

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

9 October 2012

Report of the Director of Finance

Part 1- Public

Matters for Information

1 UPDATE ON NATIONAL FRAUD INITIATIVE 2010 (NFI)

Summary

This report informs Members an update of the work carried out to analyse the latest NFI results and outcomes to date.

1.1 Background

1.1.1 Members will be aware that every two years the Audit Commission extract data from a number of sources and carry out a national data matching exercise. The results of this exercise are to identify anomalies that could indicate the existence of fraud. Following the cessation of the Audit Commission this exercise will continue under a different Government body.

1.1.2 The data sets used relate to Benefits, Pensions, Creditors, Licensing, Payroll and Council Tax. The exercise results in each Local Authority being given a number of reports to investigate.

1.1.3 In the case of Tonbridge & Malling this equated to 2,297 matches that required examining to determine if further work was required to investigate them fully.

1.2 Outcomes to date

1.2.1 A total of 915 cases related to matches with benefit claims. Of these there have not been any fraud cases proven so far. There are currently 20 cases that have been referred to the Department for Work and Pensions or the Benefit Investigation Section for further work to be carried out.

1.2.2 A further 48 matches related to Payroll and all of these have been closed with no issues arising.

1.2.3 There were 289 cases that referred to Concessionary bus passes and these were given to KCC for investigation as they took over this function when the data was being collected.

- 1.2.4 Creditor details resulted in 132 matches that queried the accuracy of the master file. These have been checked and no fraudulent concerns arose.
- 1.2.5 A further 272 matches related to creditor payment details that were identified as being potential duplicate payments. All of these were examined and there were no instances of any previously known duplicate payments found. Most of these were spurious matches because of resubmissions of data and the few duplicate payments that did exist had already been previously identified and corrective action taken.
- 1.2.6 There was 1 case that matched a parking permit with a deceased person but this had already been dealt with by Parking Section.
- 1.2.7 The last sets of data related to matches between Electoral Register and Council Tax records. This resulted in 508 matches where Single Person Discount was being claimed where more than one adult was registered in the property with a further 132 cases where there is a child coming up to the age of 18 in the property. So far 436 of these matches have been resolved with 204 still being dealt with.
- 1.2.8 So far the resolved cases have identified 16 cases where the Council Tax Section has determined that Single Person Discount was not applicable and has been removed. This has resulted in £12,437.27 being added back to Council Tax accounts.
- 1.2.9 A number of cases have been identified where a child is in full time education and a Student Disregard should be applied instead. In these cases a number of people have been asked to obtain Student Certificates.
- 1.2.10 There are also a number of cases where further checking is taking place by use of credit reference and other checks. This will determine whether there are cases that Single Person Discount is no longer applicable. Where there has been an opportunity to notify the Council that a change has taken place then a decision will be made as to whether to apply a fixed penalty for not doing so or where there is considered to be a deliberate attempt to claim a discount that was not appropriate then prosecution will be considered as an option.

1.3 Legal Implications

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

1.4 Financial and Value for Money Considerations

- 1.4.1 The participation in this exercise does not result in significant financial benefits to the Council. However, the discovery of benefit fraud cases does prevent the future payments from taking place so any information that may lead to the discovery of fraud or error can be a cost benefit.

1.4.2 The Council Tax matches do result in a number of cases where discounts are not applicable or an incorrect discount has been claimed. These result in additional income for the Council and other precept authorities.

1.5 Risk Assessment

1.5.1 Participation in the NFI has historically resulted in few Benefit fraud cases being identified. However, because of the access to significant numbers of datasets there is an assurance level achieved that this authority does not have significant fraud in these areas.

1.5.2 The exercise also identifies areas that can be addressed to reduce future errors occurring such as better information sharing between sections in the Council, for example, where information has been given to one section but has not been passed on to another section.

1.6 Equality Impact Assessment

1.6.1 As this is a national data matching exercise aimed at detecting fraud and error it is not considered that any discrimination issues arise from it.

Background papers:

contact: David Buckley

NFI working papers

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	This exercise is a national exercise aimed at detecting fraud and error.
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	No	Information item only
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.