National Fraud Initiative

Outcomes and Information for Elected Members and Decision Makers - 2012/13

Wolverhampton City Council

Introduction to the slide pack

This slide pack is intended for use by elected members and senior decision makers to inform you about the National Fraud Initiative (NFI) and data matching at your organisation

We have included a summary of the key findings of the latest NFI national report and a summary of key points from the NFI checklist for decision makers and elected members which can be found in full on the NFI website
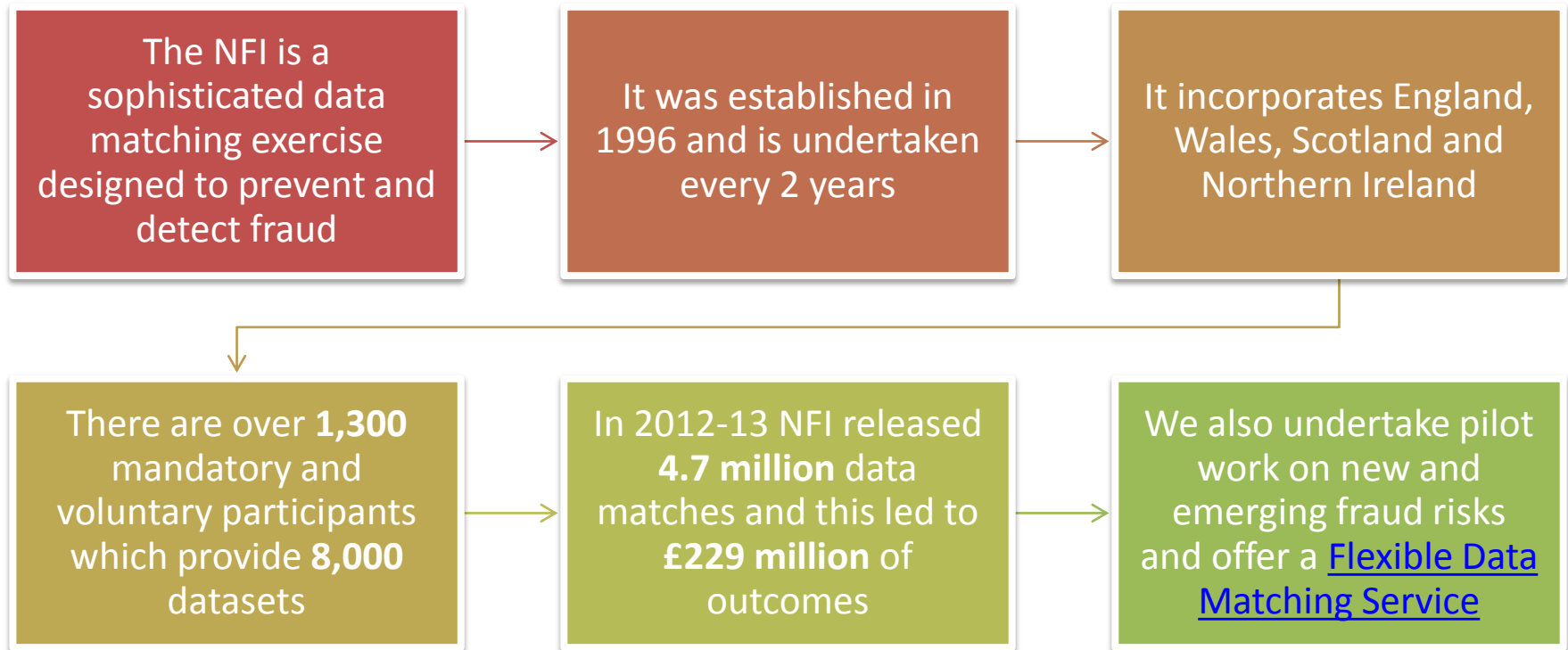
We have also included key NFI activity data for 2012/13 alongside tailored charts so you can compare your organisation with your neighbouring councils with similar profiles to yours
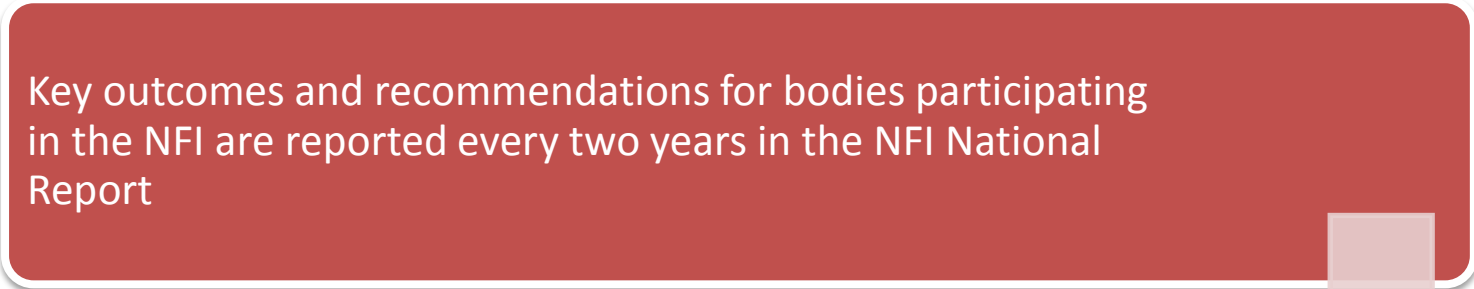
In case you have any questions we have included a glossary and link to further information at the end of the slide pack. If you require further information please contact nfiqueries@audit-commission.gsi.gov.uk

