

National Fraud Initiative in Scotland – then, now, what next....?

IRRV Scottish Benefits Conference
Crieff – 3 December 2008



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- outcomes – 2006/07 NFI – **then** and **now**
- what works – dos and don'ts
- data protection and data security
- Council Tax (CT) matching and the ER
- **next** – 2008/09 NFI and future developments

Latest outcomes – NFI 2006/07 (1)

- 186 (200)* - deceased pensioners
- 173 (184) - student HB overpayments**
- 1552 (1723) - HB cases involving public sector pensioners**
- 578 (595) - HB cases involving LA employees**
- 94 (113) - HB cases involving NHS employees**
- 969 (992) - blue badges cancelled (deceased)
- 21 (21) - care home residents (deceased)
- 175 (226) - cases to PF or HB cautions/admin penalties**
- 17 (44) - dismissals/resignations (mostly visa)
- 0 (14) - students' invalid visas/asylum seekers**

- at least 75 successful prosecutions from 2004/05

*Key - 8.4.08 (5.11.08)

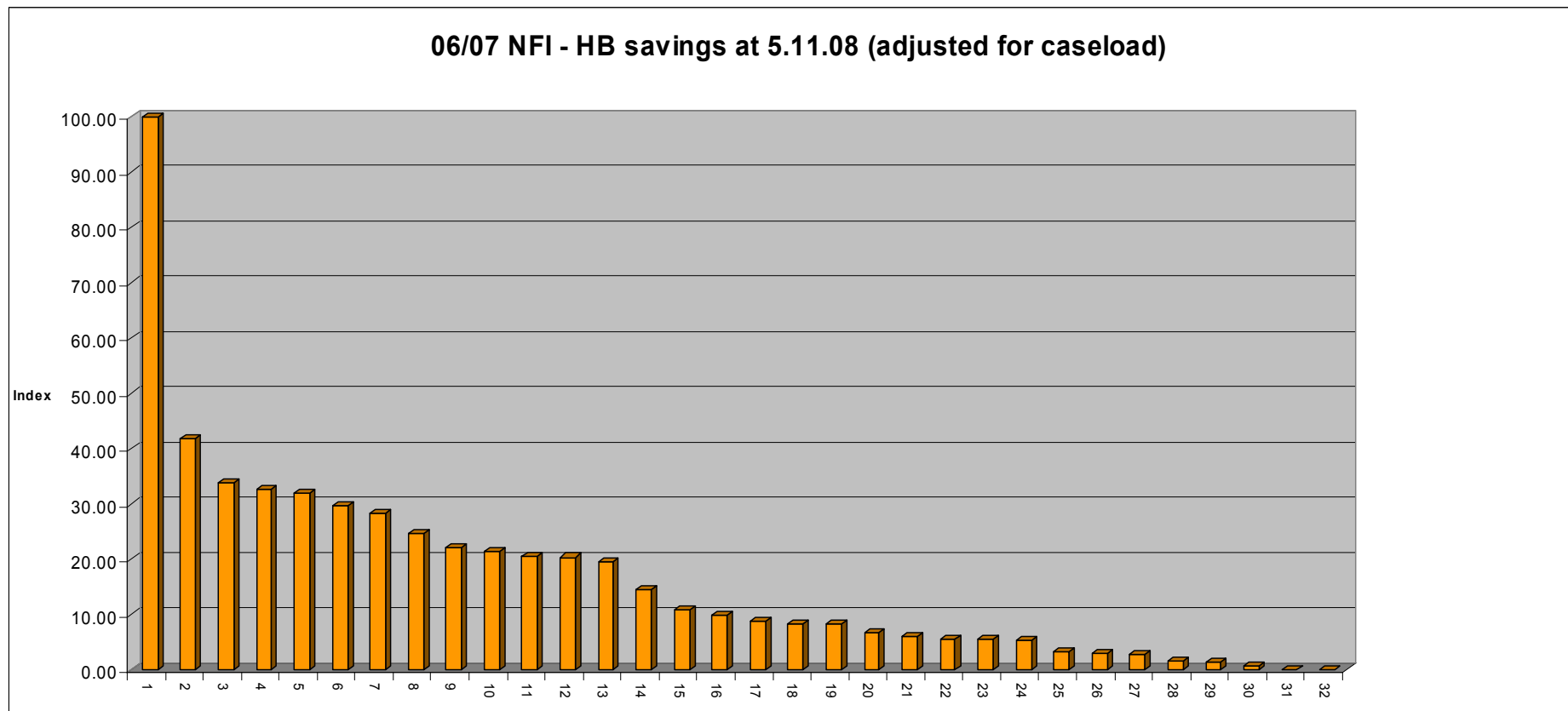
Example 2006/07 HB outcomes

- two (joint working) benefit fraud cases involving £100K
- one individual caught at the 2004/05 NFI (prosecuted) **and** 2006/07 NFI
- £40K HB overpayment detected in a 'previous year' match (default switch to include PY)
- £19K case involving a health board employee

