former Deputy Minister for Arts, Sport and Tourism had breached the Ministerial Code. If so, how were you appointed.

Part of my role in the Welsh Government, to which I have been appointed by the Permanent Secretary, is to advise ministers on the application of the Ministerial Code and, when requested to do so by the First Minister, to investigate an alleged breach of the Code. As the Permanent Secretary said in his evidence session, I carry out this function independently and objectively, in accordance with the principles of the Civil Service Code. The First Minister cannot, and does not seek to, direct or influence me in the advice that I give or, where I am asked to carry out an investigation, in the way in which I conduct that investigation and the conclusions that I reach.

In that sense, therefore, I was acting as an independent adviser but did not need to be appointed to undertake that particular investigation because it was already a part of my role. I was simply requested to do so by the First Minister.



BUDDSODDWYR | **INVESTORS**
MEWN POBL | **IN PEOPLE**

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding

However, I think that when the Ministerial Code refers to an “independent adviser” it has in mind particularly someone who is external to the Welsh Government and who is appointed by the First Minister specifically to investigate an allegation that there has been a breach of the Code. I was not acting in that role.

2. On 23 May you told the Committee you provided advice over the phone about a potential breach of the Code by the then Economy Minister. You said the advice was written up on your behalf. Were you acting as an independent adviser under the Code and if so, how were you appointed.

I was acting under the same arrangements as I have described in the previous answer.

3. If not acting as an independent adviser, in what capacity did you provide advice about the former Economy Minister and who commissioned the advice.

I was acting under the arrangements that I have described in my answer to question one. The advice was commissioned by the then First Minister. Before I responded with my advice, I sought and received assurances that the former Economy Minister had not had any involvement with the funding decisions made by the Development Bank of Wales.

4. Why was your report about the former Deputy Minister for Arts, Sport and Tourism published but not your advice about the former Economy Minister; does this suggest inconsistencies in the approach, since paragraph 1.7 of the Ministerial Code notes the findings of the independent adviser will be published.

These were decisions of the First Minister at the time, rather than decisions made by me. My understanding of the position was that the then First Minister took the view that the advice which he received in respect of the Ministerial Code should normally not be disclosed, as is the usual practice with advice from the civil service to ministers. On occasions, however, the First Minister felt that it would be in the public interest for my report or advice to be made public. The Committee will recall that the then First Minister did make public that he had asked me for advice on whether the former Economy Minister had broken the Ministerial Code and that my advice was that he had not done so.

5. You confirmed no leak inquiry was commissioned or undertaken by the Welsh Government in relation to the recent case of the former Minister for Social Partnerships, but the former First Minister requested and received advice about the process for handling a breach of the Ministerial Code. Can you explain the interaction between the Ministerial Code and leak inquiries.

There is no necessary connection between the two. The Permanent Secretary may commission a leak inquiry if they believe that there has been an unauthorised disclosure of official information, and the Permanent Secretary would normally consult the First Minister before doing so. The First Minister may ask the Permanent Secretary to undertake a leak inquiry. But the Permanent Secretary is not obliged to commission a

leak inquiry every time they believe that there may have been an unauthorised disclosure, nor is the First Minister obliged to ask for a leak inquiry in those circumstances.

The Ministerial Code sets out the standards and conduct expected of ministers and where the First Minister believes that a minister may not have adhered to those standards then they may ask the Permanent Secretary - or myself, on behalf of the Permanent Secretary – to conduct an investigation, But, again, the First Minister is not obliged to do so.

6. Before 2021, the Ministerial Code gave no role to the Permanent Secretary and other officials for the investigation of breaches of the Ministerial Code. Versions of the Code between 2007 and 2016 specifically said "it is not the role of the Permanent Secretary or other officials to enforce [the Code] or to investigate Ministers". Can you explain what prompted this change, and why this was deemed appropriate.

I do not think that it was ever the intention of the earlier versions of the Ministerial Code to exclude the possibility of the First Minister turning to the Permanent Secretary or other officials for advice in relation to the Code or for the investigation of alleged breaches. While I was not privy to discussion around the content of the Code between 2007 and 2016, I should think that the references quoted were to make clear that ministers are not accountable to the Permanent Secretary for their adherence to the Code and that it would not be appropriate for the Permanent Secretary, or any other civil servant, to seek to investigate the First Minister or any other minister, on their own initiative. This remains the case - any investigation by the civil service of an alleged breach of the Code has to be done at the request of the First Minister.

I hope that this information is helpful to the Committee.

Yours sincerely,



David Richards OBE
Cyfarwyddwr Priodoldeb a Moeseg
Director of Propriety and Ethics
Llywodraeth Cymru/ Welsh Government

