

NFI matters

An update on the Audit Commission's National Fraud Initiative • Autumn 2003

Welcome

Welcome to issue two of *NFI matters*. Since we published the first issue in the summer the NFI team has visited a number of local authorities and NHS bodies to review progress on NFI_2002 matches. Our visits have highlighted plenty of good practice, reflected in savings so far of more than £60 million.

Unfortunately, we also found that we have received returns from only 68 per cent of local authorities and 52 per cent of NHS bodies. As we are about to begin drafting the national report, this is a cause for concern. So I'd like to encourage you to update us on progress as soon as possible, using Form 4 on the CD-ROM.

It's clear that you won't have finished all your NFI work by the final deadline of 31 December. Don't worry – although you still need to send in a return by that date, we will accept further returns once the deadline has passed.

To comment on any of the articles in this issue of *NFI matters* or suggest topics we could cover in future, email us at: nfiqueries@audit-commission.gov.uk or get in touch with any of the contacts listed on page 4.

Finally, if you'd like more copies of *NFI matters* please contact Sarah Stapley on **01732 591351**.

Peter Yetzes, NFI Appointed Auditor



NFI_2002 update

Here's an update on some of the issues that have been raised over the last three months.

Essential reports

We know taking part in NFI is time consuming and it can be difficult to prioritise your organisation's response. So we have compiled a list of what we think are the key reports, so you can channel your efforts into these.

The key reports are:

- Reports 1 – 6
- Reports 13, 13.1, 14 and 14.1
- Reports 22 – 23.1 (see article below)
- Reports 52, 81.2 and 82.3 (for pension paying authorities only)
- Report 59
- Reports 81 and 82
- Reports 354, 361, 362, 368, 369, 382 and 383

Surname/forename frequency data

To help decide what matches to focus on you can also use the data supplied in the surname/forename frequency field – see paragraph 4.2 in the guidelines under 'Help' on the CD-ROM.

Reports 22 – 23.1

So far, your feedback on Reports 22 to 23.1, which deal with living together/non-dependent cases, has been very positive.

One local authority has successfully devised and adopted a four-stage approach to reviewing these reports, consisting of:

- Stage 1** Filter on high values.
- Stage 2** Review remaining cases manually, looking for the most likely cases, like potential couples with the same surname or similar dates of birth.
- Stage 3** Build the investigation, by linking the person to the property using council tax records, the electoral register, the National Anti-Fraud Network (NAFN) or property surveillance.
- Stage 4** Approach the claimant.

Benefit fraud investigations

One area we've been asked to clarify is Section 1 of the Savings Form; in particular, what information you should enter for sanction cases.

Section 1 covers benefit fraud investigations and is therefore only relevant to housing benefit-paying authorities.

In the box marked 'Confirmed value of overpayments' you should enter the confirmed value of all overpayments, including those related to sanction cases.

In the box marked 'Potential value of overpayments and WIBS' you should show the total value of sanction incentive payments, for example £3,000 per successful prosecution.

For more guidance on completing this section of the Savings Form contact the NFI team at:
nfiqueries@audit-commission.gov.uk

NFI_2002 pilots latest

We are currently running two pilot projects, one looking at matching insurance claims and the other at local taxation arrears. And we've got encouraging news from both.

Early results from the insurance claims project show some interesting matches, but these would increase if the data was higher quality and more complete. To decide if this is a potentially useful dataset we are considering widening the pilot for NFI_2004.

In the local taxation arrears study, a review of just two reports matching council tax arrears to housing benefit claimants by National Insurance number revealed that 98 out of 111 cases appeared to provide a different address. In practice, this could allow the debt recovery process to be resumed and council tax arrears to be recouped.

There'll be more news on the pilots in the next issue of *NFI matters*.

Improving data quality

A key part of our work is to help clients improve the quality of the data they submit to the NFI. The main aim is to make our matches more accurate and reduce unnecessary investigations.

Two areas in particular have been causing problems. First, some payroll addresses are either incomplete or inaccurate. This can be avoided by periodically checking your payroll addresses to ensure they are correct, helping us make better quality matches faster.

Second, some participants are returning incomplete datasets, which can hold up our data processing. In many cases, this happens because organisations find it hard to extract the fields we require from their systems.

If this is a problem for your organisation, contact our technical adviser **Mark Sanders** using the contact details on page 4. He will be able to advise you on the best way to extract the data – there may even be another authority using the same system that could help.

Asylum seeker matches – an update

Last time in *NFI matters* we listed contact numbers for the Home Office's Evidence and Enquiry (E&E) Bureau and explained the new procedure for obtaining updates on asylum seeker matches.

There were some teething problems, but we have worked hard to resolve these. To speed up the process, E&E have set up a new email address, which you should use to send in your completed pro formas. If you don't have access to email you can continue to send pro formas by fax.

