



AGENDA NO: 11

INDEPENDENT AUDIT COMMITTEE – 11 SEPTEMBER 2019

NATIONAL FRAUD INITIATIVE 2019 - 2020

REPORT BY KAREN JAMES

PURPOSE OF THE REPORT

The purpose of this report is to inform the Committee of findings and progress towards the completion of the 2019- 2020 National Fraud Initiative (NFI) exercise on behalf of the Cabinet Office.

1. INTRODUCTION

- 1.1 The NFI is a data matching exercise conducted by the Cabinet Office under its data matching powers set out in the Local Accountability and Audit Act 2014.
- 1.2 The NFI is an effective tool for detecting and preventing fraud, error and overpayment across the UK.
- 1.3 The NFI aims to :-
 - Safeguard public money against losses from fraud or misappropriation
 - Make an effective contribution to the wider fight against fraud and potentially other crime
- 1.4 The Cabinet Office pledges to uphold and protect citizens' rights in relation to their personal data at all times.
- 1.5 The NFI is run over a two year period so the NFI 2018/19 work programme and scale of fees covers the two financial years 2018/19 and 2019/20.
- 1.6 Mandatory participants are billed in one instalment of £1,000 that covers the Force and OPCC, with Dorset and Devon & Cornwall billed as two separate legal entities.

2. NFI 2018/2019 EXERCISE

- 2.1 Police bodies are required to submit mandatory datasets on payroll, pensions and trade creditors' details and payment history.
- 2.2 Specified data was extracted from the finance system on the 30 September 2018 and uploaded to NFI between the 1st and 8th October 2018.

- 2.3 Both Forces submitted the required data as required from the shared Agresso finance system managed by Devon & Cornwall. As creditor information is stored jointly within the shared system the creditor matches are shown under D&C results rather than Dorset.
- 2.4 Both organisations pension administrators (Dorset County Council and D&C Peninsula Pensions) submitted data as per the Force instructions.
- 2.5 Outcomes from investigations are required by the 30th September 2019 so the Cabinet Office can calculate the total outcomes from the national exercise by the 31st March 2020 deadline.
- 2.6 A summary of the results from both Forces across all datasets is attached at Appendix A. This includes matches highlighted in previous years, which will not be reinvestigated.
- 2.7 There are a significantly high number of matches identified under category 708-duplicate record by invoice amount and creditor reference. The vast majority of these are periodic payments for items such as property council tax.
- 2.8 Data for the 2020-2021 NFI will be required for upload early October 2020, with matches available for investigation from early 2021.
- 2.9 All data sets are on target for completion in accordance key NFI milestones. These are shown in Appendix B.
- 2.10 Matches are categorised into high, medium and low risk. The majority of high risk matches have already been investigated, the other are ongoing.
- 2.11 No instances of fraud have been identified.
- 2.12 Any potential process errors have been identified to prevent re-occurrence. Most of these have already been identified through existing validation process checks established in the Finance department.
- 2.13 We remain on target to complete all investigations within the required timescales.

3. RECOMMENDATIONS

- 3.1 The Committee is asked to note the report and findings, together with the provisional timeline for the next NFI data upload.

Karen James
Head of Audit, Insurance and Strategic Risk Management