Agenda Item 3

By virtue of paragraph(s) vi of Standing Order 17.42

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Agenda Item 6

By virtue of paragraph(s) vi of Standing Order 17.42

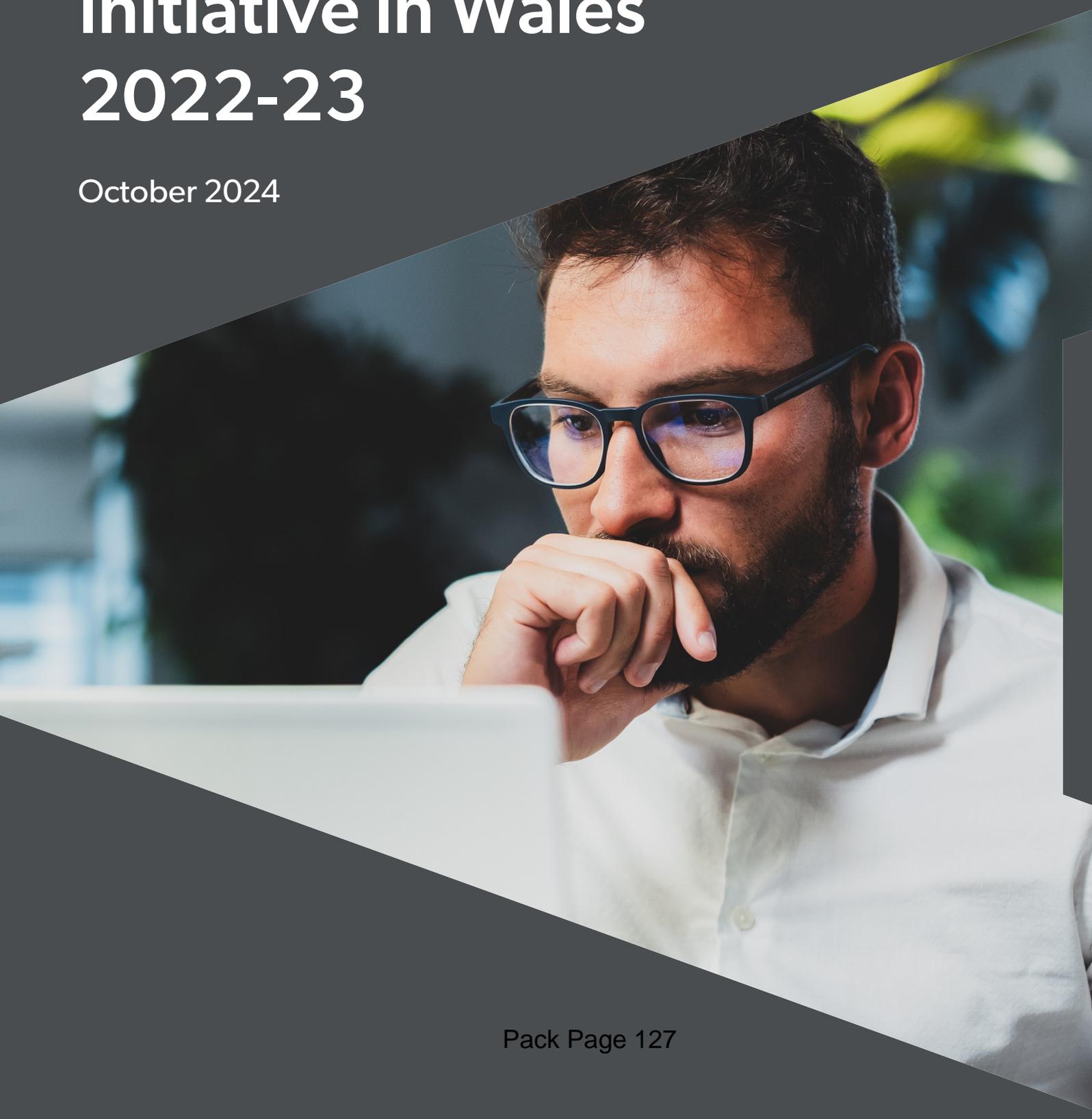
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The National Fraud Initiative in Wales 2022-23

October 2024



This report summarises the findings of the biennial National Fraud Initiative in Wales for the period 1 April 2022 to 31 March 2024. I have prepared this report under the Public Audit (Wales) Act 2004.

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The Auditor General also audits local government bodies in Wales and conducts local government value for money studies.

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg.

Contents

Key facts for Wales	4
Key messages	5
Detailed report	
Overall outcomes	7
Further analysis of outcomes by type	12
Future developments	22
Appendices	
About the NFI in Wales	25

Key facts for Wales



£7.1 million – outcomes from NFI 2022-23



£56.5 million – total outcomes from the NFI since 1996



4,354 – number of data matches in NFI 2022-23 with reported outcomes



49 – number of organisations participating in NFI 2022-23



97% – proportion of outcomes from local authority data matches by value



15 – number of participants reporting outcomes over £100,000

Key messages

- 1 The National Fraud Initiative (NFI) is a biennial UK-wide counter-fraud exercise. It helps prevent and detect fraud by sharing and matching sets of data electronically. **Appendix 1** provides more detail. It also shows the key stages in the NFI 2022-23 exercise¹.
- 2 Fraud, error and overpayment outcomes valued at £7.1 million have been recorded since we last reported on the NFI in Wales in October 2022. Cumulative outcomes for Wales since NFI started in 1996 now amount to £56.5 million. Across the UK, cumulative NFI outcomes are now £2.9 billion.
- 3 The outcomes for Wales from NFI 2022-23 are £0.6 million more than for NFI 2020-21. This is primarily because of a rise in the number of fraudulent or erroneous claims for housing benefit and council tax single person discount. However, falls in other areas partly offset these increases.
- 4 Of the £7.1 million reported outcomes, 97% are from local authority data matches relating to council tax, housing benefit, blue badges, housing waiting lists, and pensions. We have included three case studies. These highlight the value of participants investing resources in assessing and reviewing data matches.
- 5 Beyond any financial savings, the benefits of participation and reviewing data matches include the assurances that NFI results can provide around systems of internal control. NFI results may also highlight areas for improvement. Our review of data matching reports highlights inconsistencies in local follow-up arrangements and some large variations in outcomes between participants of similar type.
- 6 And while not all participants will necessarily see significant positive outcomes themselves, data sharing enables matches between bodies and across national borders. Data submitted by Welsh bodies for NFI 2022-23 helped organisations in other parts of the UK identify outcomes of £0.2 million from 104 data matches.

1 This report refers to each NFI exercise based on the financial year in which it launched.



I have commented previously that while the debate about public finances often focuses on spending cuts and/or raising taxes, relatively little is said about fraud and error. Yet it continues to be a blight on public services.

Realising the benefits of the NFI relies on participating bodies investing time and effort to assess and review data matches effectively. Quantifying the overall impact also relies on bodies recording their outcomes. Most participants display a strong commitment to the NFI, but I remain concerned that this is not always the case.

As the next NFI round rolls out, Audit Wales staff will increase their engagement with participating bodies to raise awareness, promote active participation, and understand better how bodies are assessing and reviewing matches.

