

Report to Audit Committee

Cabinet Office National Fraud Initiative Progression - Information for Elected Members

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Green

Officer Contact: Mark Stenson – Head of Corporate Governance

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25 March 2021

Reason for Decision

The aim of this report is for Members to note the Council's participation and progression in the Cabinet Office National Fraud Initiative (NFI) 2020/21 exercise.

Executive Summary

The report summarises the work to be carried out by the Audit and Counter Fraud Team in conjunction with the Cabinet Office National Fraud Initiative.

Recommendation

That Members of the Audit Committee note the Cabinet Office National Fraud Initiative Progression - Information for Elected Members Report.

**Cabinet Office National Fraud Initiative Progression
Information for Elected Members****1 Background**

1.1 The National Fraud Initiative (NFI) is a long-standing data matching exercise run initially by the Audit Commission, and latterly, from April 2015, by the Cabinet Office. The purpose of the exercise is to match electronic data within, and between, participating bodies to prevent and detect fraud and error. This has been conducted primarily through matching sets of prescribed data that each local authority maintains, with similar data sets submitted by other local authorities, public bodies and a number of private sector bodies.

2 Arrangements for NFI Exercise 2020/21

2.1 The biennial matching for NFI commenced in February 2021. The Audit and Counter Fraud Team is the central coordinator for the data matches received from the Cabinet Office and ensures matches are investigated, liaising as required with Departments within the Council, other Authorities and multi agencies. The Key Contact within Audit and Counter Fraud will also maintain the web-based application provided by the Cabinet Office which tracks progress on matches reported.

2.2 The value to the Council of the NFI, in addition to the identification and recovery of both fraud and error, is in its role as a deterrent for fraud and as a measure of assurance for the various systems to prevent and detect fraud or loss.

2.3 The legitimate use of personal data in this initiative is covered by the Data Protection Act and as such there are requirements to explain to individuals providing this information that their data will be used for the prevention and detection of fraud. To satisfy these requirements the Council has included 'fair processing notices' on all application forms, letters and bills. A privacy notice is also included on the Council's website.

2.4. It has been agreed that the existing mandatory data matches listed below would continue to be part of the NFI 2020/21. However, the Private Supported Care Homes and Personal Budgets Social Care data sets will be excluded from the main NFI 2020/21 exercise. The Cabinet Office has identified that this data matching has been blocked due to concerns about patient data but has indicated that the data sets will be collected and matched to a later timetable than that of the main exercise. The Cabinet Office has also identified a new data specification for Covid-19 grant recipients.

2.5 The Council submitted the following datasets to the Cabinet Office for the main NFI 2020/21 exercise.

- Payroll
 - Pensions
 - Trade Creditors History
 - Trade Creditors Standing
 - Council Tax Reduction Scheme
 - Council Tax (Single Person Discount)
 - Housing Benefit Claimants (externally provided)
 - Electoral Register
 - Student Loans (externally provided)
 - Resident Parking Pass
 - Blue Badges Pass
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- Business Rates
- Concessionary Travel Pass
- Taxi Driver Licenses
- Covid 19 Grant Recipients

- 2.6 A detailed data specification of the information required for each of the above datasets has been provided by the Cabinet Office. The data above has been obtained, reviewed and uploaded to the Cabinet Office web-based application by the key contact within the Audit and Counter Fraud Team.
- 2.7 The results of the matching exercise arising from the Council's data submitted to the Cabinet Office in December 2020 were provided to the Council on the 31 January 2021 apart from the Covid 19 Grant Recipients data match which will be made available on 31 March 2021.
- 2.8 Appendix 1 details the output of data matches provided to the Council on the 31 January 2021.
- 2.9 As in previous years, reports will be brought to future meetings of the Audit Committee to provide Members with updates on the outcomes from the investigations undertaken regarding NFI 2020/21 data matches.

