
Annual Report on the National Fraud Initiative (NFI)

Audit & Risk Committee

Date of meeting: 23rd September 2020

Lead Director: Alison Greenhill

Useful information

- Ward(s) affected: All
- Report author: Stuart Limb (Corporate Investigations Manager)
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- Report version number: v2.

1. Summary

- 1.1. The council participates in the Bi-Annual National Fraud Initiative (NFI) which involves data matching with external organisations, including other councils.
- 1.2 Data for the 2018/19 external NFI exercise was submitted to the Cabinet Office in October 2018 and data was available for checking from January 2019. This exercise has now been concluded and the Council will be due to submit fresh data for the next 2020/21 NFI exercise at the end of October 2020.

2. Recommended actions

- 2.1 The Committee is recommended to note the report.

3. Scrutiny / stakeholder engagement

- 3.1 None

4. Background and options with supporting evidence

- 4.1 The Council is required by law to submit its data to the NFI exercise which is hosted by the Cabinet Office and is bi-annual in its frequency. The data is submitted via a secure upload to the NFI portal in October and the results are made available in the following January. The matches are allocated to a lead officer in each business area to which the matches relate and they ensure that the matches are checked on a risk score basis. The results are uploaded on a case by case basis which the Cabinet Office collates and reports on nationally after each NFI project has closed.

5. Detailed report

- 5.1 The Council has participated in the National Fraud Initiative since it was introduced in 1996. The exercise has evolved over the years and is now web

based and managed by the Cabinet Office. The project involves electronically matching data from a number of sources in order to identify possible fraud or irregularity.

5.2 The Cabinet Office identifies matches and allocates a risk score from 100% on a decreasing order. Officers are expected to examine the high risk first on a descending basis. There is no requirement to examine all of the remaining matches and officers are encouraged to select a sample where there are large volumes of data for checking.

5.3 Examples of the different matches include:

- Housing Benefit Claimants who are not entitled to claim because they are in receipt of Student Loans.
- Housing Benefit Claimants who are tenants at a different address.
- Blue Badge Parking Permits, Concessionary Travel passes and Private Residential Care Home residents where the individual is recorded as deceased on the Disclosure of Death Registration Information (DDRI) or Department for Work and Pensions list of deceased persons.
- Duplicate Creditors or duplicate payments to creditors.
- Housing Benefit Claimants who also appear on a local authority payroll.
- Council Tax Reduction Scheme to Payroll.

5.4 All benefit fraud is investigated by the Department for Work and Pensions (DWP) however the Cabinet Office still require the authority to undertake an initial check of the Housing Benefit claims before passing the matches to the DWP to investigate.

5.5 Work on the 2018/19 matches has continued. Over 4,000 matches have been checked to date, with no issues identified following investigation, as summarised in the table:

Matches undertaken by 23rd August 2020

Total Matches	Matches checked	Errors Identified	Frauds Identified	Overpayments Identified
26,859	4,195	5	Nil	£7,548

6. Financial, legal, equalities, climate emergency and other implications

6.1. Financial Implications

There are no direct financial implications arising from this report. However, the initiatives described in this report are intended to detect fraud (which is an offence of a financial nature) and error, which can cause significant financial loss to the Council.

Colin Sharpe – Deputy Director of Finance

6.2 Legal Implications

The NFI exercises use the powers given to the Minister for the Cabinet Office by Part 6 of the Local Audit and Accountability Act 2014. The existing code of data matching practice will continue in effect until the Minister for the Cabinet Office issues a new code.

The code is subject to review following completion of each NFI exercise. Any changes proposed to the code will be consulted upon before a new code is finalised and laid before Parliament.

Kamal Adatia, City Barrister & Head of Standards

6.3 Climate Emergency implications

This report does not contain any significant climate change implications.

Duncan Bell, Senior Environmental Consultant

6.4 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	Yes	Whole report
Human Rights Act	No	
Elderly/People on Low Income	No	
Corporate Parenting	No	

Health Inequalities Impact	No	
Risk Management	Yes	This report is concerned with the prevention, detection and sanctioning of fraud. Fraud is one of the risks faced by the Council

7. Background information and other papers:

None – Information on the National Fraud Initiative is available at <https://www.gov.uk/government/collections/national-fraud-initiative>

8. Summary of appendices: None

9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

10. Is this a “key decision”? If so, why?

No

11. CONSULTATIONS

None