

**ANGUS COUNCIL**

**SCRUTINY & AUDIT COMMITTEE – 30 NOVEMBER 2021**

**NATIONAL FRAUD INITIATIVE – PROGRESS REPORT**

**REPORT BY CATHIE WYLLIE, SERVICE LEADER - INTERNAL AUDIT**

**ABSTRACT**

This report updates members on the work of the 2020 National Fraud Initiative.

**1. RECOMMENDATION**

The Scrutiny & Audit Committee is recommended to note the progress in investigating the matches from the National Fraud Initiative (NFI) 2020.

**2. ALIGNMENT TO THE COUNCIL PLAN**

This report supports the Council's zero tolerance approach to fraud and corruption, which in turn supports services in the delivery of corporate priorities set out in the Council Plan.

**3. INTRODUCTION**

3.1 The National Fraud Initiative is a counter-fraud initiative which is undertaken every two years. Participation is mandatory for Scottish Local Authorities as part of their statutory audit. The NFI is conducted by the Cabinet Office and, for Scottish Local Authorities, coordinated by Audit Scotland. The Team Leader – Counter Fraud is the council's NFI Key Contact responsible for coordinating and monitoring the exercise.

3.2 Participation in the NFI allows the Council to match data held in different systems both in our own organisation and those of other organisations. These exercises contribute to the security of public sector finances, help ensure that services are provided to the correct people and reduce losses to fraud and error.

3.3 The NFI uses data matching to compare a range of information held by participating bodies to identify potential inconsistencies or circumstances that could indicate fraud or error. These are referred to as "matches". A match does not automatically mean that there is a fraud or error. An initial review is carried out to determine which matches can be eliminated and which should be investigated further. The matches are released through the NFI secure web application. Participating bodies record the outcomes of any investigations on the same secure web application.

3.4 At the conclusion of each NFI exercise, Audit Scotland publish a national report, which includes a summary of the national outcomes recorded by participating bodies on the secure NFI website. This report will be submitted to this committee in due course.

**4. NFI 2020 PROGRESS UPDATE**

4.1 The Angus Council datasets for the 2020 NFI exercise were submitted in October 2019. The results of the data-matching exercise were released from January 2020 onwards. The council received 91 reports with a total of 3,419 individual matches. The overall approach to investigating the matches was agreed with the Director of

Finance, focussing initially on those matches which NFI suggest should be prioritised for review and investigation. Investigatory work is near completion with 871 matches having been reviewed. Matches were selected for review and investigation based mainly on the percentage risk score attributed to each match by NFI.

- 4.2 Initiative changes saw the removal of Private Care Home and Personal Budget data from the main 2020/21 exercise. This data will be collected to a different timetable to be notified in due course. In addition, NFI 2020 saw the inclusion of matches relating to Non-Domestic Rates and Covid Support Grants.
- 4.3 Exercise outcomes thus far are identified overpayments of £2,319 from Housing Benefit/Council Tax Reduction/Council Tax Discount and the cancellation of 318 Blue Badges.
- 4.4 Given the number of matches received and investigated the level of outcomes provide assurance that, for those areas covered by NFI, the council's internal control framework is operating effectively.

## **5. FINANCIAL IMPLICATIONS**

The overpayments identified, totalling £2,319 are being pursued through our debt recovery processes.

## **6. CONCLUSION**

Participation in NFI is a regular part of the Council's corporate approach to the prevention and detection of fraud and error. Work continues to check the matches received and identify those that require further investigation. The final Angus Council outcomes for NFI 2020 will be submitted to this committee in due course, together with the Audit Scotland national report.

## **7. EQUALITY IMPACT ASSESSMENT**

An Equality Impact Assessment is not required because the report relates to the technical process of data matching, and this does not impact on people.

**NOTE:** No background papers, as defined by Sections 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.

**REPORT AUTHOR: Ewan Ritchie, Team Leader – Counter Fraud**  
**EMAIL DETAILS: [ChiefExec@angus.gov.uk](mailto:ChiefExec@angus.gov.uk)**