

REPORT TO: AUDIT AND PERFORMANCE REVIEW COMMITTEE ON 23 JUNE 2010

SUBJECT: LOCAL GOVERNMENT NATIONAL REPORT – NATIONAL FRAUD INITIATIVE IN SCOTLAND

BY: CHIEF EXECUTIVE

1. REASON FOR REPORT

- 1.1 This report advises the Committee of the Audit Scotland National report on the National Fraud Initiative in Scotland.
- 1.2 This report is submitted to Committee in terms of Section J (3) of the Council's Administrative Scheme relating to consideration of Audit Scotland's Reports concerning Council functions.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee consider the Audit Scotland National Report on the National Fraud Initiative in Scotland.**

3. BACKGROUND

- 3.1 In May 2010 Audit Scotland published a National Report on the National Fraud Initiative in Scotland. A copy of the report summary is attached as **APPENDIX 1** to this report and a full copy of the Audit Scotland publication has been placed on the Members portal.
- 3.2 Specific mention is made of Moray Council twice in the report. On page 13 there is a comment that "taking size into account" Moray Council has "achieved significant outcomes from their 2008/09 benefits investigations." On page 19 the work on benefits processing is again praised and the wider scope of NFI is highlighted as an area for improvement as follows "The council made good progress with HB matches and achieved significant outcomes. But other areas, including payroll matches, were not considered for a long time. The NFI is being treated mainly as an HB fraud exercise, but it now has a much wider scope." The Council does recognise the wider scope of NFI and has applied the data matching principles in a number of areas of council work. The Council will continue to work with Audit Scotland to identify further opportunities of fraud detection.

4. SUMMARY OF IMPLICATIONS

(a) Single Outcome Agreement/Service Improvement Plan

Local Priority 10 of the Single Outcome Agreement relates to continuous improvement and increased efficiency of service provision.

(b) Policy and Legal

The policy statement in respect of Efficient Government was established on the 1st March 2006 and reaffirmed on the 28th March 2007 by the Policy and Resources committee.

(c) Resources (Financial, Risks, Staffing and Property)

There are no resources arising from this report.

(d) Consultations

None.

5. CONCLUSION

- 5.1 A national study was completed by Audit Scotland and their findings were published in February 2010. A summary of their findings is provided in this report together with some background relating to Moray Council's progress in respect of the Efficient Government agenda.

Author of Report: Mark Palmer, Chief Financial Officer

Background Papers:

Ref: MP/LJC/794314/794746