

National Fraud Initiative Report – Council Tax and Benefits

Background

It is essential that public bodies have adequate controls in place to prevent and detect fraud and error.

The National Fraud Initiative, known as the NFI, is a data matching exercise that has operated since 1996. The NFI assists audited bodies to prevent and detect fraud and error, and also helps auditors to assess the arrangements that audited bodies have put in place to deal with fraud.

Data matching in the NFI involves comparing sets of data, such as the payroll or benefits records of a body, against other records held by the same or another body to see how far they match. Participating bodies receive a report of matches that they should use to detect instances of fraud and other errors where appropriate and to take remedial action and update their records accordingly. It is important to recognise that matches are not necessarily evidence of fraud. Participants should concentrate on potentially fraudulent cases and eliminate coincidental matches.

Over the years more and more data sets are being included in NFI to provide potential matches – please see appendix attached. The matches are loaded into the NFI secure online portal which Council officers can log into to track and review cases; they then update the portal to show which cases have been processed.

In Council Tax and Benefits the areas which are subject to NFI are as follows:

- Housing Benefit and Council Tax Support
- Council Tax Discounts and Exemptions (primarily Single Persons Discount)

Current Position

The position of the Havant NFI matches in respect of Benefits and Council Tax as at 3rd September is as follows:

	Number of matches on the portal	Completed	Not completed	Number in progress/ awaiting information	Number not yet commenced
Benefits	1184	1179	5	5	0
Council Tax – rising 18's	283	131	152	100	52*
Council Tax – electoral register	2050	36	2014	6	2008
Council Tax – other datasets	5525	12	5513	0	5513

(* these cases are where the date is in the future)

As can be seen Housing Benefits and Council Tax Support matches have all been reviewed with 1179 matches having been processed and 5 awaiting further information.

On Council Tax, all rising 18's have been looked at, apart from 52 cases where we are waiting until the relevant date is closer.

The cross-checks with electoral roll are continuing with 2 Council Tax officers looking at these. It should be noted that the vast majority of cases are where there are timing issues from when the Elections and Council Tax systems were updated with amended data. In these cases it is just a question of updating the portal to say the information is already known. We are working our way through these with a target date for completion of 30th November.

During 2018/9 the Council Tax Service is conducting a single person's discount review by comparing records to credit reference agency records to identify high risk cases. This will, for example, highlight credit card activity by 2 adults at a property where there is only one adult on the Council Tax records claiming single person's discount. The details of this exercise are currently being finalised and it will commence in October. It is considered that the information from this exercise will generate more reliable information on which to detect potential fraud than the information provided by the NFI matches from other data sets.

The number of 'other data set' matches may seem high. During internal audit a dozen of these were looked at with the auditor and it was found that they were mainly simple things like a slightly incorrect spelling of surname which flagged a potential second person. From this sample it is considered that for these other data set matches, invariably the Council Tax records will be correct with no further action required. Due to the other measures and initiatives that take place to ensure the Council Tax discount records are accurate it is an area for discussion as to the value that these particular matches are providing. There is no legal requirement that they are all investigated and we believe the Council can demonstrate that there are already good controls in place to prevent and detect fraud and error. It may be deemed from a risk management point of view that the reviewing of these 'other data set' cases are low priority and we will be discussing this with the Council's Audit Manager with the aim of adopting a pragmatic approach to the review of these cases.

Summary

To summarise the current position:

Benefits matches: up-to-date

Council Tax Discounts – Rising 18's : up-to-date

Council Tax Discounts – Electoral Register: will be brought up-to-date by 30th November 2018

Council Tax Discounts - comparing to other data sets: discussions to take place with the Audit Manager regarding prioritisation

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