



DERBY CITY COUNCIL

**AUDIT AND ACCOUNTS
COMMITTEE
24 JUNE 2010**

Report of the Head of Audit and
Risk Management

ITEM 13

NATIONAL FRAUD INITIATIVE

RECOMMENDATION

- 1.1 To note the report from the Head of Internal Audit and Risk Management.

SUPPORTING INFORMATION

- 2.1 At its meeting on 24 September 2008, Committee received a report on the requirements for the Audit Commission's National Fraud Initiative (NFI) 2008/9. Regular updates on progress have been submitted as part of the Governance Update report. This exercise has now finished.
- 2.2 The results of the 2008/9 exercise are shown in Appendix 2. Reports 801 and 802 which relate to a matching exercise between the Council Tax database and the Electoral Roll are run under a separate timetable with the matched data only arriving in March 2010. As a result, these reports are still undergoing investigation and updating. Excluding the Council Tax reports, the 2008/9 exercise has generated £87,917.91 of savings and identified nine frauds and 25 errors in the datasets submitted. All nine frauds related to fraudulent Housing/Council Tax benefit claims, as did six of the 25 errors. Of the remaining 19 errors, 15 related to the creditors system, three to payroll and one to a failure by a residential care home to notify the Council of the death of a resident where their fees were being paid by the Council.
- 2.3 At the end of the national exercise, the Audit Commission has released a briefing note for Members. This document is attached at Appendix 3. Its purpose is to allow Members to compare their own Authority's results with the national picture.
- 2.4 In addition to the NFI data matching exercises, the Audit Commission has also introduced an annual fraud survey to be completed by the end of June 2010, giving data in respect of the previous financial year. From June 2010 onwards the survey has become compulsory. The areas covered are:-
 - Housing Benefit and Council Tax Benefit Fraud
 - Housing Fraud (not related to benefits)
 - Council Tax fraud (relating to discounts and entitlements)
 - NNDR fraud
 - Procurement fraud

- Fraudulent insurance claims
- Social service fraud (including payments to contractors for house modifications, personalised budgets for purchase of care, failure to declare capital and assets, care provision by contractors or a non-governmental organisation)
- Economic and third sector support fraud
- Debt fraud (any avoidance of debt due to the organisation including Council Tax, Rent arrears, false declarations, false instruments of payment or documentation)
- Investment fraud
- Payroll fraud
- Expenses fraud
- Abuse of position
- Recruitment fraud
- Manipulation of data whether financial or non-financial
- Disabled parking concession fraud
- Emerging issues
- Prosecutions
- Claims under the Fidelity Guarantee Insurance policy
- Counter fraud and corruption activity
- Audit committee activity
- Anti-money laundering activity
- Whistleblowing policy

2.5 The next NFI exercise (2010/11) is due to begin in September 2010 with data extracts being taken on 4 October 2010 and the results due to be available from 28 January 2011. The areas to be covered will duplicate those examined in the 2008/9 exercise.

For more information contact:	Richard Boneham, Head of Internal Audit and Risk Management 01332 255688
Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – NFI Authority Summary 2008/09 Appendix 3 – NFI 2008/9 Members Briefing

IMPLICATIONS

Financial

1. The charge for Unitary Councils participating in NFI 2008 was £3650 excluding VAT. The charges for the next cycle (2010/2011) have been held to £3650 for Unitary Authorities and the 2012/13 exercise are anticipated to rise by only the government's inflation target.

Legal

2. The Audit Commission has designated the NFI and the annual Fraud Survey to be part of the statutory external audit and authorities are legally obliged to provide the relevant data, which is required under the Audit Commission Act 1998. The Council has complied with Data Protection principles and advice regarding data matching issued by the Audit Commission. These measures had already been adopted as part of the participation in previous NFI exercises. The steps we have taken prior to each NFI exercise were to inform staff and their representative bodies that payroll data was to be used.

Personnel

3. The pay records of Council employees have been subject to data matching. Trade Unions were consulted on this initiative and employees advised of the process. In line with previous NFI exercises, a notification regarding the process of data matching of payroll information was attached to the September 2008 payslips. Further information was made available on the Council's website and the Audit Commission's website. These steps will be taken again prior to the commencement of the 2010/2011 exercise.