Background to the NFI

The NFI is a sophisticated data matching exercise designed to prevent and detect fraud

It was established in 1996 and is undertaken every 2 years

It incorporates England, Wales, Scotland and Northern Ireland

There are over **1,300** mandatory and voluntary participants which provide **8,000** datasets

In 2012-13 NFI released **4.7 million** data matches and this led to **£229 million** of outcomes

We also undertake pilot work on new and emerging fraud risks and offer a Flexible Data Matching Service
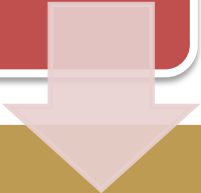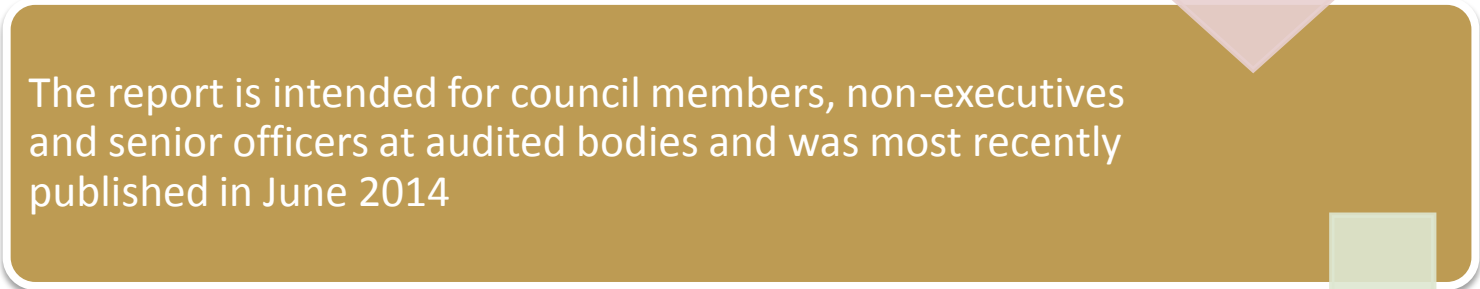
The NFI National Report

Key outcomes and recommendations for bodies participating in the NFI are reported every two years in the NFI National Report

The report is intended for council members, non-executives and senior officers at audited bodies and was most recently published in June 2014

The report helps to demonstrate the effectiveness of the NFI in preventing and detecting fraud

Key Outcomes of the 2012/13 exercise - across England

£203 million in fraud and error was detected

571 prosecutions

120 people employed without the right to work in the UK were identified and as a result were dismissed or asked to resign

86 properties recovered by social landlords

21,396 blue badges and 78,443 concessionary travel passes cancelled

The figures in the national report for detection of fraud, overpayment and error include outcomes already delivered and estimates. Estimates are included where it is reasonable to assume that the fraud, overpayment and error would have continued undetected without the NFI data matching. A more detailed explanation is included in Appendix 1 of the NFI national report. If you have any further queries about the data in the slides please contact the NFI team using the contact details at the end of this slide pack.

