

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

10 April 2012

Report of the Director of Finance

Part 1- Public

Matters for Information

1 NATIONAL FRAUD INITIATIVE 2010/11 (NFI)

Summary

Members will be aware that the Audit Commission has carried out a national data matching exercise on a regular basis for a number of years. This report informs Members of the outcomes so far for the latest exercise.

1.1 Background

1.1.1 The NFI exercise carried out by the Audit Commission matches this Council's data with other sources of data in order to identify potential anomalies. The anomalies are then referred to the Council and these are then examined to identify any errors in the data held or any fraud.

1.1.2 The data returned to the Council consists of a number of reports showing details of matches. These have to be examined against Council records in order to identify if they require action or further investigation. The information is reported in two tranches.

1.2 First Tranche

1.2.1 The initial reports relate to Benefits, Licensing, Concessionary Bus passes, Payroll, Pensions and Creditors. This tranche was received in January 2011 and consisted of 1,657 referrals. Of these there are 35 cases that are still being investigated.

1.2.2 Of the 1,622 cases that have been examined there have been 85 cases that were considered to be errors that have resulted in benefits of £12,875.92 being recovered. These cases were the result of pension increases not being advised by pensioners in receipt of benefits.

1.2.3 Each of these cases was looked at individually and the test of public interest was applied as to whether they were suitable for any further action.

1.2.4 In these cases it was determined that correction of the benefit and seeking repayment of the overpayment was the correct outcome.

1.3 Second Tranche

- 1.3.1 The second tranche of reports was received at the end of February 2012 and relates solely to Single Person Discount (SPD) matches to the Electoral Register.
- 1.3.2 These reports have 508 referrals where there is a SPD applied where there is more than one person on the Electoral Roll and a further 132 cases where there is a person on the Electoral Roll approaching their 18th birthday.
- 1.3.3 There has recently been an exercise undertaken to resolve the differences between numbers of people on Council Tax records to Benefits records. Rather than have a duplication of work it was decided to wait until this exercise was complete before these reports were investigated. Work will be taking place shortly to carry out an initial sift of these referrals.

1.4 Future Exercises

- 1.4.1 Although there are significant changes taking place to external audit provision it is the Government's intention to continue with this exercise in future years.

1.5 Legal Implications

- 1.5.1 This exercise is carried out under the Audit Commission's powers under Part 2A of the Audit Commission Act 1998 and complies with their Code of Data Matching Practice.

1.6 Financial and Value for Money Considerations

- 1.6.1 This exercise is intended to identify possible incorrect data held by the Council and potential incorrect payments. The first tranche of this exercise has corrected a number of anomalies and has resulted in reductions of benefit payments.

1.7 Risk Assessment

- 1.7.1 The Council is required to participate in this exercise and not to do so could result in an adverse External Audit report and a number of errors remaining undetected.

1.8 Equality Impact Assessment

- 1.8.1 It is considered that there is no adverse impact arising from this report.

Background papers:

contact: David Buckley

Audit Commission NFI Reports and associated guidance

Sharon Shelton
Director of Finance

| Screening for equality impacts: | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-----------------------------------------------------------------------------------------------------------------|
| Question | Answer | Explanation of impacts |
| a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? | No | The results of these referrals are dealt with locally ensuring full consideration of circumstances takes place. |
| b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? | Yes | The outcomes of any reported anomalies consider vulnerability when considering outcome. |
| c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above? | | |

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.