Adrian Crompton
Auditor General for Wales



Detailed report

Overall outcomes

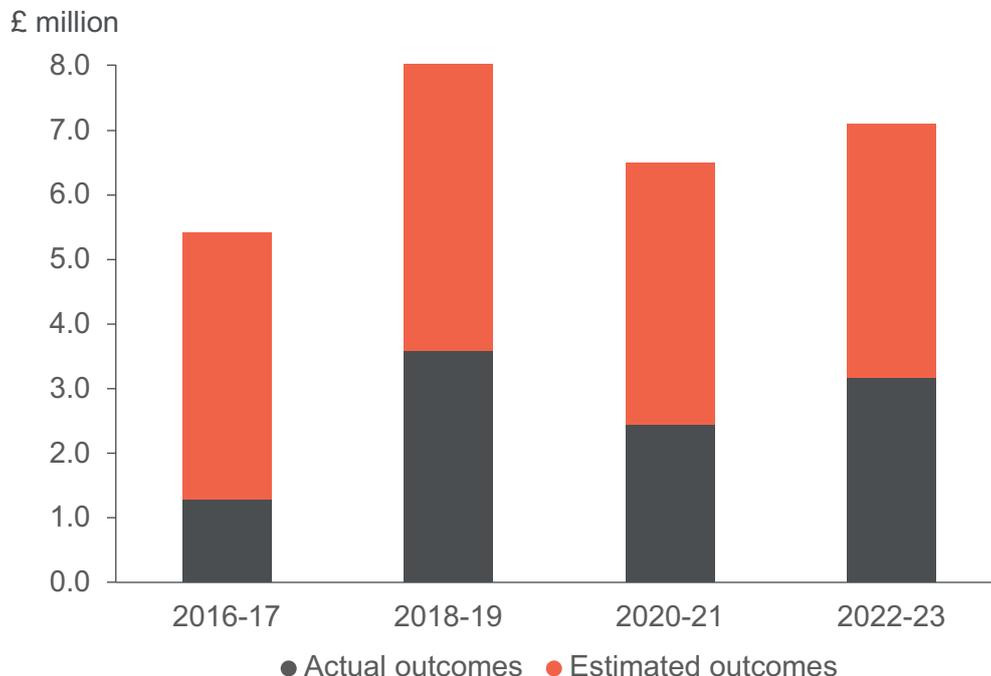
NFI 2022-23 recorded outcomes of £7.1 million for Wales

- 7 The NFI uses the term ‘outcomes’ to refer to the financial value of fraud, error and overpayment detected and prevented through NFI data matching.
- 8 NFI 2022-23 recorded outcomes of £7.1 million for Wales. This is an increase of £0.6 million on NFI 2020-21, although still less than the £8 million of outcomes reported for NFI 2018-19.
- 9 The outcome figures used in this report include:
 - actual outcomes – actual amounts participants have recorded as fraud, error, and overpayment; and
 - estimated outcomes – an estimated element which seeks to capture the value of loss from a fraud or error detected, and the value of any future losses that bodies may have incurred without intervention following an NFI match².
- 10 The value of actual outcomes reported for NFI 2022-23 is £3.2 million (45% of total outcomes). **Exhibit 1** compares the overall outcomes and this breakdown with the previous three NFI exercises. Outcomes totalling over £100,000 were reported by 15 participants, of which 14 were local authorities³.

2 Most NFI datasets have a methodology to calculate estimated outcomes. There is a review of methodologies before each NFI exercise. The Cabinet Office’s NFI Governance Board reviews and approves changes to existing methodologies where changes are based on refreshed data. Any new methodologies are approved by the Fraud Prevention Panel.

3 Excluding outcomes of housing benefit cases passed by local authorities to the UK Department for Work and Pension (DWP) for investigation (see paragraph 24).

Exhibit 1: NFI outcomes by exercise, 2016-17 to 2022-23



Source: Audit Wales analysis of NFI outcomes

- 11 NFI 2022-23 outcomes include some cases from NFI 2020-21 matches where reviews were completed and reported after March 2022. Late savings from NFI 2020-21 account for £0.7 million (10%) of the total outcomes reported for NFI 2022-23. Most of that sum, £0.5 million, relates to housing benefit data matches.
- 12 One key benefit of a UK-wide data matching exercise is that it enables matches between bodies and across national borders. So, while participants may not identify significant outcomes from their own matches, providing their data can help other bodies and sectors identify fraud, error, and overpayments. Data provided by Welsh participants for NFI 2022-23 helped bodies outside Wales identify outcomes worth £0.2 million.
- 13 Similarly, data from other UK participants has helped identify outcomes in Wales. For example, a Welsh local authority removed an individual from a housing waiting list after reviewing a data match where the person was also on a waiting list in England.

Five data match areas generated just over 90% of outcomes

- 14 **Exhibit 2** sets out the data match areas which generated the most outcomes. Council tax discounts, housing benefit, blue badges, housing waiting lists, and pensions, generated just over 90% of outcomes by value.

Exhibit 2: data match areas that generated the most outcomes, NFI 2022-23

Data match area	Number of data matches with outcomes	Total value of outcomes (£ million)	% of outcomes by value
Council tax discounts	2,084	2.9	41
Housing benefit	298	1.5	22
Blue badges	1,566	1.0	14
Housing waiting lists	124	0.5	7
Pensions	40	0.4	6
Other ¹	242	0.6	9
Total²	4,354	7.1	100

Notes:

- 1 Other outcomes mostly relate to the council tax reduction scheme and creditor payments (see **paragraphs 37 to 41**).
- 2 Totals may not match the sum of the parts due to rounding.

