

NATIONAL FRAUD INITIATIVE (NFI) – NATIONAL EXERCISE 2010/11

1. INTRODUCTION

This report provides the current position of NFI match investigations as at 22 May 2012. Two tables are provided in Appendix 1. Table 1, details the cumulative monthly progress of match investigations with an estimated completion date for any remaining datasets. Table 2, provides key external agency review dates, when an evaluation of the Council's progress with NFI match investigations will be undertaken.

2. RECOMMENDATION

- 2.1 The Audit Committee is asked to note the contents of this report which will be followed up by Internal Audit.

3. DETAILS

- 3.1 On the 22nd of February, the NFI released an additional 606 matches for Council Tax investigation. There were no recommended matches. Customer and Support Services have undertaken a sample of just over 5%. No issues were found when the sample was tested. The sample testing was concluded 31 March 2012.
- 3.2 The Housing Benefit Fraud Team has now completed their one remaining investigation. The HB Fraud Team is working in co-operation with the DWP who had 6 remaining investigations to complete for the end of march. The DWP have completed 2 but 4 remain to be completed. The DWP has so far not been able to provide a date for closure. The DWP has been urged to close out these investigations as soon as possible, to enable the Housing Benefit dataset category to be marked complete.
- 3.3 As at 22 May 2012, of the 7 NFI match dataset categories, 6 have been completed with one Housing Benefit with continuing investigations. Table 1, Appendix 1, outlines the cumulative position regarding NFI match investigation progress. Table 2, Appendix 1, shows the key external review and report dates.

4. CONCLUSION

- 4.1 Monthly reports will be provided to the SMT and quarterly to the Audit Committee covering progress of the remaining match investigations, until finalisation of the exercise. External Audit will also continue to receive update reports.
- 4.2 The NFI national report for Scotland was issued 31 May 2012. The report highlights the NFI 2010/11 exercise involved 81 bodies from local government, health and central government sectors. This number represented the largest and most diverse set of participating bodies since the NFI started.

- 4.3 The national report highlights that the 2010/11 exercise identified fraud and error overpayments, savings and other outcomes worth almost £20 million.
- 4.4 The report states that 85 per cent of participating bodies had managed their role in the NFI 2010/11 exercise satisfactorily. It was reported that auditors had identified improvements by the following bodies to NFI arrangements since the 2008/09 report:
- Argyll and Bute Council;
 - East Renfrewshire Council;
 - Moray Council;
 - Orkney Council;
 - Shetland Island Council; and
 - Stirling Council.
- 4.5 Extracts from the main report are attached for the Audit Committee to review and by following the link provides access to the national report on the Audit Scotland website [2010/11 National Fraud Initiative in Scotland \(NFI](#)

APPENDIX 1

Table 1 - Cumulative Progress Report – 22 May 2012

Datasets	Recommended Filter Matches	Total Matches	Matches selected for Investigation	Cumulative Matches Processed as at 29th February 2012	Responsible Officer	Target dates for completion of Matches
Housing Benefit	161	1370	161	229	Fraud Administrator	31/03/2012
Creditors	509	7723	190	212	Completed	N/A
Payroll	5	195	21	36	Completed	N/A
Residential Care Homes	47	86	86	86	Completed	N/A
Blue Badges	114	120	120	120	Complete	N/A
Insurance	0	7	7	7	Completed	N/A
Council Tax	0	606	31	31	Completed	N/A
Total	836	10108	616	721		

Datasets	Outcomes for Completed Datasets
Creditors	The match sample investigation identified four duplicates, however in each case Creditors duplicate software (Fiscal Technologies) had picked them up and were resolved at the time.
Private Residential Care Homes	There were no issues found.
Insurance	There were no issues found.
Blue Badges	There were no issues found.
Payroll	There were no issues found.
Council Tax	There were no issues found.

Table 2 – Key External Review Dates

Key Dates	Target Dates
Publication of national report (Scotland) report extract attached	May 2012

For further information contact: Ian Nisbet, Chief Internal Auditor on TEL: 01546 604216.