

REPORT TO: SCRUTINY COMMITTEE - 25 SEPTEMBER 2019

REPORT ON: NATIONAL FRAUD INITIATIVE

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 320-2019

1.0 PURPOSE OF REPORT

This report is to inform Elected Members on the work of the 2018/19 National Fraud Initiative (NFI) exercise and the mandatory 2018/19 Electoral Roll / Council Tax Single Person Discounts data matching exercise.

2.0 RECOMMENDATIONS

It is recommended that Members of the Committee note the progress made to date on investigating the data matches received from the Cabinet Office as part of the 2018/19 NFI exercises.

3.0 FINANCIAL IMPLICATIONS

The 2018/19 NFI exercise to date has identified £25,389.07 of overpayments, which have either been recovered or a formal recovery arrangement is in place. As a result of stopping these errors now, the NFI has estimated that the Council has also saved an additional notional amount of £334,668.63, bringing the overall total to £360,057.70.

The supplementary mandatory 2018/19 Electoral Roll / Council Tax Single Person Discounts data matching exercise has also identified, to date, overpayments of £29,233.92 which have been, or are in the process of being recovered through the Council's normal Council Tax billing and recovery processes.

4.0 BACKGROUND

The NFI is a biennial data matching exercise, co-ordinated at a national level by the Cabinet Office, designed to help participating bodies detect fraud and error. Computerised techniques are utilised to compare electronic data held by different public and private sector bodies in Scotland, England and Wales and identify data matches, which may, following further examination, uncover the existence of fraud or error. The NFI exercise in Scotland is led by Audit Scotland and participation is mandatory for the Council. Participation also assists the Council with its Deter agenda.

The Senior Responsible Officer for the NFI exercise in the Council is the Executive Director of Corporate Services and the Key Contact is the Corporate Fraud Supervisor, who reports operationally to the Senior Manager – Internal Audit. Key Contact responsibilities include:

- co-ordinating and monitoring the overall exercise
- ensuring that the specifications for data sets are adhered to
- ensuring data sets are uploaded accurately and timeously
- ensuring that key individuals required to assist with the investigation of matches are identified and adequately trained
- ensuring outcomes from the investigation of matches are recorded on the NFI Website promptly and accurately

The mandatory data sets submitted by the Council for the 2018/19 NFI exercises were:

- Payroll – Dundee City Council, Leisure & Culture Dundee, Tay Road Bridge Joint Board and Tayside Valuation Joint Board
- Pensions – Tayside Pension Fund (Current & Deferred)
- Creditors – Current and historic from 1 October 2015
- Licences – Civic, Liquor and Taxis
- Council Funded Private Residential Care Payments
- Personal Budgets – Direct Payments
- Resident Parking Permits - Current
- Housing Tenants - Current
- Housing Waiting List
- Housing Right to Buy – Former tenants
- Blue Badge
- Council Tax
- Electoral Roll

4.1 NFI 2018/19 PROGRESS UPDATE

The Council's data was extracted from Council systems, checked and uploaded to the NFI Website in October 2018 in accordance with the Instructions for Participants and Cabinet Office timetable. With the exception of the creditors, data matches were then identified by the Cabinet Office and referred back to the Council for investigation in January 2019. The Creditors matches were delayed nationally and not received by the Council until March 2019. A total of 107 different reports, containing a sum of 22,344 matches, were received.

The CFT Supervisor held training sessions with all participating staff from other Council services to ensure that they were fully aware of their responsibilities, the investigation procedures and how to record outcomes on the NFI Website. A total of 37 staff were trained from different service areas as details in the table below:

Strategic Service	Service Area
Corporate Services	<ul style="list-style-type: none"> • Corporate Fraud • Corporate Procurement • Pensions • HR and Business Support, • Payroll • Welfare Rights
Neighbourhood Services	<ul style="list-style-type: none"> • Housing & Communities
Dundee Health and Social Care Partnership	<ul style="list-style-type: none"> • Finance Admin • Blue Badge Admin

Work on reviewing the data matches continues. However, to date, 4,540 matches have been investigated, with errors identified in 41 of them. These errors have resulted in overpayments of £25,389.07, which have either been recovered or a formal recovery arrangement is in place. In addition, 4 national insurance number errors were identified. See Appendix 1 for further information, including the additional notional amounts that the NFI has estimated the Council has saved as a result of stopping these errors now.

The supplementary exercise of Council Tax Single Person Discount to Electoral Roll data produced 3,558 matches. Work also continues on reviewing these matches. To date, 414 matches have been investigated with 45 customer errors identified. These errors have resulted in overpayments of £29,233.92, which are in the process of being recovered through the Council's normal Council Tax billing and recovery processes. See Appendix 1 for further information.

The Council's external auditors, Audit Scotland, recently carried out an assessment of the Council's approach to NFI and, having assessed all areas have allocated a 'green' score to each.

5.0 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6.0 CONSULTATIONS

The Council Management Team was consulted in the preparation of this report.

7.0 BACKGROUND PAPERS

None.

GREGORY COLGAN
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

30 August 2019

TABLE 1 – 2018/19 NFI AND PENSIONS DATA MATCH OUTCOMES

REPORT CONTENT	NO. OF ERRORS	ACTUAL £	NOTIONAL £	TOTAL VALUE £
Housing Benefit	1	1,835.90	1,371.51	3,207.41
Deceased Pension Investigations	4	23,553.17	312,597.12	336,150.29
Blue Badges	36	-	20,700.00	20,700.00
National Insurance Numbers Corrected	4	-	-	-
TOTAL	45	25,389.07	334,668.63	360,057.70

TABLE 2 – 2018/19 ELECTORAL ROLL AND COUNCIL TAX SINGLE PERSON DISCOUNT DATA MATCH OUTCOMES

REPORT CONTENT	NO. OF ERRORS	TOTAL VALUE £
Council Tax to Electoral Roll	32	25,591.71
Council Tax Rising 18's	13	3,282.75
TOTAL	45	29,233.92