E&E will send NFI a list of local authorities that have sent in cases. We'll compare this to the list of authorities that have been issued with asylum seeker claimant matches, contacting those that are not on the E&E's list to find out if they have sent in data but not had a response. If necessary, we'll re-send these matches, using the new pro forma, on their behalf.

Here are the details of the new email protocol:

E&E email address:
nfi@ind.homeoffice.gsi.gov.uk

E&E contact phone number:
0845 601 2298

E&E fax number:
020 8604 5856 or 020 8604 5800

Email your matches (no more than 20 at a time) to the E&E Bureau using the new pro forma, which is available on the NFI website at:

www.audit-commission.gov.uk/nfi or via email at:
nfiquiries@audit-commission.gov.uk

E&E should let you have the results within two weeks – if not, re-send your email, marked ‘copy’ for the attention of Carroll Mills.

Finally, remember that E&E can’t supply additional information. Contact your Local Enforcement Office and they should be able to help.

NFI_2002 – your questions answered

In the course of our work, some questions crop up again and again. Here are the answers to the questions you ask us most often.

Why doesn’t NFI include income declared to the Department for Work and Pensions?

At the moment, we feel it’s too difficult for local authorities to extract this information from local housing benefit systems. We’re hoping to overcome this by asking the Department for Work and Pensions (DWP) to provide us with the Housing Benefit Matching Service (HBMS) data they download from authorities, which will include information on income declared. See ‘In the pipeline’ for more details on this project.

What do you match to obtain Report 52 – deceased pensioners?

We match pension scheme payroll data to the DWP’s database of deceased persons. This in turn contains dates of death from the Registrar of Deaths database and from their various benefits systems.

What’s been the result of matches between asylum claimants and NHS bodies?

The Department of Health is putting together some guidelines to help NHS bodies deal with these matches – these should be available shortly. We’ll then re-issue updated asylum seeker claimant matches to affected NHS bodies.

Why can’t NFI be done annually?

The costs to those taking part would be too high. Also, larger local authorities and NHS bodies couldn’t cope with annual referrals – many cases already take longer than 12 months to resolve.

When can I destroy my NFI_2002 working papers?

There’s no NFI-specified timescale for this. However, you should keep your records in accordance with local arrangements for the destruction of working papers, which have often been agreed with the external auditor.

We submit data to you in October – why does it take until January to produce the results CD-ROM?

First, we have to clean and standardise the data. Second, we have to wait until we have received all data before starting the matching process, to ensure accurate results. We allow for this in our timetable, giving you a realistic date for the issue of the CD-ROM. Ultimately, the later you send in your data, the longer it takes us to produce the CD-ROM!

I am not a pension paying body, but I’ve got some matches on report 52?

Several authorities sent us teachers’ top-up pensions data as part of NFI_2002. We matched this against the DWP’s deceased persons database, uncovering a number of cases where local authorities were making top-up payments to deceased pensioners. These matches should be followed up locally as they will not have been investigated by the Teachers’ Pension Authority or the local pension authority. There’s more guidance on the CD-ROM.

Will you be adding any other payroll sources to the initiative, like the DWP or the Inland Revenue?

We’re currently discussing the possibility of doing this with the Information Commissioner.

I’ve got several matches from high-priority reports involving two different people with the same National Insurance number – what does this mean and what should I do about it?

This means either your system or that of the matched body holds an incorrect National Insurance number or NINO. You should check your data and correct it if necessary. See the last issue of *NFI matters* for more guidance.

If an individual is not currently on benefit, why should I create a retrospective overpayment?

It’s important to record the total amount of benefit overpaid, so we can assess the overall impact of NFI.

In the pipeline

Here's a look at some of the projects we'll be working on in the coming months.

Housing benefits data

We've held preliminary discussions with the DWP about the possibility of obtaining housing benefits data direct from them, instead of via individual local authorities. The Association of Local Authority Treasurers has now given its support for this new way of working, so the next step is to formally approach the DWP. We'll update you on progress in the next *NFI matters*.

Mortgage applications

For a number of years we have been keen to include data from mortgage applications in NFI. Following two successful prosecutions resulting from the 2001 pilot, we are again exploring the possibility of including mortgage application data with the Information Commissioner.

And finally...

The final returns deadline of 31 December is fast approaching. You should submit a return then, no matter how much or little you have saved through NFI. But don't forget you can also send us a return at any time, if you've got savings to report.

Useful publications

Publications that may help you are:

Match Winner

The NFI_2000 national report, available from the NFI web page at: www.audit-commission.gov.uk/nfi

Guidelines for bodies supplying data

Available in the section marked 'Help' on your NFI_2002 results CD-ROM.

The next NFI national report is due out in May 2004 and the next issue of *NFI matters* will be published in spring 2004.

Contact the NFI Team

For general NFI queries contact:

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Alternatively you can email the team at:
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