

NATIONAL FRAUD INITIATIVE IN SCOTLAND

1. INTRODUCTION

- 1.1 Audit Scotland produced their Bi-annual report on the National Fraud Initiative (NFI) in Scotland in June 2016 which provides some key messages in respect of NFI activity and also recommendations for consideration.

2. RECOMMENDATIONS

- 2.1 The Committee to;
- 2.2 Note the findings from the recent Audit Scotland report covering outcomes from the NFI in Scotland for the 2014/15 data matching exercise.
- 2.3 Note that Council has participated in the NFI programme to assess data matches applicable to this organisation.
- 2.4 Note the self-appraisal of the Councils approach to participation in NFI exercises, as outlined in Appendix 2 of the National report.

3. DETAIL

- 3.1 Audit Scotland, working closely with public bodies, external auditors and the cabinet office, has completed another major data sharing and matching exercise. The NFI makes a significant contribution to reducing fraud and error.
- 3.2 The cumulative outcomes for NFI in Scotland are now at £110.6m. These outcomes represent a significant return to the public finances of Scotland at a time when resources are under pressure. Across the UK the cumulative total is 1.39billion.
- 3.3 The last NFI initiative involved 104 Scottish Bodies who submitted a total of 585 data sets which in turn generated approximately 350,000 matches for further investigation.
- 3.4 Recommendations made within the report include ensuring sufficient capability to investigate non housing benefit fraud or corporate fraud. Argyll and Bute Council have a dedicated fraud team who undertake a range of investigation activities including non-housing benefit fraud and corporate fraud.
- 3.5 Recommendations also include ensuring that Local Authorities embed the regular use of data matching as part of their overall control arrangements. Argyll and Bute, in addition to NFI data-matching, also undertake a supplementary exercise using Datatank.

- 3.6 A number of key concerns are also outlined within the report. In respect of the issues identified these are not appropriate to Argyll and Bute as adequate arrangements and actions are in place which mitigate these concerns.
- 3.7 A self-appraisal check list is included at Appendix 2 of the report for consideration. This has been reviewed by the Head of Strategic Finance and Chief Internal Auditor and there are no issues requiring further action with the exception of the potential further use of real-time matching (flexible matching service). This will be taken forward in discussion with the Revenues and Benefit Manager.

4. CONCLUSION

- 4.1 Argyll and Bute Council is an active participant in the NFI exercise. Data matching has proved to be a useful tool in identifying and reducing fraud and error. Internal Audit will continue to oversee the progress of future NFI activity.

5. IMPLICATIONS

- 5.1 Policy - None
- 5.2 Financial -None
- 5.3 Legal -None
- 5.4 HR - None
- 5.5 Equalities - None
- 5.6 Risk – None
- 5.7 Customer Service - None

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APPENDICES

Appendix 1 – Audit Scotland Report “National Fraud Initiative in Scotland”