

| REPORT TO | DATE OF MEETING |
|----------------------|---------------------------------|
| Governance Committee | 22 nd September 2010 |

Report template revised June 2008



| SUBJECT | PORTFOLIO | AUTHOR | ITEM |
|---|------------------|---------------|-------------|
| National Fraud Initiative Members' Briefing 2010 | Not Applicable | L Roberts | 5 |

SUMMARY AND LINK TO CORPORATE PRIORITIES

The purposes of this report are:

- to remind members of the work undertaken by the Council in respect of the Audit Commission's National Fraud Initiative (NFI);
- to provide members with an NFI briefing note recently issued by the Audit Commission incorporating a checklist which has been completed on members behalf;
- to demonstrate that the Council is complying with and contributing effectively to the NFI.

The report links with all of the corporate priorities, in particular to be an 'efficient, effective and exceptional Council'.

RECOMMENDATIONS

That members note the report.

DETAILS AND REASONING

An Overview of the Audit Commission's National Fraud Initiative

The NFI exercise has been carried out every two years since 1996. In 2007 the Audit Commission introduced the Single Person Discount NFI Exercise, which is carried out in the interim year. A total of £664million nationally in fraudulent claims has been identified so far.

The Audit Commission runs the National Fraud Initiative (NFI) to help detect fraud, overpayments and error. The NFI is a data matching exercise, using sophisticated computer techniques which matches data within and between organisations. Over 1300 public and private organisations are involved.

Various information is compared including: benefits, insurance, payroll, creditors, taxi and personal alcohol licence, market traders, residents parking permits; concessionary Now Card data; the electoral register and council tax records.

The NFI works within a strong legal framework, namely the Data Protection Act 1998 and the Audit Commission Code of Data Matching Practice. The Information Services section is involved with the data submission process and all the data is transferred over a secure network.

NFI is a key weapon in our armoury to tackle fraud and provides an excellent example of what can be achieved when organisations combine forces to tackle growing fraud risks. Fraud prevention is often beyond the means of individual organisations as they have limited powers and means to share data between departments and with other bodies.

Roles & Responsibilities at SRBC

The Senior Responsible Officer for this exercise is the Deputy Chief Executive, assisted by Internal Audit who co-ordinate the Council's input. The investigations are undertaken by Internal Audit and the Benefits Enquiry Unit. In addition, a great deal of support is provided by services across the Council.

Audit Commission's National Report

The Audit Commission is keen to ensure that elected members should be effectively engaged in the NFI exercise. For that reason they produced a Members' Briefing in May 2010 to provide an overview to members of the contents of the National Report, please refer to Appendix 1. A checklist was also developed to help members understand and assess the Council's approach to NFI. To assist Members Internal Audit has completed the checklist, which can be found in Appendix 2.

IMPLICATIONS OF REPORT

The matters raised in the report are cross cutting and impact upon individual services and the council as a whole.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

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| FINANCIAL | There are no financial implications arising directly from this report. | | |
| LEGAL | The use of data by the Audit Commission in a data matching exercise is carried out with statutory authority under its powers in Part 2A of the Audit Commission Act 1998. It does not require the consent of the individuals concerned under the Data Protection Act 1998. | | |
| RISK | A risk assessment has been carried out which concluded that adequate controls are in place to mitigate any risks identified. | | |
| OTHER (see below) | | | |
| <i>Freedom of Information/ Data Protection</i> | <i>Corporate Plans and Policies</i> | <i>Crime and Disorder</i> | <i>Efficiency Savings/Value for Money</i> |
| <i>Human Rights Act 1998</i> | <i>Staffing, Training and Development</i> | | |
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BACKGROUND DOCUMENTS

Audit Commission National Fraud Initiative 2008/9 Members' Briefing
 Audit Commission Members Checklist
 Risk Assessment