

REPORT TO: AUDIT AND RISK MANAGEMENT SUB-COMMITTEE - 7 JUNE 2010

REPORT ON: NATIONAL FRAUD INITIATIVE 2008-2009

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 324-2010

1 PURPOSE OF REPORT

- 1.1 To advise Elected Members of the outcome of the Council's participation in the National Fraud Initiative 2008-2009.

2 RECOMMENDATIONS

- 2.1 The Sub-Committee notes the overview of the financial outcomes contained in Appendix 1 to this report.
- 2.2 The Sub-Committee notes the Audit Scotland National Report National Fraud Initiative in Scotland - Making an Impact.
- 2.3 The Council participates fully in the 2010-2011 National Fraud Initiative including the computer matching of discretionary datasets.

3 FINANCIAL IMPLICATIONS

- 3.1 None.

4 BACKGROUND

- 4.1 There have now been three National Fraud Initiatives in 2004/05, 2006/07 and 2008/09 and Dundee City Council has participated in all of them. Originally a small number of databases were used to detect irregularities but this has now increased significantly with around 20 databases now being used to cross-match data. As well as detecting frauds and irregularities, the National Fraud Initiative also provides participants with assurance as to the integrity and robustness of the databases being analysed.
- 4.2 At a national level Audit Scotland has recently published a report on the National Fraud Initiative in Scotland - Making an Impact which sets out the results of the 2008/09 exercise at a national level. Audit Scotland reported that the most recent exercise has been the most successful anti fraud exercise yet with results worth £21.1 million of public money. A full copy of the report is attached.

5 FINANCIAL OUTCOMES

- 5.1 Overall savings identified for Dundee City Council as a result of the National Fraud Initiative are in excess of £500,000 and as detailed in Appendix 1. This may be regarded as a very good outcome from carrying out the exercise.
- 5.2 It should be noted that some of these savings relate to earlier years as NFI cases can take some time to be completed.
- 5.3 Attention is drawn to the recent successful prosecution for fraud which featured prominently in the local press. Benefits of around £37,000 were fraudulently obtained. The fraudster was put on probation and given a tagging order.

6 **FUTURE INITIATIVES**

- 6.1 The Council is due to take part in the National Fraud Initiative 2010-2011. Guidelines for this exercise will be released over the summer. It is intended that the Council will cross-match all datasets within the scope of NFI 2010-2011 even though some of these are discretionary.
- 6.2 The main National Fraud Initiative is expected to continue every two years. It is also anticipated that more and more databases will be included in future exercises.

7 **POLICY IMPLICATIONS**

- 7.1 This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

8 **CONSULTATION**

- 8.1 The Chief Executive, Depute Chief Executive and the Assistant Chief Executive have been consulted on the content of this report.

9 **BACKGROUND PAPERS**

- 9.1 National Fraud Initiative in Scotland - Making an impact.

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DIRECTOR OF FINANCE

01 JUNE 2010

NATIONAL FRAUD INITIATIVE
OVERVIEW OF DUNDEE CITY COUNCIL SAVINGS

Benefit Savings	15,015
Deceased Pensioner Cases	228,150
Additional Outcomes 2006/07	<u>344,451</u>
	<u>587,616</u>
 <u>2006/07 Further Breakdown</u>	
Benefit Savings	73,837
Deceased Pensioner Cases	97,740
Housing (Single Person Discount)	<u>172,874</u>
	<u>344,451</u>
 <u>In Aggregate</u>	
Benefit Savings	88,852
Deceased Pensioner Cases	325,890
Housing (Single Person Discount)	<u>172,874</u>
	<u>587,616</u>