

# **WEST DUNBARTONSHIRE COUNCIL**

## **Report by Executive Director of Corporate Services**

**Audit and Performance Review Committee: 11 December 2013**

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### **Subject: National Fraud Initiative 2012/13 - Progress Report**

#### **1. Purpose**

- 1.1** The purpose of this report is to advise Members of the progress being made in investigating matched datasets provided to the Council as a result of the National Fraud Initiative 2012/13.

#### **2. Recommendations**

- 2.1** It is recommended that the committee note the contents of this progress report and that a final report will be provide to a future meeting of this Committee.

#### **3. Background**

- 3.1** The National Fraud Initiative ("NFI") in Scotland is Audit Scotland's data matching exercise that takes place every two years in line with the Audit Commission's NFI timetable. The NFI is designed to help participating bodies identify possible cases of fraud or error and detect and correct any consequential overpayments from the public purse.
- 3.2** West Dunbartonshire Council's "Strategy for Investigation of Matched Datasets" is attached in Appendix A to this report.

#### **4. Main Issues**

- 4.1** Filtering facilities within the database allow the number of cases to be reduced according to a pre-determined set of criteria. This is known as the "recommended filter". The "Summary of All Reports" contained at the back of the strategy document shows that a total of 6,945 matched items was provided to WDC for investigation, with 1,299 (18.7%) of these items being classified as "recommended filter matches".
- 4.2** The WDC approach to investigating these datasets has been to:
- Initially investigate all individual cases listed through using the "recommended filter" feature; and
  - Review other cases, in order to determine if there is anything else of note, particularly where the amounts reported are relatively high.

The investigation of matched datasets by WDC is shared between Internal Audit and the Benefit Investigation Team.

- 4.3** A summary of progress as at of 31<sup>st</sup> October 2013 on the examination of individual matches is as follows:

Matches cleared with no further action	1,567
Matches where fraud discovered	2
Matches where overpayment discovered	15
Matches where Investigations are in progress	<u>30</u>
Total	<u>1,614</u>

- 4.4** Included in the total at 4.4 are 976 matches (75%) of the 1,299 recommended filter matches and 638 non recommended filter matches. Work will continue to investigate the remaining 323 recommended filter matches.
- 4.5** Overall progress on the examination of filtered and other matches is detailed on the attached Appendix B. This shows progress on all matches on which it has been decided to investigate; and progress against the 1,299 recommended matches. The number of cases identified for investigation may increase as audit work progresses and a final report on the process will be provided to a future meeting of this Committee.
- 4.6** The value of the matches involving fraud is £7,509.57 and relates to Benefit Fraud.
- 4.7** The amount of £68,655.23 is being recovered for overpayments discovered. £5,215.61 relates to 3 cases involving benefit overpayments and £63,439.62 involves 12 cases of overpayments to creditors. The creditor's data submitted covered a 4 year period 09/10 to 12/13. A report is being prepared by Internal Audit in relation to the incidence of overpayments in the creditors system including recommended actions to reduce the likelihood of this recurring.
- 4.8** Action has been taken to recover all overpayments involving fraud and error.
- 4.9** It should be noted that the full resolution of the individual cases selected for examination is often dependent on information being provided by other bodies, e.g. other local authorities, health boards, pension bodies and the DWP. Some of the information requested has yet to be received by WDC staff.

## **5. People Implications**

- 5.1** There are no personnel implications with this report.

## **6 Financial Implications**

- 6.1** There are no financial implications other than those identified above.

## **7. Risk Analysis**

- 7.1** If matched dataset cases are not investigated sufficiently, particularly the “recommended filter” matches (see Section 4 above), there is a risk that instances of error and fraud may not be detected.

## **8. Equalities Impact Assessment (EIA)**

- 8.1** EIA is not appropriate.

## **9. Consultation**

- 9.1** Consultation has taken place with Finance Services and Legal, Democratic and Regulatory Services and neither have reported any issues with this report.

## **10. Strategic Assessment**

- 10.1** Participation with the National Fraud Initiative Exercise contributes to Council's strategic priorities by identifying and taking action to stop, reduce and recover fraud and error.

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**Angela Wilson**  
**Executive Director of Corporate Services**  
**Date: November 2013**

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**Appendices:** **Appendix A:** National Fraud Initiative 2012/13:  
Strategy for Investigation of Matched Datasets  
  
**Appendix B:** Overall progress on the examination of  
Matched Datasets

**Background Papers:** None

**Wards Affected:** All Wards