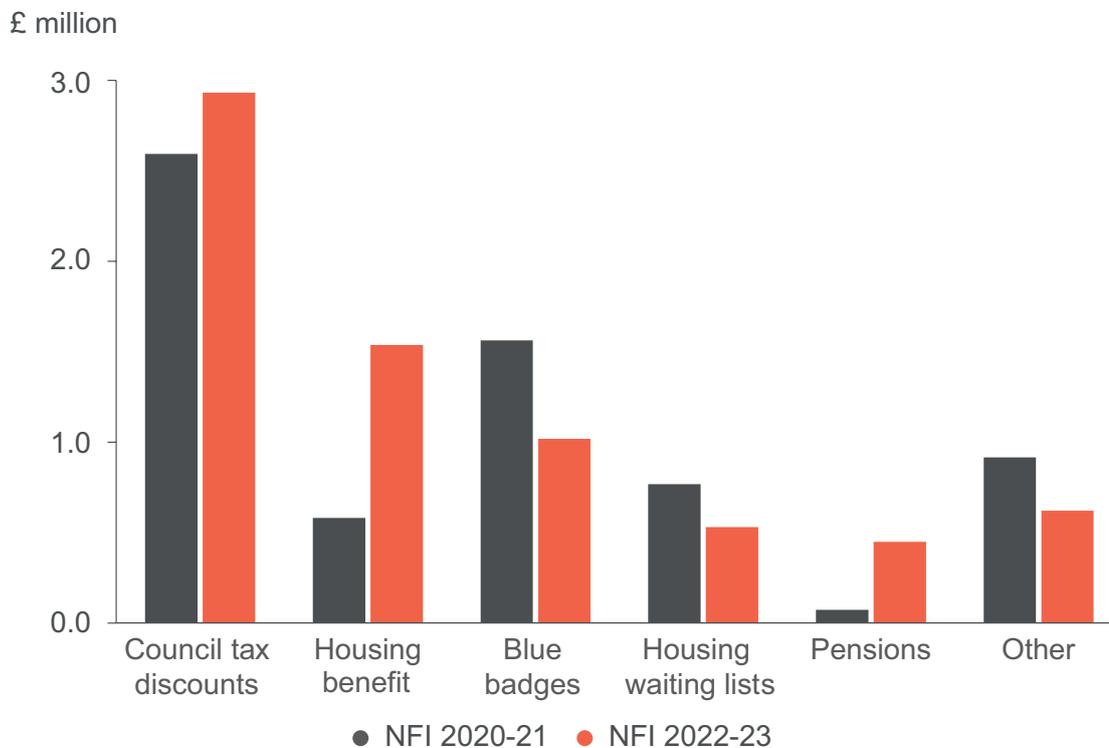
Source: Audit Wales analysis of NFI outcomes

- 15 Once bodies have identified fraud, error, or overpayments, they can take appropriate action to recover money. As of 31 March 2024, £2.7 million (86%) of actual outcomes reported (see **Exhibit 1**) had been, or were in the process of being, recovered.

Increased outcomes in some areas have been offset, in part, by reduced outcomes in others

- 16 Overall outcomes in Wales have increased by £0.6 million since the last exercise. **Exhibit 3** shows that reasons for this increase include:
- housing benefit outcomes rising from £0.6 million to £1.5 million. Just over a third of the value of Housing Benefit outcomes relate to late savings from the 2020-21 NFI exercise;
 - a rise in the number of fraudulent or erroneous claims for council tax single person discount, leading to outcomes in this area increasing by £0.3 million; and
 - an increase of 31 instances where pensions had remained in payment after pensioners had died, up from nine cases in NFI 2020-21 to 40 in this exercise and resulting in outcomes rising from £0.1 million to £0.4 million.

Exhibit 3: comparison of outcomes by data match area, NFI 2020-21 and 2022-23



Source: Audit Wales analysis of NFI outcomes

17 However, such increases were offset in part by:

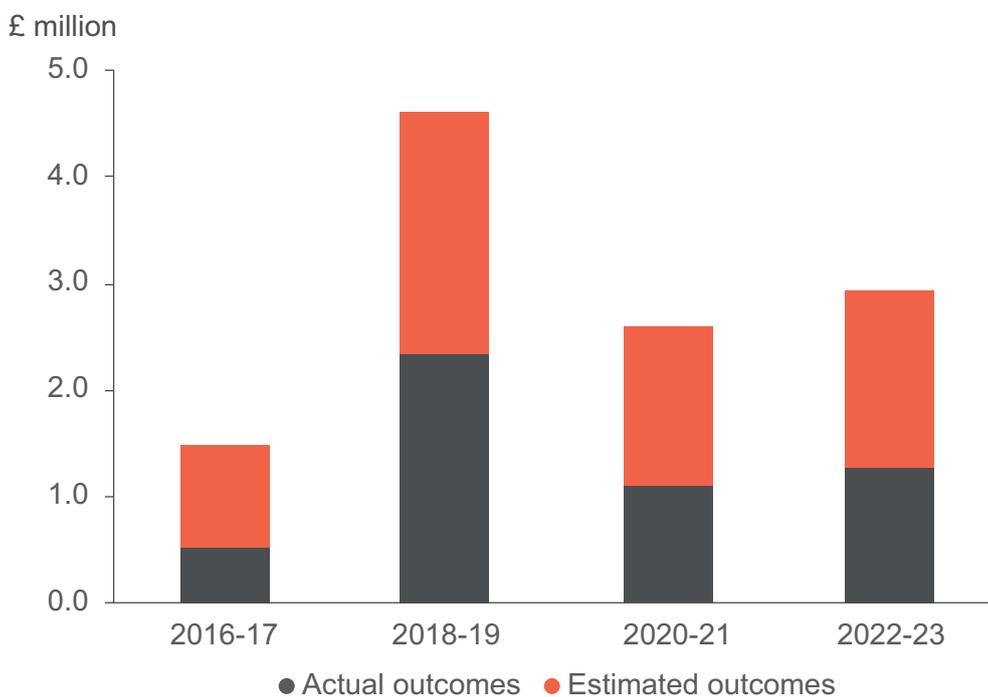
- the previous exercise having included data matches relating to certain COVID-19 business support grants, which had reported £0.6 million of fraud and error;
- a fall in the cancellation of blue badges in Wales, from 2,717 to 1,566, leading to outcomes in this area falling by 35% from £1.6 million to £1.0 million; and
- the number of cases of applicants identified as needing removing from housing waiting lists reducing from 237 to 124, resulting in outcomes falling from £0.8 million to £0.5 million.

Further analysis of outcomes by type

The value and number of council tax single person discounts cancelled has increased

- 18 A full council tax bill is based on at least two adults living in a home. People living on their own or with other adults that are all disregarded for council tax, are eligible for a 25% single person discount. The NFI matches council tax data to a range of other data to help identify where people are inappropriately receiving the discount.
- 19 NFI 2022-23 led to the cancellation of 2,084 single person discount claims, an increase of 5% on the 2020-21 exercise, across nine local authorities. **Exhibit 4** shows that, by value, outcomes increased by £0.3 million in the NFI 2022-23 exercise, to £2.9 million.

