
National Fraud Initiative 2021/2022 update Report

Audit and Risk Committee

Date of meeting: 21st July 2021

Lead director: Colin Sharpe

Useful information

- Ward(s) affected: All Wards
- Report author: Stuart Limb (Corporate Investigation Manager)
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- Report version number: Version 1

1. Summary

- 1.1 The purpose of this report is to provide information to the Audit and Risk Committee on the National Fraud Initiative (NFI) exercises currently underway.

2. Recommended actions/decision

The Audit and Risk Committee is recommended to:

- a) Receive and comment on the report
- b) Make any recommendations it sees fit to the Executive and/or the Chief Operating Officer/s151 officer or Deputy Director of Finance.

3. Background

- 3.1 There are two separate NFI exercises in which the Authority participates. One involves data matching with external organisations, including other councils and the second involves matching data held within the Council.
- 3.2 Data for the 2020/21 external NFI exercise was submitted to the Cabinet Office in October 2020 and data was available for checking from 29th January 2021.

4. Detailed report

- 4.1 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.
- 4.2 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.
- 4.3 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 (DWP) 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

4.4 All benefit fraud is investigated by the 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.

4.5 Work on the 2020-21 matches has commenced. Nearly 3,000 matches have been checked to date, with no issues identified following investigation, as summarised in the table:

Matches undertaken by 23rd June 2021

| Total Matches | Matches Checked | Errors Identified | Frauds Identified | Overpayments Identified |
|---------------|-----------------|-------------------|-------------------|-------------------------|
| 14,698 | 5,134 | 2 | Nil | £60,390 |

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

7.1 Financial implications

Fraud can cause the Council significant loss; hence activity to prevent and detect fraud is a clear financial investment and a key component of good financial control and governance.

Colin Sharpe
Deputy Director of Finance

7.2 Legal implications

Fraud is a criminal offence and therefore represents breach of the law. Other forms of financial irregularity, though not criminal, may be in breach of regulation. The conduct of counter-fraud work of all kinds is bound by law and regulation and the Council is careful to ensure that its activities in this area are properly discharged.

Kamal Adatia
City Barrister & Head of Standards

7.3 Equalities implications

The report provides an update on the National Fraud Initiative (NFI) exercises currently underway.

There are no significant equality and diversity implications arising from the report.

Surinder Singh, Equalities Officer

7.4 Climate Emergency implications

This report does not contain any significant climate emergency implications.

7.5 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 |

8. Background information and other papers:

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

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”?

No