Data matching at your organisation

The table and bar charts have been provided to give you an overview of the data matching activities at your council in relation to the most relevant comparator councils.

The table highlights the proportion of data matches followed up by your council. Participants of NFI receive a report of data matches that they should follow-up, and investigate where appropriate, to detect instances of fraud, over- or under-payments and other errors, to take remedial action and update their records accordingly.

Even where data matching shows little or no fraud and error, this still assures bodies about their control arrangements. It also strengthens the evidence for a council's annual governance statement.

Activity and Engagement with NFI – Wolverhampton City Council

	Total NFI matches in progress or processed	NFI recommended matches in progress or processed
Wolverhampton City Council	20% (2,466)	22% (620)
CIPFA nearest neighbours (Mean)	23% (2,213)	60% (1,156)
Metropolitan Districts (Mean)	20% (2,778)	47% (1,143)

The CIPFA nearest neighbours are the 15 councils which have been modelled as those with the most similar profile by CIPFA. More detail of the 2009 modelling methodology can be found at http://www.cipfastats.net/default_view.asp?content_ref=2748

Understanding the bar charts

Outcomes relating to your council are highlighted in yellow in the bar charts. The performance of your 15 CIPFA nearest neighbours are shown in the green bars.
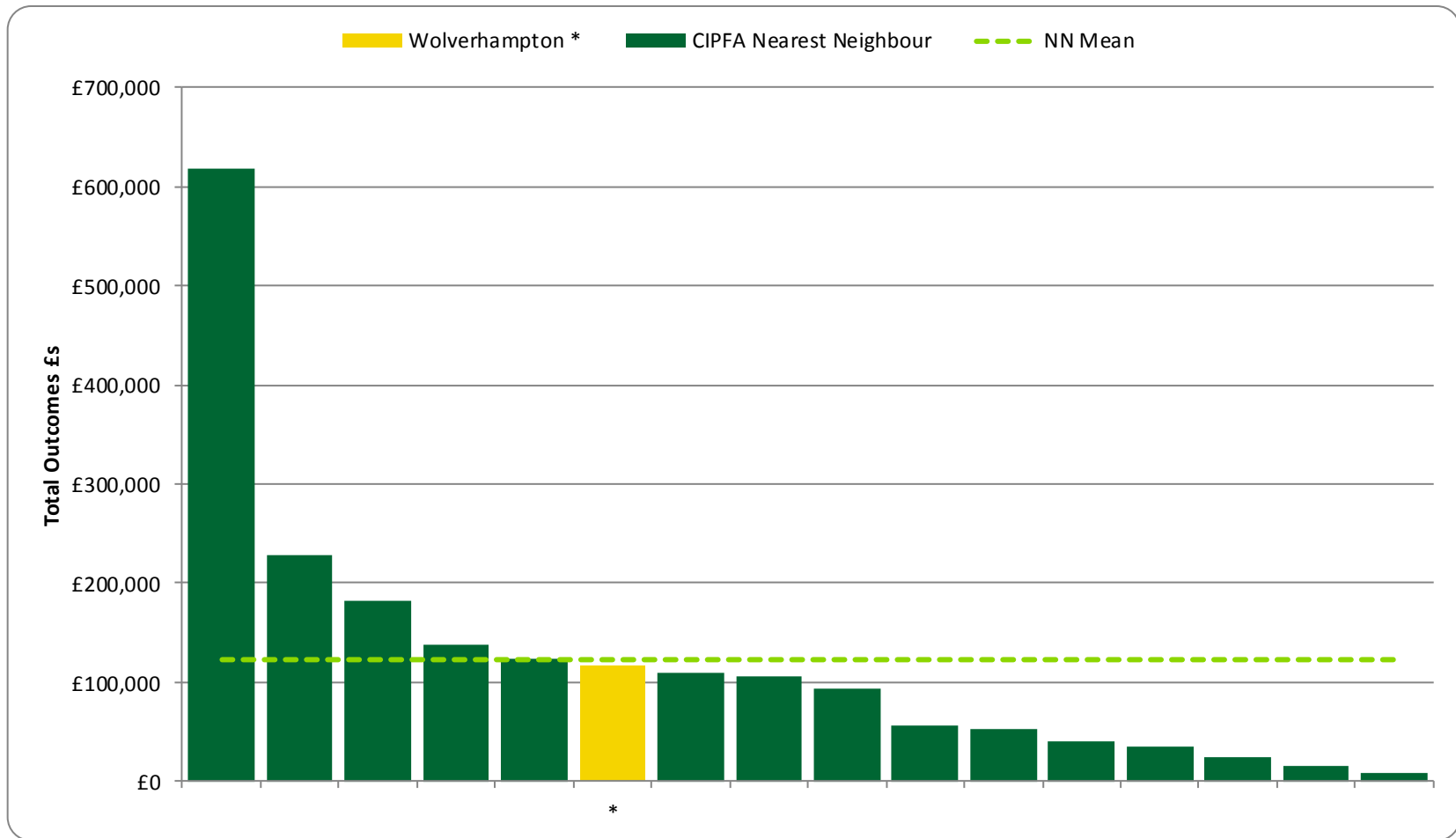
The mean value for your CIPFA nearest neighbours is highlighted by a green dashed line.

