

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

18 June 2012

Report of the Director of Finance

Part 1- Public

Delegated

1 NATIONAL FRAUD INITIATIVE – MEMBERS BRIEFING

Summary

This report informs Members of the latest National Fraud Initiative (NFI) Members Briefing. The report contained a checklist for Members which is attached for consideration.

1.1 Introduction

1.1.1 Members will be aware of the NFI which is a national data matching exercise undertaken by the Audit Commission. This report introduces a Members Briefing recently issued by the Audit Commission. A copy of the briefing is attached. **[Annex 1]**

1.2 Briefing

1.2.1 The briefing reiterates how fraud continues to be a serious problem and the necessity to have strong counter-fraud measures in place. It also reminds Members of their role in checking the effectiveness of its arrangements for preventing and detecting fraud.

1.2.2 The current matches undertaken by the exercise are listed for information although not all of these will be applicable to a District. The document also explains the legal framework in place that allows the exercise to take place. An explanation is given on how the data is collected and distributed in a secure manner.

1.2.3 Attention is drawn to the fact that where data matching shows little or no fraud or error then it still has an assurance factor that effective controls are in place. It also points out ways that the data can be used better.

1.2.4 The briefing contains a checklist of questions for Members to put to the Director of Finance in order for Members to understand how the NFI is being used by the Council. These questions have been answered and the completed checklist is attached. **[Annex 2]**

1.3 Future Developments

- 1.3.1 Members will be aware that the Government is intending to abolish the Audit Commission; however, it has confirmed that while it retains oversight of the NFI it will continue to develop the NFI to address emerging fraud risks, with an increasing focus on fraud prevention.
- 1.3.2 The NFI launched a real-time service in September 2011, marking an important shift from fraud detection to fraud prevention.
- 1.3.3 The new service will offer a flexible range of options, including real-time and flexible batch data matching, and councils will be able to decide locally on the data they want to supply for matching.
- 1.3.4 The service will enable matching against on-line data sets held by the NFI to validate Housing Applications or Housing Benefit claims.
- 1.3.5 There is also consideration being given to extend the use to assisting in the recovery of debt owing to public bodies.

1.4 Legal Implications

- 1.4.1 The NFI exercises are carried out under Audit Commission powers.

1.5 Financial and Value for Money Considerations

- 1.5.1 The report points out that participation in the exercise provides a level of assurance as well as identifying potential fraud and error.

1.6 Risk Assessment

- 1.6.1 If the Council are not completing the NFI exercise correctly there is a risk of loss due to fraud and error that is not being addressed.

1.7 Equality Impact Assessment

- 1.7.1 No issues were identified

1.8 Recommendation

Members are asked to consider the responses given to the questions contained in the checklist and subject to any amendments to endorse them.

Background papers:

contact: David Buckley

Audit Commission "NFI Members Briefing"

Sharon Shelton

Director of Finance

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	Information item only
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	Information item only
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		Not applicable

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.