Exhibit 4: council tax single person discount outcomes by NFI exercise, 2016-17 to 2022-23



Source: Audit Wales analysis of NFI outcomes

- 20 Of the £2.9 million, almost £1.3 million related to actual discounts people had already benefited from, i.e. reductions to council tax bills they were not eligible for. The estimated forward saving of the cancellation of these discounts is £1.7 million. The average outcome for each case is £1,407 compared with £1,305 per case for NFI 2020-21.
- 21 Most cancellations came from matches with electoral register data. However, around 20% of cases were because a member of the household had turned 18 years of age and the local authority had not been informed. **Exhibit 5** highlights Newport City Council's approach for reviewing council tax single person discounts. The Council reported just over a quarter of the total single person discount outcomes for Wales.

Exhibit 5: Newport City Council and council tax single person discount outcomes

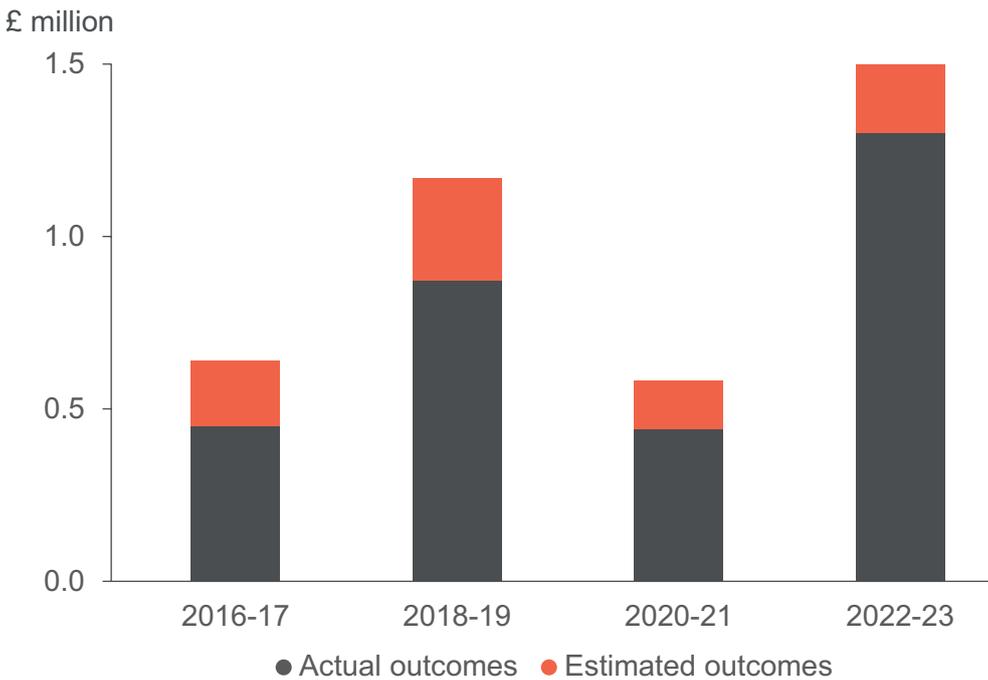
Newport City Council reported over a quarter of the total council tax single person discount outcomes, both by value and the number of discounts cancelled. The NFI is an additional check that has been built into the Council's processes for ensuring single person discount awards are valid, with a dedicated and experienced officer reviewing all council tax data matches.

This approach resulted in the Council cancelling 627 single person discount claims in NFI 2022-23, recovering £0.35 million of discounts that were not legitimate. The cancellation of these discounts has prevented an estimated further loss of income of £0.45 million.

Housing benefits outcomes have increased significantly, but also include a substantial proportion of late savings from NFI 2020-21

- 22 The NFI provides local authorities and the DWP with the opportunity to identify a wide range of benefit frauds and errors. It matches housing benefits data to student loans, payroll, pensions, housing benefit at other local authorities, housing tenants, licences, deceased person, and Amberhill⁴ data, to help identify ineligible claims.
- 23 **Exhibit 6** shows the value of housing benefit cases recorded with fraud, error and overpayments was at its highest level over the last four NFI exercises. Reported outcomes increased from £0.6 million in NFI 2020-21 to £1.5 million in NFI 2022-23.

Exhibit 6: housing benefit outcomes by NFI exercise, 2016-17 to 2022-23



Source: Audit Wales analysis of NFI outcomes

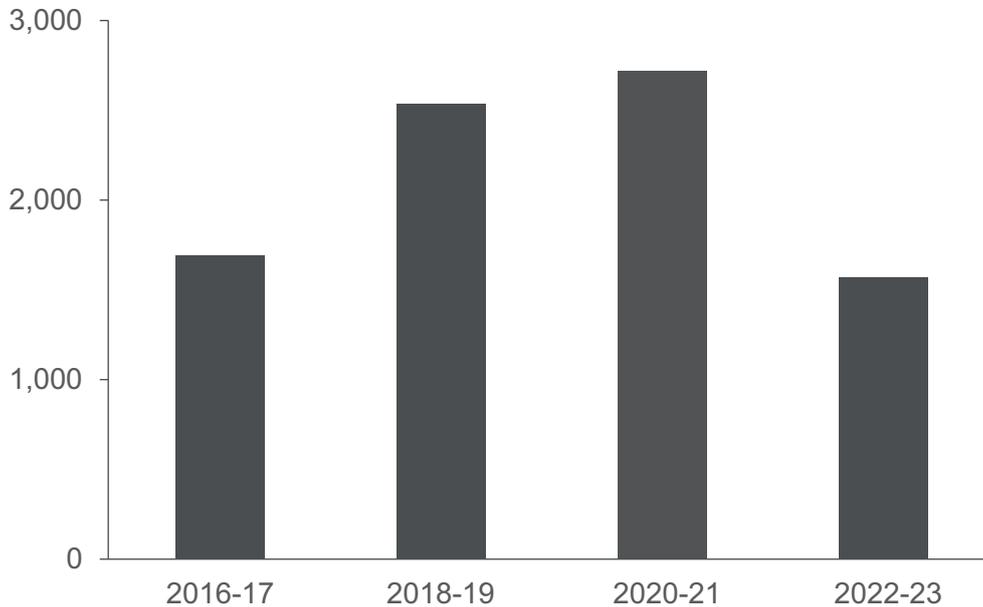
4 Operation Amberhill is an initiative led by the Metropolitan Police Service. The team collate and distribute data on false identities.