Latest outcomes – 2006/07 NFI (2)

Category	Report 8.4.08 £M	5.11.08 £M
HB/CTB overpayments (councils)	3.1	(ex FS 0.4) 3.8
JCL/TPS led HB cases	Not known	(ex FS 0.3) 0.5
Pensions deceased etc (councils)	2.7	2.8
Pensions deceased etc (SPPA)	1.8	2.1
Housing (mostly CT and 2 councils)	Later cycle	0.6
Student Award Agency for Scotland	Not known	0.3
Other	0.9	1.0
'Late' outcomes from 2004/05	1.2	1.2
FS = forward saving	Total	(ex FS 0.7) 12.3

HB NFI 'yield' (size for size)



JCP results

	Decrease/wk		Overpayments	%
England	£203,175		£2,067,422	80
Scotland	£25,955		£501,369	20
Total	£229,130		£2,568,791	100
Scotland				
Compliance rules	£22,861		£286,298	57
FIS rules	£3,094		£215,071	43
Total	£25,955		£501,369	100

- lead role reverts to councils
- existing local joint working arrangements apply
- case by case referral system
- TPS unlikely to be able to follow up?
- NFI filters to exclude PC but include IS/JSA
- auditors will be advised that progress may often be outwith councils' control

What works - dos and don'ts (1)

- **plan** ahead (✓ 25/32)
- **commitment** (✓ 29/32)
- read the **guidance** (use **training** modules)
- be **ready** for matches (✓ 27/32)
- use the **report comment** facility (**important**)
- **share** information (eg HB fraud cases)

What works - dos and don'ts (2)

- record results **fully** (inc. errors)
- 'comments' and 'outcomes'
- **publicise** your successes
- **prioritise** (✓ 29/32)
- **filter** and **sort** (x 5/32) (new **recommended matches** report)
- **don't** 'follow up' every match (or if you do.....)?
- **don't** 'clear/process' easy matches first
- **stop** if finding nothing

- should
 - have the time and resources
 - carry sufficient ‘authority’
 - be committed
- key roles
 - co-ordinating and monitoring **overall**
 - nominate data download contacts
 - nominate dataset contacts
 - ensuring data specs and formats are met
 - data protection Fair Processing Notices (FPNs); with Data Protection Officer (DPO)
 - reporting outcomes
- **are revenues or benefits managers best placed to be KCs?**

- Information Commissioner's Office (ICO)/audit agencies joint meeting forum
- Data Controller and Data Processor under NFI
- bodies are **not** responsible for NFI data after upload
- legal agreement between Audit Commission and Audit Scotland specifies ISO 27001/27002 security standards

Data protection – clarification (2)

- ICO audit of Synectics Ltd – no significant issues
- ICO audit of participants now expected?
- future security reviews will involve Audit Scotland, WAO, NIAO
- development of secure upload facility
- Audit Scotland – all floppy and CD (write) drives disabled
 - all transfers to USB storage auto encrypted

CT matches - the electoral register

- 17/27 councils submitting (4 in 2008)
- one known 'negative' Counsel's opinion (not shared?)
- West Lothian's positive view (shared with SOLAR)

- several councils do not agree that ER *'relates to the accounts'* or that Rep. of People (S) Regs permit disclosure (contrast s100)
- not all 10 councils provided 'reasoned' case

- 2 councils have housing savings (mainly CT) of £570K to 5.11.08 (inc. forward saving)

