

DERBYSHIRE COUNTY COUNCIL

AUDIT COMMITTEE MEETING

10 December 2019

Report of the Director of Finance & ICT, Director of Legal and Democratic Services and Assistant Director of Finance (Audit)

NATIONAL FRAUD INITIATIVE

1. Purpose of Report

To inform Members of the Council's progress in scrutinizing the data matches arising from participation in the National Fraud Initiative (NFI) 2018-19.

2. Information and Analysis

The National Fraud Initiative (NFI) is managed by the Cabinet Office and matches electronic data within and between public and private sector organizations for the purposes of the prevention and detection of crime. Participating organizations include police authorities, local probation boards, fire and rescue authorities as well as local councils and a number of private sector bodies.

In order to ensure the NFI is a transparent process both Members and staff were notified of the Council's participation in the initiative by Fair Processing Notices which were included in the September 2018 payslips. Pensioners were also notified of the NFI exercise by a similar inclusion in May 2018. The results of the matching exercise arising from the Authority's data being submitted to the Cabinet Office in October 2018 were made available to individual, participating organizations from 31 January 2019.

Audit Services act as the central coordinator for the Council's NFI data matching exercise ensuring that the data matches provided by the Cabinet Office are investigated, and liaises with Departments within the Council and other external organizations as necessary.

The 2018-2019 NFI data matching exercise resulted in thirty-eight distinct reports being made available for investigation. The NFI exercise thus far has resulted in the investigation of 3,010 individual records culminating in the identification of 264 errors totalling £34,422.63. Analysis of the instances where investigation has resulted in a financial outcome are detailed below.

Report Title	Total Number of Records Cleared	Number of Instances requiring financial recovery	Value (£) of financial recovery
Pensions/Pension Gratuity to DWP* Deceased	326	14	14,907.70
Private Residential Care Homes to DWP* Deceased	153	3	19,514.93
Total	479	17	34,422.63

*Department of Work and Pensions

3. Financial Considerations

The cost of the Council's participation in NFI 2018-19 remained at £3,750 and the exercise is a significant contribution to the Authority's responsibility for the prevention and detection of fraud.

4. Legal Considerations

The NFI is conducted using the data matching powers bestowed on the Minister for the Cabinet Office by Part 6 of the Local Audit and Accountability Act 2014 (the Act).

There are certain public sector bodies that are required to provide data for the NFI on a mandatory basis. In addition, bodies can provide data to the Cabinet Office for matching on a voluntary basis under schedule 9, 3 of the Act.

It does not require the consent of the individuals concerned under data protection legislation or the GDPR.

5. HR and Equalities Considerations

The Audit Commission advised authorities to inform Members, staff and pensioners of the requirement to participate in such exercises. Members, staff and pensioners have been notified by means of a fair processing notice included in pay slips. Trade Unions are also consulted through CJC.

The Council has ensured that the principles of the Data Protection Act 2018 are observed in providing the data for this exercise, and takes every precaution to ensure that data submitted is accurate and up to date.

6. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime and disorder, environmental, health, social value, property and transport considerations.

7. Background Papers

Files held by the Assistant Director of Finance (Audit).

8. Officers' Recommendation

That the Audit Committee notes progress made by the Council in respect of the NFI 2018-19 exercise.

Peter Handford
Director of Finance
& ICT

Simon Hobbs
Director of Legal and
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Carl Hardman
Assistant Director of
Finance (Audit)