- 24 Local authorities refer suspected fraudulent data matches to the DWP for investigation. Outcomes from DWP investigations are not attributed back to individual local authorities. Of the £1.5 million in housing benefit outcomes and 298 cases, DWP reported £1.3 million and 249 cases. 12 local authorities accounted for the remaining outcomes and cases.
- 25 Some £0.54 million (35%) of the housing benefit outcomes relate to late savings from data matches from NFI 2020-21, with £0.48 million reported by the DWP.

The number of blue badges cancelled was lower than in the previous three exercises and fell for the first time since NFI 2012-13

- 26 The blue badge parking scheme allows people with mobility problems to park for free at on-street parking meters, in pay and display bays, in designated blue badge spaces, and on single or double yellow lines in certain circumstances. Blue badge data is matched to deceased persons and Amberhill data.
- 27 Badges are sometimes used or renewed improperly by people after the badge holder has died. It is an offence for an unauthorised person to use a blue badge. Such misuse reduces parking revenues and limits the parking facilities available to genuine badge holders.
- 28 NFI 2022-23 resulted in the cancellation of 1,566 blue badges in Wales across 11 local authorities. **Exhibit 7** shows the fall in the number of blue badges cancelled compared with NFI 2020-21, down by 42%. This was the first time the number of badges cancelled has fallen since NFI 2012-13 and the figure was also lower than in NFI 2016-17 and NFI 2018-19.

Exhibit 7: blue badges cancelled by NFI exercise, 2016-17 to 2022-23



Source: Audit Wales analysis of NFI outcomes

29 The estimated value of these 1,566 cases is £1.0 million. This is based on a calculation of the annual estimated cost of lost parking revenue and the likelihood of these blue badges being misused. **Exhibit 8** highlights how NFI 2022-23 facilitated the cancellation of almost 300 badges at the Isle of Anglesey Council and is leading to strengthened administrative arrangements.

Exhibit 8: Isle of Anglesey Council and blue badge outcomes

NFI 2022-23 enabled the Isle of Anglesey County Council to identify 299 blue badge matches that remained in circulation following a death.

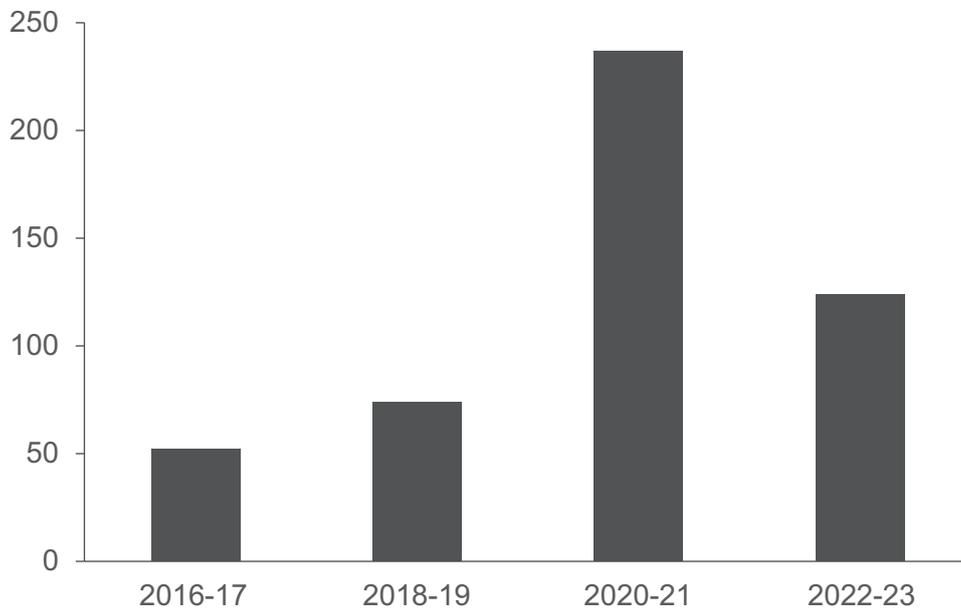
'Tell Us Once' is a service that lets someone report a death to most government organisations in one go. This allows councils to: cancel housing benefit, council tax reduction, or a blue badge; inform council housing services; and remove the person from the electoral register.

Investigations by the Internal Audit Team revealed that the Council had not included Cyswilt Môn, the reception service, which deals with blue badges, in its 'Tell Us Once' initiative, and the reception service was not therefore informed of deaths.

The Council is strengthening its internal control processes to ensure blue badge administrators can proactively cross reference permit holders' details with deceased records, so it can cancel badges promptly.

The number of ineligible applicants removed from housing waiting lists has almost halved since NFI 2020-21, although most of the reported outcomes related to a single local authority

- 30 The NFI uses housing waiting list data to identify possible waiting list fraud. This happens when an individual has registered on the waiting list but there are possible undisclosed changes in circumstances. Or they may have provided false information.
- 31 The NFI matches housing waiting list data to waiting lists in other local authorities, housing benefit, housing tenants, deceased persons, and Amberhill data. For local authorities that still own housing stock, the number of ineligible applicants removed from waiting lists fell by almost 50% (from 237 to 124 cases) between NFI 2020-21 and 2022-23 (Exhibit 9).

Exhibit 9: number of applicants removed from waiting lists by NFI exercise, 2016-17 to 2022-23

Source: Audit Wales analysis of NFI outcomes

- 32 The estimated value of these cases is just over £0.5 million. This value is based on a calculation of the annual estimated cost of housing a family in temporary accommodation and the likelihood a waiting list applicant would be provided with a property.
- 33 The City and County of Swansea Council reported almost all the housing waiting list outcomes. **Exhibit 10** highlights the Council's approach to reviewing waiting list data matches. We will further consider local authorities' arrangements for reviewing housing waiting lists during NFI 2024-25.

