

National Fraud Initiative (NFI) and other exercises in relation to the Prevention and Detection of Fraud

This authority is required by law to protect the public funds it administers. It may share information provided to it with other bodies responsible for auditing or administering public funds, in order to prevent and detect fraud. The Audit Commission appoints the auditor to audit the accounts of this authority. It is also responsible for carrying out data matching exercises.

Data matching involves comparing computer records held by one body against other computer records held by the same or another body, this includes personal information. Computerised data matching allows potentially fraudulent claims and payments to be identified. Where a match is found it indicates that there is an inconsistency, which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out.

The Audit Commission currently requires us to participate in a data matching exercise to assist in the prevention and detection of fraud. We are required to provide particular sets of data to the Audit Commission for matching for each exercise, and these are set out in the Audit Commission's handbooks, which can be found at www.audit-commission.gov.uk/nfi.

The use of data by the Audit Commission in a data matching exercise is carried out with statutory authority under its powers in Part 2A of the Audit Commission Act 1998. It does not require the consent of the individuals concerned under the Data Protection Act 1998.

Data matching by the Audit Commission is subject to a Code of Practice. This may be found at <http://www.audit-commission.gov.uk/nfi/codeofdmp.asp>. For further information on the Audit Commission's legal powers and the reasons why it matches particular information, see <http://www.audit-commission.gov.uk/nfi/fttext.asp> or contact the Head of NFI, Associate Director, Audit Commission, 1st Floor, Millbank Tower, Millbank, London SW1P 4HQ; tel 0844 798 2222; email nfiqueries@audit-commission.gov.uk.