

**North East Derbyshire District Council**

**Audit and Corporate Governance Scrutiny Committee**

**25 January 2018**

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| <b>National Fraud Initiative 2016/17</b> |
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This report is public

**Purpose of the Report**

To present to Members for information a summary of the results of the 2016/17 National Fraud Initiative (NFI) to date for North East Derbyshire District Council.

**1 Report Details**

- 1.1 Since the closure of the Audit Commission, responsibility for NFI has moved to the Cabinet Office and is set to continue. Local Authorities are required to supply various data sets which they process and match with other local authorities and participating organisations to highlight potential cases for further investigation. It should be noted that the existence of a match does not necessarily indicate that any form of fraud has taken place and each match needs to be investigated further.
- 1.2 For the 2016/17 matching exercise, data was uploaded in October 2016 and the reports were released to local authorities, via a secure website, to commence their reviews in February 2017.
- 1.3 Once the matches have been investigated the results are recorded on the secure website together with the amount of any errors or frauds identified.
- 1.4 To assist the examination of reported matches, reports are classified as High or Medium quality or address details (there is a fourth little used category of 'for information').
- 1.5 The main reports generated related to housing benefit claimants, payroll, creditor and housing tenant data. Council Tax (single person discount) matches are subject to a separate annual data matching exercise, with these results being reviewed by the Revenues & Benefits Team.

## 1.6 **SUMMARY OF THE RESULTS OF THE 2016/17 NFI FOR NEDDC to date**

| Data Match Category<br>(96 reports received) | Number of matches | Number of matches<br>investigated |
|--|-------------------|-----------------------------------|
| High Priority                                | 1485              | 673                               |
| Medium Priority                              | 29                | 11                                |
| Address Details                              | 153               | 89                                |
| For Information*                             | 1                 | 1                                 |
| <b>Total</b>                                 | <b>1668</b>       | <b>774</b>                        |

- 1.7 The total number of data matches is 1,668 and to date 774 have been reviewed. No cases of fraud have been identified but 12 errors totalling £10,046.75 were noted. So, although there are still a number of matches that have not been investigated, based on the results to date the risk of missing a large amount of fraud is minimal.

## 2 **Conclusions and Reasons for Recommendation**

- 2.1 To inform Members of the results to date of the 2016/17 NFI exercise.

## 3 **Consultation and Equality Impact**

- 3.1 None.

## 4 **Alternative Options and Reasons for Rejection**

- 4.1 None.

## 5 **Implications**

### 5.1 **Finance and Risk Implications**

- 5.1.1 There is a risk of fraud or error within the matches that have not been investigated, however no fraud has been identified to date.

### 5.2 **Legal Implications including Data Protection**

- 5.2.1 None

### 5.3 **Human Resources Implications**

- 5.3.1 None

## 6 **Recommendation**

- 6.1 That the report be noted.

## 7 Decision Information

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| <b>Is the decision a Key Decision?</b><br>A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:<br><i>BDC:      Revenue - £75,000    <input type="checkbox"/></i><br><i>Capital - £150,000    <input type="checkbox"/></i><br><i>NEDDC:   Revenue - £100,000 <input type="checkbox"/></i><br><i>Capital - £250,000    <input type="checkbox"/></i><br><input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i> | No  |
| <b>Is the decision subject to Call-In?</b><br>(Only Key Decisions are subject to Call-In)  | No  |
| <b>District Wards Affected</b>   | All |
| <b>Links to Corporate Plan priorities or Policy Framework</b>  | All |

## 8 Document Information

| Appendix No  | Title          |
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| <b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers) |                |
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