

The National Fraud Initiative (NFI): A Checklist for Members

Question	Answer
1 What is the role/post of the most senior officer responsible for the NFI in the organisation?	The Senior Responsible Officer (SRO) is the Deputy Chief Executive, Mike Nuttall.
2 How do we involve members? <ul style="list-style-type: none"> • Do we have a lead elected/board member for counter fraud and the NFI? • What role does the audit committee play? • How are other elected members / non-executive members kept informed about the NFI? 	<p>a) Yes – Chair of the Governance Committee, Councillor O’Hare.</p> <p>b) Receive regular updates about the NFI as part of the Internal Audit Progress Report to the Governance Committee.</p> <p>c) Information articles are published in Members News and also the Forward magazine; prior to each NFI exercise and to provide updates regarding key outcomes from the exercise.</p>
3 What governance arrangements do we have in place to ensure the organisation achieves the best possible outcomes from the NFI? Who decides and monitors this approach?	<p>The Council provides all mandatory datasets in accordance with the Audit Commission guidelines. All data is held in a folder prior to submitting the data to the Audit Commission; access is restricted to specific individuals. Below is the process following receipt of results.</p> <p>Each NFI report is reviewed and cases investigated in accordance with the Audit Commission guidelines.</p> <p>Additionally Housing/Council Tax Benefit cases are processed as set out in the Combating Benefit Fraud and Prosecution Policy.</p> <p>Officers involved in the exercise undertake on-line training, provided by the Audit Commission, and are made aware of the requirements of the Data Protection Act.</p> <p>Although the SRO has delegated co-ordination of the Council’s input to the NFI, he is responsible for approving the Council’s approach. This includes taking key operational process decisions, approval of letters and articles.</p> <p>Using the NFI Secure site Internal Audit monitors the progress of investigations to ensure the reports are progressed in accordance with the Audit Commission Handbook.</p> <p>Regular updates on performance are provided to the Governance Committee via Internal Audit’s Progress Reports.</p> <p>The Audit Commission has access to the Council’s results, monitors progress and reviews the Council’s approach.</p>
4 What resources do we invest in the NFI?	Internal Audit: staff time co-ordinating the Council’s input to the NFI; receipt, initial sift and then distribution of results for investigation; investigating payroll, creditors and concessionary

	<p>travel reports; monitoring progress; reporting results.</p> <p>30 days have been allocated to NFI in the 2010/11 Audit Plan.</p> <p>Benefits Enquiry Unit: Staff time investigating matches and where fraud is proven implementing the Council's Prosecution Policy.</p> <p>Data holders: staff time complying with the Audit Commission Code of Data Matching Practice; extracting the required data at the right time.</p> <p>Other Services: Provision of Legal and HR advice where necessary.</p>
<p>5 What is our strategy/policy for data security? Is there any specific reference to the NFI data security in the strategy?</p>	<p>The Council has an Information Security Policy which explains why information should be protected and provides a clear statement on how information should be managed and secured. None of the current ICT policies and strategy make specific reference to the NFI. The ICT Manager has confirmed that this will be added in the next iteration.</p> <p>All staff involved in the NFI exercise have been briefed on the confidentiality of data, follow Audit Commission guidelines and operate very strict data security measures as a matter of course.</p> <p>Moreover the Council is fully compliant with Government Connect standards which ensures strict confidentiality of transmitted data.</p>
<p>6 What have been the outcomes from the most recent NFI?</p> <ul style="list-style-type: none"> • What savings have been made? • What assurances have we drawn about the effectiveness of internal controls and the risks faced by the organisation? • What changes have we made as a result? 	<p>NFI 2008/9</p> <p>1139 reported cases for review. From these cases the following outcomes were achieved:</p> <p>Overpayments:</p> <ul style="list-style-type: none"> • Housing benefit / council tax benefit £66442 • Income support / jobseekers allowance £39537 • Other (example, pension credit) £13,133 <p>Ongoing weekly reduction of the Benefits bill £642.</p> <p>Sanctions concerning benefit cases:</p> <ul style="list-style-type: none"> • 3 prosecution and 3 pending • 3 official cautions <p>No significant findings arose from the creditors, insurance, concessionary travel and payroll data matches. In addition, the results from the exercise did not indicate that any procedural changes were required. This provides assurance that internal controls are effective and the risks faced by the organisation are mitigated as far as practicable.</p>

	<p>NFI 2009 (Single Person Discount)</p> <p>The matches are currently being progressed by the Benefits Enquiry Unit.</p>
<p>7 Are the outcomes from the NFI used to inform wider decision making, for example internal audit risk assessments, data quality improvement work or anti-fraud and corruption policy?</p>	<p>Any significant weaknesses identified during the exercise are addressed immediately. Internal Audit would ensure that appropriate controls are implemented to counter-act the risks identified. All other minor issues would be noted for inclusion within the next planned Internal Audit review.</p> <p>Outcomes identified through the NFI exercise are recorded by the Benefits Enquiry Unit in a fraud management system. This computer system is used to identify particular fraud risk areas. This allows the unit to refocus their caseload risk assessment scoring system, which is used to decide the order in which cases should be investigated.</p>
<p>8 How does the NFI influence the focus of our counter-fraud work?</p> <p>Does the anti-fraud policy include reference to the organisation's participation in the NFI?</p>	<p>30 days are set aside in the 2010/2011 Internal Audit Plan for NFI. In addition, an amount of time is set aside to investigate irregularities and this time could be utilised to investigate any potential frauds.</p> <p>The outcomes from the NFI are used by the Benefits Enquiry Unit to focus on areas of fraud that have proved prevalent, when undertaking pro-active anti-fraud exercises.</p> <p>South Ribble Borough Council recognises the very real impact that the cross matching of data can have on the prevention and detection of benefit fraud, this is reflected in the following key anti-fraud and corruption policies:</p> <p>The Anti-Fraud and Corruption Strategy (1.6)</p> <p>The Combating Benefit Fraud policy (6.10)</p>
<p>9 How is the NFI reflected in the governance training and development provided for officers and board/elected members?</p>	<p>All staff involved in the NFI exercise are required to undertake the Audit Commission's on-line training. In addition, officers responsible for providing data are invited to attend a briefing session provided by the Internal Audit Service.</p> <p>At the moment the NFI is not included in members' governance training and development. However, the Legal Services Manager is compiling a governance training package for Members and Officers which will incorporate the NFI.</p>
<p>10 How do we publicise the outcomes from the NFI? How does the NFI influence how and what we communicate to the public about our approach to counter fraud?</p>	<p>Promotion of Outcomes</p> <p>Regular updates are provided to Members via Members News.</p> <p>Individual cases are publicised in the Council's Forward magazine and press releases are issued, including quotes from the relevant Cabinet Member.</p>

Promotion of NFI as a Counter-Fraud Measure

To deter individuals from committing fraud the Council proactively publishes information about the NFI exercises and outcomes from previous exercises, this includes:

To comply with fair processing notice requirements the Council promotes the NFI prior to exercises, through articles in the Forward magazine and information is held on the website. Additionally the NFI is referred to in the Council Tax leaflet.

NFI is mentioned in the articles as being a key weapon in the armoury to prevent and detect fraud.

Press releases are issued and articles included within the Forward magazine following the successful prosecution of NFI cases.