3 **Options/Alternatives**

- 3.1 N/A

4 **Preferred Option**

- 4.1 N/A

5 **Consultation**

- 5.1 N/A

6 **Financial Implications**

- 6.1 The exercise is a significant contribution to the Council's responsibility for the prevention and detection of fraud. The cost to the Council of participation in NFI 2020/21 has increased marginally and the standard fee of £3,750 for NFI will rise to £3,800. It should also be noted that a penalty fee of 5% of the standard fee (£190) has been introduced and may be levied for late or inaccurate data submissions. The Council as required has submitted all its data within the specified timescale.

7 **Legal Services Comments**

- 7.1 The Council is required to participate in the NFI under Part 6 of the Local Audit and Accountability Act (LAAA) 2014.
- 7.2 The legal basis for processing personal data is that processing is necessary for the performance of a task carried out in the public interest. Certain public sector bodies are required to provide data for the NFI on a mandatory basis. In addition, bodies can provide data for matching on a voluntary basis.
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8 **Cooperative Agenda**

8.1 N/A

9 **Human Resources Comments**

9.1 N/A

10 **Risk Assessments**

10.1 Participation in this exercise remains a positive and integral part of the Council's commitment to the detection and prevention of fraud and error and successfully illustrates the benefit of collaboration between the organisations involved. (Mark Stenson)

11 **IT Implications**

11.1 N/A

12 **Property Implications**

12.1 N/A

13 **Procurement Implications**

13.1 N/A

14 **Environmental and Health & Safety Implications**

14.1 N/A

15 **Equality, community cohesion and crime implications**

15.1 N/A

16 **Equality Impact Assessment Completed?**

16.1 N/A

17 **Key Decision**

17.1 N/A

18 **Forward Plan Reference**

18.1 N/A

19 **Background Papers**

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act

File Ref: Background papers are included as Appendix 1
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20 **Appendices**

20.1 The following Appendices are available to support this Report:

- **Appendix 1:** Cabinet Office National Fraud Initiative

Appendix 1

National Fraud Initiative Case Type	Matches
Housing Benefit Claimants to Student Loans	44
Housing Benefit Claimants to Housing Benefit Claimants	3
Housing Benefit Claimants to Housing Benefit Claimants - Phone Number	8
Housing Benefit Claimants to Housing Tenants	3
Housing Benefit Claimants to Taxi Drivers	126
Housing Benefit Claimants to DWP Deceased	41
Pensions/Pension Gratuity to DWP Deceased	21
Pensions to Payroll	1
Payroll to Payroll	27
Payroll to Payroll - Phone Number	386
Payroll to Payroll - Email Address	5
Payroll to Payroll - Phone Number	47
Payroll to Pensions	27
Housing Benefit Claimants to Waiting List	4
Blue Badge Parking Permit to Blue Badge Parking Permit	3
Blue Badge Parking Permit to DWP Deceased	331
Resident Parking Permit to DWP Deceased	15
Blue Badge Parking Permit to Blue Badge Parking Permit - Phone Number	52
Blue Badge Parking Permit to Blue Badge Parking Permit - Email Address	58
Housing Benefit Claimants to Amberhill Data	1
Taxi Drivers to Amberhill Data	2
Council Tax Reduction Scheme to Amberhill Data	1
Council Tax Reduction Scheme to Payroll	165
Council Tax Reduction Scheme to Pensions	809
Council Tax Reduction Scheme to Council Tax Reduction Scheme	18
Council Tax Reduction Scheme to Housing Tenants	12
Council Tax Reduction Scheme to Taxi Drivers	386
Council Tax Reduction Scheme to Housing Benefit Claimants	24
Council Tax Reduction Scheme to DWP deceased	67
Duplicate creditors by creditor name	48
Duplicate creditors by address detail	116
Duplicate creditors by bank account number	39
Duplicate records by amount and creditor reference	1747
VAT overpaid	66
Duplicate records by name, invoice number and amount but different creditor reference	5
Duplicate records by invoice number and amount but different creditor reference and name	70

Duplicate records by postcode, invoice date and amount but different creditor reference and invoice number	1
Duplicate records by postcode, invoice amount but different creditor reference and invoice number and date	16
Council Tax to Electoral Register (Single Person Discount)	3251
Business Rate Grants	Expected 31 March 2021
Total Matches	8046
