

# TONBRIDGE & MALLING BOROUGH COUNCIL

## AUDIT COMMITTEE

07 October 2013

### Report of the Chief Internal Auditor

#### Part 1- Public

#### Matters for Information

#### 1 NATIONAL FRAUD INITIATIVE (NFI) UPDATE

##### Summary

**This report informs Members of the progress made on the referrals arising from NFI 12-13.**

#### 1.1 Introduction

1.1.1 The NFI is a national data matching exercise that is undertaken every two years. In the past this has been co-ordinated by the Audit Commission but it will continue under the remit of the Home Office.

1.1.2 The matching takes place in two tranches and the first tranche included matching Benefits data with payroll, pensions, and licensing. Also included was a review of purchase ledger payments and creditor details. These matches were received in January 2013.

1.1.3 The second tranche will match Electoral Registration data with Single Person Discounts and the data will be extracted in Spring 2014.

#### 1.2 Review of data

1.2.1 The data consisted of 1,394 referrals. All of these referrals have to be subjected to an initial sift in order to identify those referrals that are worth progressing. This initial sift has been undertaken for 789 referrals that have subsequently been resolved or closed. A further 229 have been opened and are currently being reviewed further.

1.2.2 Any benefit matches to Payroll that are not closed after the initial sift are passed to the Corporate Fraud Team and will be added to the referral system for initial background checks prior to being considered as suitable for investigation. There will be some cases where there may be incorrect data held but this is not considered sufficient to cause an investigation to happen. These can be dealt with by passing to Benefits or arranging a visit by a compliance officer.

1.2.3 One area that has been dealt with initially by letter is where there are reported pensions that have not been recently updated. The cases that have not been resolved will be reviewed to consider the next stage of action.

1.2.4 There are 376 cases that have not yet been through an initial sift.

### 1.3 Results to date

- 1.3.1 The NFI results are recorded on a secure website and any overpayments arising from the reviews are recorded as savings.
- 1.3.2 The savings are made up of Housing Benefit overpayments, Council Tax benefit overpayments and Council Tax Reduction Scheme (CTRS) overpayments. Therefore the full amount of savings are not attributable to this Council as there is no longer subsidy for Council Tax Benefit and CTRS savings are distributed to all precepting authorities. The total savings identified so far amount to £19,328.36.

### 1.4 Legal Implications

- 1.4.1 The Audit Commission have legal powers to require Local Authorities to supply the data for this exercise.

### 1.5 Financial and Value for Money Considerations

- 1.5.1 The savings achieved through this exercise are traditionally low for this Council but the fewer instances of fraud that are found then the more assurance can be placed upon the systems that prevent fraud.

### 1.6 Risk Assessment

- 1.6.1 Failure to investigate the referrals could lead to fraud not being discovered that could continue for a long period of time creating large overpayments. However, this must be balanced against referrals that are being received outside of this exercise as resources are limited.

### 1.7 Equality Impact Assessment

- 1.7.1 This is an information report only.

Background papers:

Corporate Fraud papers and NFI data

contact: David Buckley  
Chief Internal Auditor

David Buckley  
Chief Internal Auditor

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?	N/A	Information report only

<b>Screening for equality impacts:</b>		
<b>Question</b>	<b>Answer</b>	<b>Explanation of impacts</b>
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	N/A	Information report 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.*