A '*' symbol has been used to denote where your council has no outcomes recorded.

Total NFI Outcomes –
Wolverhampton City Council

Legend: Wolverhampton * | CIPFA Nearest Neighbour | NN Mean

Total Outcomes £s

Please note outcomes from the NFI housing waiting lists pilot and council tax outcomes recorded in the NFI 2010/11 web application and FMS web application have not been included in this analysis.

Total NFI Recovery – Wolverhampton City Council
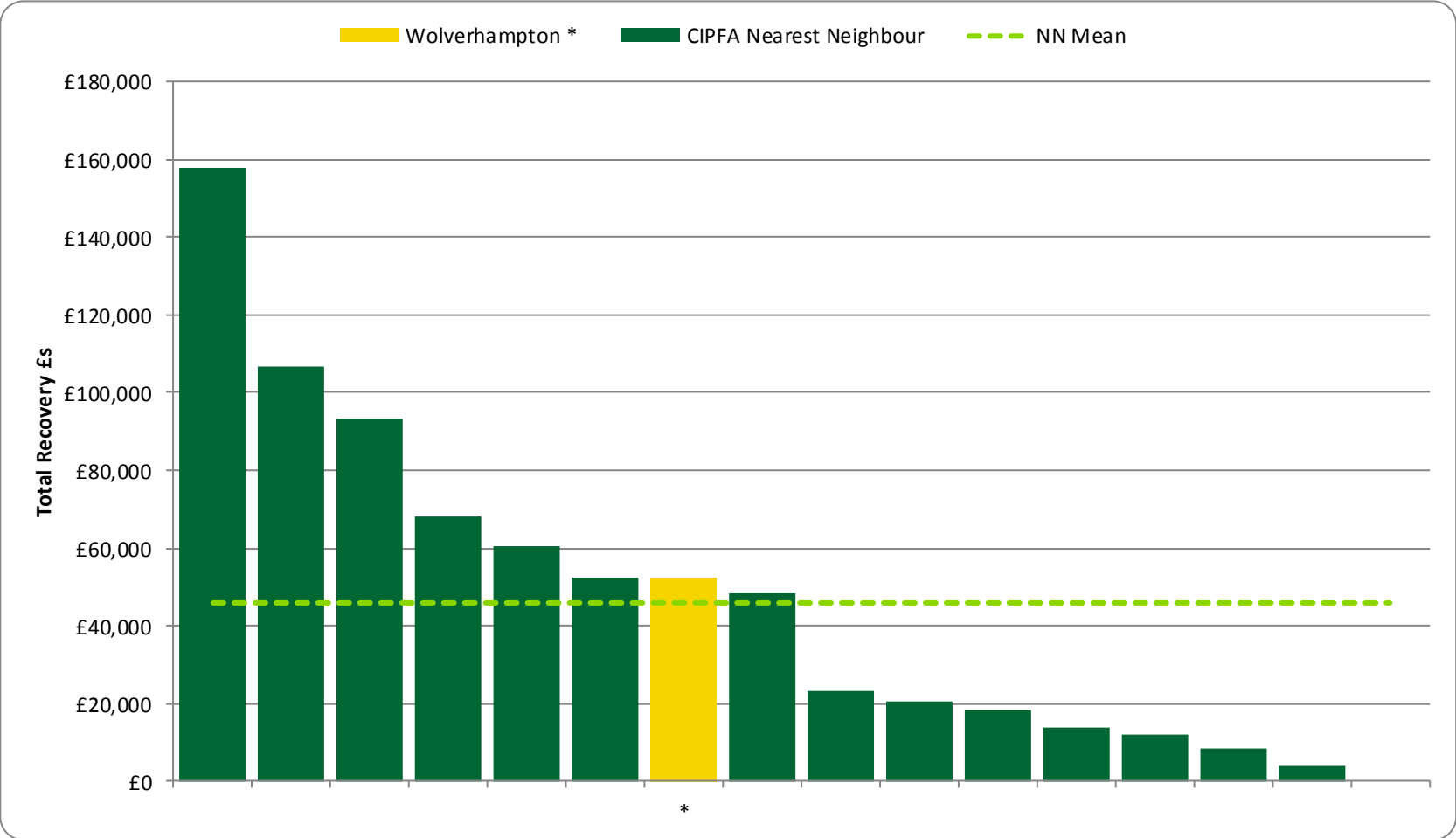
Please note this excludes council tax recovery recorded in the 2010/11 web application and FMS web application.

