

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

26 January 2010

Report of the Chief Internal Auditor

Part 1- Public

Matters for Information

1 UPDATE ON THE NATIONAL FRAUD INITIATIVE 2008/09

Summary

This report informs Members of the outcome of anomalies identified by the above exercise that have been investigated so far.

1.1 Introduction

- 1.1.1 Members will be aware of the Audit Commission National Fraud Initiative (NFI) data matching exercise that takes place every two years. The current exercise is the result of data extracted in 2008 and distributed in early 2009. The number of data matches that take place have increased and a copy of the Audit Commission handbook is available on their website using the following link: -

<http://www.audit-commission.gov.uk/localgov/audit/nfi/pages/default.aspx>

1.2 Outcomes to date

- 1.2.1 A total of 29 reports containing 2,342 matches were received by the Council. At the time of writing this report a total of 2,146 matches have been investigated and closed. Of the remaining 87 cases open 48 relate to single person discount where additional investigation is required.
- 1.2.2 Due to resource implications the referrals have had to be examined by the Chief Internal Auditor. Following this initial sift any remaining anomalies were investigated and then referred to the relevant section where a decision or further investigation was required.
- 1.2.3 The number of matches had increased this year to include single person allowance, concessionary bus passes, licences, right to buy and insurance claims.
- 1.2.4 A number of cases have been referred to the Benefits Investigation Section and a majority of these investigations are ongoing. The outcome of these cases will be reported back at a later date.

- 1.2.5 The two reports that have had the most impact related to single person allowances. One of these reports concerned children where their age had reached eighteen and they had become non-dependents. In a number of cases their status had changed to students and a student disregard could be applied instead. However, there were nine cases where a single person allowance was not applicable and the allowance was cancelled. As a result there was an overall increase of Council Tax due of £2364.79.
- 1.2.6 The second report concerned circumstances where there was a single person allowance claimed on a property but additional persons were identified as being associated with the property. To date twenty-two cases of single person discount have been cancelled with additional Council Tax of £12,566 being added to bills.
- 1.2.7 Following discussions with the Principal Revenue Officer it was decided that any cases found where there was a single person allowance being claimed incorrectly it would be treated as an error.

1.3 Legal Implications

- 1.3.1 There are no direct legal implications arising from this report.

1.4 Financial and Value for Money Considerations

- 1.4.1 The Council is committed to paying the correct amount of benefit to the right person and collecting the correct amount of Council Tax from each person. Participation in this exercise assists in achieving those objectives.

1.5 Risk Assessment

- 1.5.1 Participation in the NFI exercise is considered best practice and is included in the Use of Resources study carried out by the Audit Commission. Failure to participate could lead to instances of fraud remaining undetected.

Background papers:

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Audit files

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