Exhibit 10: City and County of Swansea Council and housing waiting list outcomes

The City and County of Swansea Council accounted for 120 of the 124 outcomes for housing waiting lists.

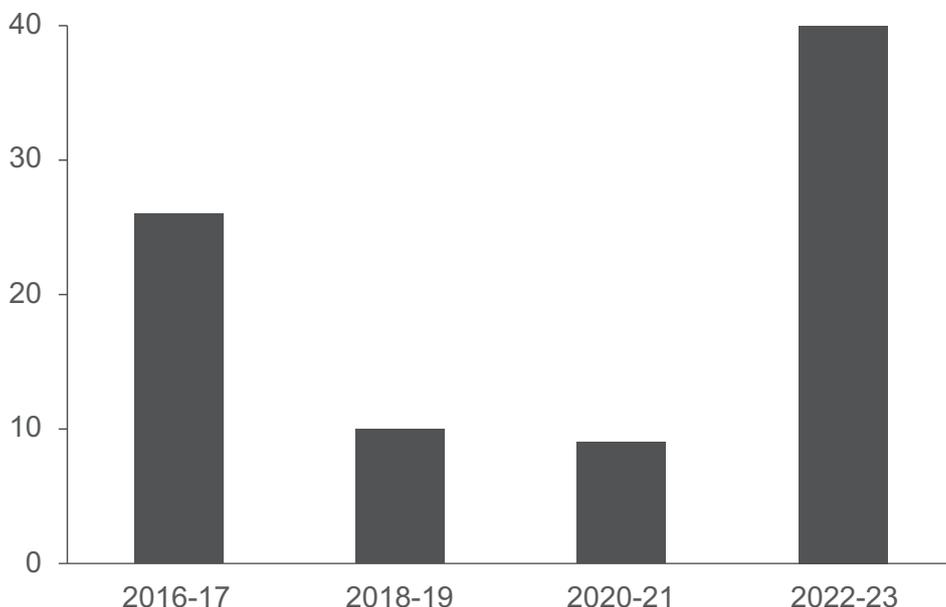
Responsibility for reviewing housing waiting list data matches at the City and County of Swansea Council transferred to the Corporate Fraud Team for NFI 2022-23.

This meant that dedicated staff resources were available to review all, rather than a sample of, data matches. Following this cleansing of the housing waiting list, it is expected that the Council's reported outcomes will fall in NFI 2024-25.

Outcomes for pensions remaining in payment after pensioners had died rose significantly but related mostly to one local authority

- 34 The NFI provides local authorities that administer pensions with an efficient and effective way of checking they are only paying people who are alive.
- 35 **Exhibit 11** shows the number of instances where pensions had remained in payment after pensioners had died increased to 40 cases for NFI 2022-23. This compared with just nine cases identified for NFI 2020-21. By value, the outcomes increased from £0.07 million to £0.45 million. The average value of cases rose from £8,160 to £11,214. However, the figures mostly relate to one local authority.

Exhibit 11: cases where pensions remained in payment after pensioners had died by NFI exercise, 2016-17 to 2022-23



Source: Audit Wales analysis of NFI outcomes

- 36 Of the total outcomes figure, £0.41 million (91%) relates to the estimate of fraud, errors, and overpayments that would have continued undetected without NFI data matching.

Most of the remaining outcomes relate to the council tax reduction scheme and creditor payments

Council tax reduction scheme

- 37 The means-tested council tax reduction scheme helps people on low incomes pay their council tax bills. NFI matches council tax reductions scheme data to a wide range of other data, including payroll, pensions, housing benefits, and Amberhill data.
- 38 Fourteen local authorities reported total outcomes of £0.30 million in NFI 2022-23. This was up by 36% on the £0.22 million reported for NFI 2020-21. However, the number of claims amended or cancelled fell from 214 to 189 cases.

Creditors

- 39 The NFI provides an efficient way to check for duplicate payments and that payments have been made to appropriate creditors. It also matches creditor payment data to payroll and Companies House data to help identify undisclosed staff interests in suppliers.
- 40 Seven bodies reported a total of 42 duplicate creditor payments. There were more outcome cases (54) in NFI 2020-21. However, NFI 2022-23 outcomes increased by value to £0.28 million, up from £0.1 million in NFI 2020-21.
- 41 However, of the total outcomes for NFI 2022-23, two cases accounted for £0.16 million, almost 60%. And £0.06 million (20%) of the total outcomes were matches identified in NFI 2020-21 but where reviews concluded during NFI 2022-23.

Future developments

- 42 NFI 2024-25 is now underway. NFI participants are starting to submit data for matching, and match reports will be available around the end of 2024.
- 43 The success of the NFI depends on how effectively participant bodies assess and review data matches, and then record the outcomes. A data match does not necessarily mean a fraud, error, or overpayment has occurred. Participants are not expected to look at every data match. The NFI web application allows participants to take a risk-based approach and prioritise which to look at and in what order.
- 44 As well as identifying, recovering, and preventing financial loss, the NFI delivers wider qualitative benefits. It can provide assurances over, and identify opportunities to improve, the effectiveness of financial and other administrative processes and procedures.
- 45 Our review of data matching reports identifies inconsistencies in how matches are assessed, reviewed, and the outcomes reported. It highlights some large variations in outcomes between participants of similar type and suggests some have failed to allocate adequate resources to review matches.
- 46 During NFI 2024-25, Audit Wales staff will increase their engagement with participating bodies to raise awareness, and promote active participation. We want to increase our understanding of factors influencing the outcomes reported by individual bodies and variations between bodies, including in their use of the NFI Appcheck tool⁵. We will also be reviewing and updating our [‘self-appraisal checklist’](#) ahead of the release of NFI 2024-25 data matches.
- 47 We are also continuing to look to raise the profile, and further develop the scope, of the NFI in Wales. We are pleased that Transport for Wales will be a new participant in the next NFI exercise, which will bring concessionary travel pass data back into the exercise and around 4,000 more employee records.