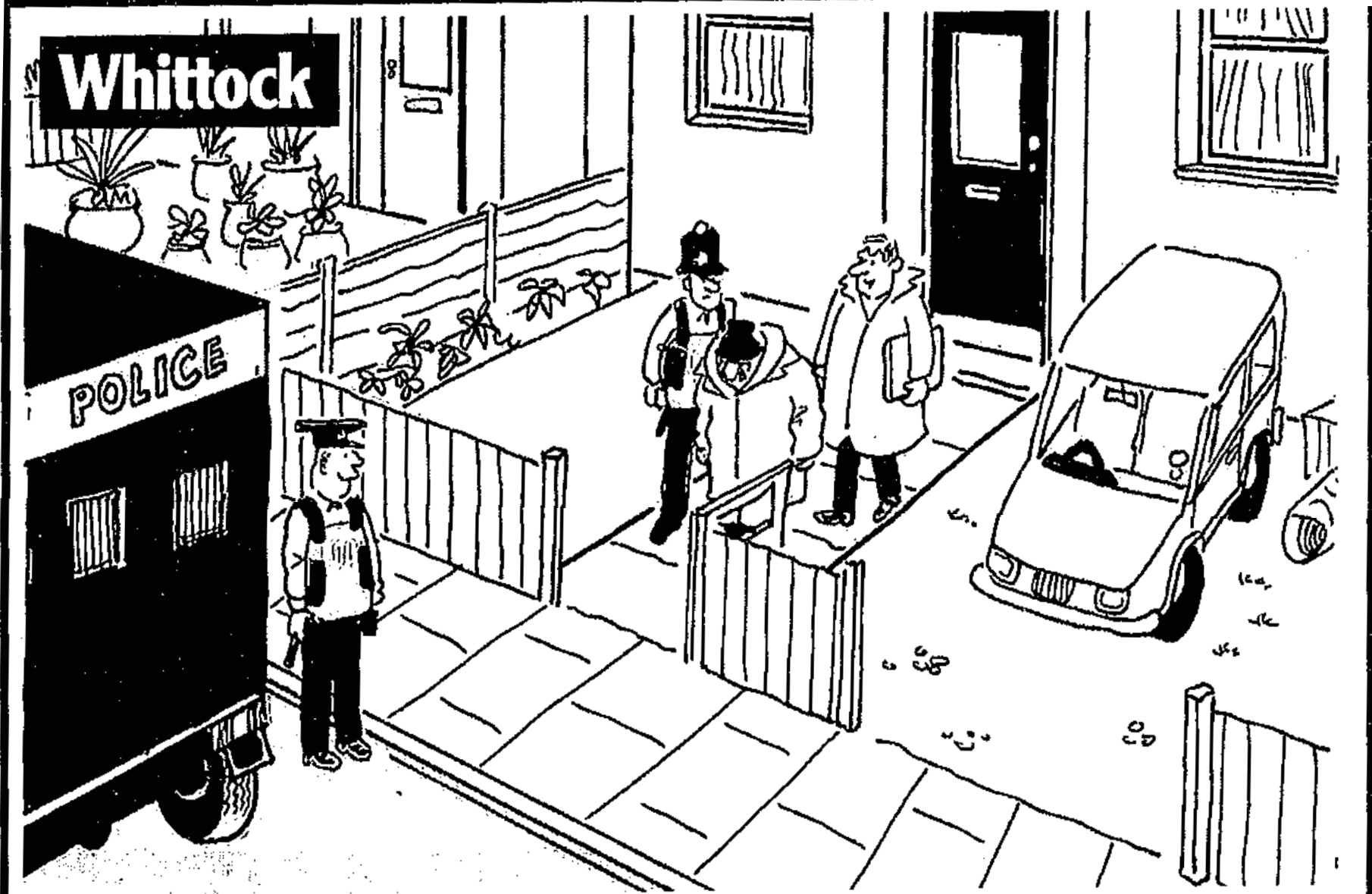
- 2008/09 scope **largely** 'same again' (datasets) +
 - care home residents
 - blue badges
 - both now mandatory

- application developments
 - training modules
 - recommended match reports
 - reports to include PY matches (default)
 - comments – ability to 'publish to reverse'
 - review of recommended filters (sample bodies consulted)

Future developments

- Scottish Parliament audit committee support for NFI
- published intent to include data matching in Criminal Justice and Licensing Bill
- new legislation:
 - bring Scotland in line with rest of UK
 - avoid issues that come with ‘implied’ powers
 - facilitate extension to central government
 - permit ‘voluntary’ bodies
 - facilitate cross border matching
 - clarify Electoral Register issue?
 - create scope for new types of matching

Whittock



"It's my first hat-trick – an illegal immigrant with his dead grandad's disability parking permit and 'living alone'... with a wife and three kids!"

Questions

