**Essential Update April 2019 – Reporting potential fraud and data breaches, Feedback from Article 127 checks, Extensions, and Annex updates**

**Reporting of potential fraud**

To be consistent with organisational policy, we request that grant holders should in the first instance report all potential fraud concerns to The National Lottery Community Fund’s central fraud inbox: fraud@tnlcommunityfund.org.uk

Fraud concerns can also be reported through the fraud hotline number which is: 0800 496 9991.

**Data breaches**

There have been a number of data breaches reported on the BBO programme.  These mainly relate to unauthorised access to paper versions of participant records, several involving theft of records from vehicles.   There has also been some confusion around how these data breaches are reported. We advise all grant holders to review the ESF Action Note 020/18 for additional advice relating to the General Data Protection Regulation that is available here:

<https://www.gov.uk/government/publications/esf-action-notes-2014-to-2020-programme>

This covers the process for the reporting of data breaches on ESF programmes, including timescales.   We also advise all lead and partner organisations to review storage arrangements for both paper and electronic records and carefully consider this in relation to mobile workers, and to ensure staff understand the organisational requirements.

Data breaches must be reported to ESFDATA.BREACH@DWP.GOV.UK

**Feedback from Article 127 checks – hourly rate defrayal evidence**

You may be aware that the first few Article 127 checks have taken place for BBO. In these, the Article 127 team has requested to see the defrayal evidence to show staff paid using the 1720 hourly rate methodology. Whilst it is not current practice for the Article 125 verification team or our funding officers to check the defrayal of these costs, you will still need to have this information. Please ensure that if you do not already hold this defrayal evidence you collect it. Section eight and the hourly rates section of the Guide to Delivering European Funding does not currently reflect this, but will be updated as part of our ongoing review process.

**Extensions**

Grant holders that have been awarded extensions must consider factors such as updating partnership agreement and staff letters, and the potential impact on procurement thresholds. Please remember to send a copy of any partnership amendments to your funding officer.

Extensions have been awarded as extensions of existing projects, therefore any changes must be discussed with your funding officer before they are made.

**Annex O**

We have had a number of queries as to when an annex O updated with the new The National Lottery Community Fund branding with be released. This has now been prepared and will be updated on our website shortly after the submission of the Q1 2019 claim. The updated annex O will be in use for the Q2 2019 claim, as well as the updated branding this version enables claims up to 2022 to be recorded and includes new validations to prevent more than two decimal places being added to the invoice value or irrecoverable VAT fields.

**Annex E**

Shortly after the Q1 2019 claim, annex E will be removed from our website. Organisations with extensions will receive a new, prefilled annex E from your funding officer. In most cases this will be in time for the Q2 2019 claims, although there are a small number which will be using the form for Q1 2019.