5 Appcheck is a fraud prevention and application verification product. By validating and authenticating an individual against the intelligence gathered as part of the NFI, Appcheck can help reduce fraudulent or erroneous claims for benefits or services.

- 48 Meanwhile, in earlier exercises the NFI has matched residential care home data to deceased persons to identify cases where a care home resident has died, but the local authority has not been notified and has continued to make payments to the care home. However, this matching was not possible for NFI 2020-21 and NFI 2022-23 due to the unintended consequence of a change to legislation affecting Wales, Scotland, and England. A legislative solution has not yet been identified but it remains possible that this matching will be undertaken later during NFI 2024-25.
- 49 Finally, we are also exploring other opportunities to build on the NFI datasets with additional data matching or analysis of NFI results. One live example relates to a pilot on GP patient registrations, working with NHS Wales Shared Services Partnership. Data matching is being conducted to detect:
- deceased individuals on a GP's register; and
 - duplicate patients within a single GP register or across multiple GP registers.
- 50 We will report outcomes from the pilot when confirmed. Our GP registration pilot follows our [community pharmacy data matching pilot](#) reported in May 2024. While not linked to NFI datasets, the exercise on community pharmacy forms part of our wider commitment to fraud analytics work.



Appendices

1 About the NFI in Wales

1 About the NFI in Wales

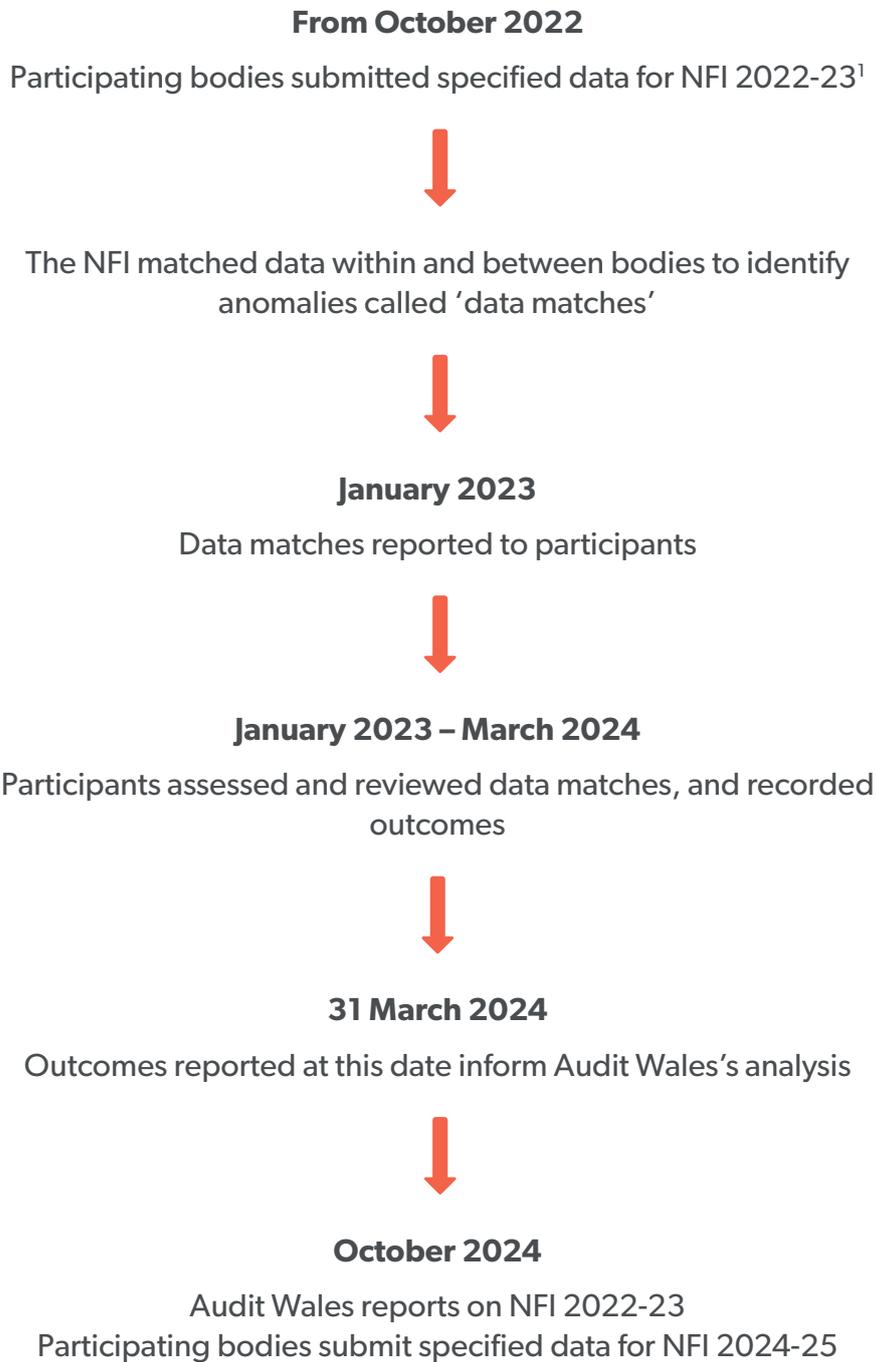
Governance

The Public Sector Fraud Authority (PSFA) – part of the UK Government's Cabinet Office and HM Treasury – oversees the NFI across the UK. Audit Wales leads the exercise in Wales under the Auditor General's powers in the Public Audit (Wales) Act 2004. The Auditor General's Code of Data Matching Practice summarises the key legislation, and controls, governing the exercise in Wales.

The Auditor General has mandated that unitary local authorities, NHS bodies, police forces, and fire and rescue authorities participate in the NFI. The Welsh Government, some Welsh Government arm's length bodies, Cardiff University Pension Fund, and Audit Wales, participated on a voluntary basis in NFI 2022-23.

Information about the NFI is also available on the [Audit Wales website](#).

The NFI cycle



Note:

1 Council tax and electoral register data is required by the NFI annually, between November and January, for single person discount data matching.



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.