

# AUDIT & GOVERNANCE COMMITTEE

23rd April 2012

## NATIONAL FRAUD INITIATIVE (NFI) - UPDATE

Relevant Portfolio Holder	Councillor Michael Braley, Portfolio Holder for Corporate Management
Portfolio Holder Consulted	No
Relevant Head of Service	Teresa Kristunas, Head of Finance and Resources
Wards Affected	All Wards
Ward Councillor Consulted	No
Non-Key Decision	

### 1. SUMMARY OF PROPOSALS

To provide members of the Audit and Governance Committee with an update on the current position with regard to the work undertaken by officers in response to the NFI data matching exercise 2011/12.

### 2. RECOMMENDATIONS

**The Committee is asked to RESOLVE that**

**subject to any comments, the contents of the report be noted.**

### 3. KEY ISSUES

- 3.1. The NFI exercise compares data from the following sources, payroll, creditors, concessionary travel passes, council tax, electoral register, licences, tenancy details, pensions, housing benefits and insurance claimants. In total 1,954 matches were passed to Redditch Borough Council for investigation. Of these 1,943 were cleared.
- 3.2. In terms of Benefits, 824 data matches were examined, 8 cases of fraud were identified and 3 cases of errors. In total this amounted to overpayments of £27,362.25. For Council Tax, 332 data matches were examined resulting in 23 single persons discounts being cancelled totalling £10,564. The data matches referred to the Creditors and Payroll Teams did not result in any matters for further investigation.

#### Financial Implications

- 3.3 Overpayments of £26,806.88 were identified as part of the above exercise of which 5 totalling £6,824.10, are in recovery.

#### Legal Implications

- 3.4 There are no legal implications.

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## **Service/Operational Implications**

- 3.5 The volume of referrals does result in a significant amount of officer time being taken up investigating the matches. However, the low number of cases requiring further more detailed examination does provide some assurance regarding the level of fraud affecting the Authority.

## **Customer / Equalities and Diversity Implications**

- 3.6 There are no implications identified.

## **4. RISK MANAGEMENT**

Any exposures to risk identified through this process should be reflected in the relevant service Risk Register.

## **5. APPENDICES**

None.

## **6. BACKGROUND PAPERS**

The National Fraud Initiative (NFI) began in 1993. District Audit, in conjunction with representatives of the local authority treasurers' societies, ran a pilot exercise at 13 London boroughs to detect housing benefit and student award fraud. More than 500 cases of fraud were detected, and in 1994, all London boroughs were invited to join in.

More information can be found on the Audit Commission website.

## **AUTHOR OF REPORT**

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