NFI Council Tax Outcomes –
Wolverhampton City Council

Data relates to outcomes recorded in the 2010/11 web application and FMS web application.

Questions for Elected Members and Decision Makers

The NFI in our council	Maximising results	Broadening our council's engagement with the NFI	The NFI fit with wider counter-fraud policies
☐ What governance arrangements do we have in place to ensure the organisation achieves the best possible outcomes from the NFI?	☐ Are we ensuring we maximise the benefits of the NFI for example, following up data matches promptly, recovering funds and prosecuting where possible?	☐ Are we taking advantage of the opportunity to suggest and participate in the NFI pilot exercises and using the NFI Flexible Data Matching Service?	☐ How does the NFI influence the focus of our counter-fraud work for example, internal audit risk assessments, data quality improvement work or anti-fraud and corruption policy?
	☐ What assurances have we drawn about the effectiveness of internal controls and the risks faced by our council?		

Glossary

Council tax outcomes	Council tax data is matched to electoral register data in order to identify instances where single persons discount may have been incorrectly awarded.
Flexible matching service	The flexible matching service allows you to re-perform any of the existing NFI data matching on demand outside of the usual two yearly programme but still using the proven NFI technology.
Mandatory participants	Bodies to which the Audit Commission appoints auditors other than registered social landlords as specified in Schedule 2 of the Audit Commission Act 1998.
NFI web application	The Commission has set up a secure, password-protected and encrypted website for its data matching exercises, known as the NFI web application.
Outcomes	Investigation of an NFI match may lead to a benefit being cancelled, overpayment generated or blue badges or concessionary travel passes being identified as invalid. These examples would be reported as NFI outcomes.
Pilots	The Commission will undertake new areas of data matching on a pilot basis to test their effectiveness in preventing or detecting fraud. Only where pilots achieve matches that demonstrate a significant level of potential fraud should they be extended nationally.
Recommended data matches	Matches considered to be of higher risk of potential fraud are signposted as a recommended data match.
Recovery	Where bodies seek to recover money lost as a result of fraud, error or overpayment.
Voluntary participants	Bodies that are outside Schedule 2 of the Audit Commission Act 1998 but elect to participate in NFI voluntarily.

If you have any further questions about the content of these slides please contact us using the details on the next slide.

Further Information

For further information about the NFI please look at our website

NFI Website

For further information about our Flexible Data Matching Service please follow the link below

FMS Information

For checklist questions for elected members and decision makers please follow link below

NFI Checklist

For any other queries please telephone 0303 444 8322 or email

nfiqueries@audit-commission.gsi.gov.uk