Equalities impact

4. None directly arising.

Corporate objectives and priorities for change

5. None directly arising.

NATIONAL FRAUD INITIATIVE 2008/2009

14-Jun-2010

AUTHORITY SUMMARY: Derby City Council

No.	Report Name	Total Run1	Total Run2	Status	Processed	In Progress	Frauds	Errors	Savings
1 High	Housing Benefit Claimants to Student Loans, high quality, within bodies	86	0	Opened	66	20	1	0	£2109.27
2 High	Housing Benefit Claimants to Student Loans, high quality, between bodies	29	0	Opened	25	4	0	1	£212.84
4 Medium	Housing Benefit Claimants to Student Loans, medium quality, between bodies	4	0	Closed	4	0	0	0	£0.00
13 High	Housing Benefit Claimants to Payroll, high quality, within bodies	207	0	Opened	205	2	2	0	£2461.89
14 High	Housing Benefit Claimants to Payroll, high quality, between bodies	79	2	Opened	80	1	0	0	£0.00
14.1 High	Housing Benefit Claimants to Payroll Pensions, high quality, between bodies	871	0	Opened	165	0	3	0	£29023.55
16 Medium	Housing Benefit Claimants to Payroll, medium quality, between bodies	4	0	Closed	4	0	0	0	£0.00
17 Low	Housing Benefit Claimants to Payroll, address quality, within bodies	234	0	Opened	27	1	0	0	£0.00
18 Low	Housing Benefit Claimants to Payroll, address quality, between bodies	201	6	Closed	20	0	1	0	£1224.47
18.1 Low	Housing Benefit Claimants to Payroll Pensions, address quality, between bodies	301	0	Opened	30	1	0	1	£8624.83
20 High	Housing Benefit Claimants to Asylum Seekers, high quality, between bodies	7	0	Opened	6	1	1	1	£17563.78
21 Medium	Housing Benefit Claimants to Asylum Seekers, medium quality, between bodies	5	0	Closed	5	0	0	0	£0.00

IMPORTANT : This summary includes matches that occurred in previous years.

NATIONAL FRAUD INITIATIVE 2008/2009

14-Jun-2010

AUTHORITY SUMMARY: Derby City Council

No.	Report Name	Total Run1	Total Run2	Status	Processed	In Progress	Frauds	Errors	Savings
24 Medium	Housing Benefit Claimants to UK Visas, medium quality, between bodies	9	5	Opened	13	1	1	0	£787.94
26 High	Housing Benefit Claimants to Housing Benefit Claimants, high quality, within bodies	3	0	Closed	3	0	0	0	£0.00
27 High	Housing Benefit Claimants to Housing Benefit Claimants, high quality, between bodies	37	0	Closed	37	0	0	1	£5461.80
29 Medium	Housing Benefit Claimants to Housing Benefit Claimants, medium quality, between bodies	4	0	Closed	2	0	0	0	£0.00
30 High	Housing Benefit Claimants to Housing Rents, high quality, within bodies	3	0	Closed	3	0	0	0	£0.00
31 High	Housing Benefit Claimants to Housing Rents, high quality, between bodies	2	0	Closed	2	0	0	0	£0.00
32 Medium	Housing Benefit Claimants to Housing Rents, medium quality, within bodies	863	0	Closed	147	0	0	1	£346.07
33 Medium	Housing Benefit Claimants to Housing Rents, medium quality, between bodies	11	0	Closed	2	0	0	0	£0.00
37 Medium	Housing Benefit Claimants to Right to Buy, medium quality, between bodies	2	0	Closed	2	0	0	0	£0.00
45.1 High	Housing Benefit Claimants to Insurance Claimants, high quality, within bodies	6	0	Closed	6	0	0	0	£0.00

IMPORTANT : This summary includes matches that occurred in previous years.

NATIONAL FRAUD INITIATIVE 2008/2009

14-Jun-2010

AUTHORITY SUMMARY: Derby City Council

No.	Report Name	Total Run1	Total Run2	Status	Processed	In Progress	Frauds	Errors	Savings
45.4 Medium	Housing Benefit Claimants to Insurance Claimants, medium quality, between bodies	1	0	Closed	1	0	0	0	£0.00
45.5 Low	Housing Benefit Claimants to Insurance Claimants, address quality, within bodies	17	0	Closed	4	0	0	0	£0.00
46.2 High	Housing Benefit Claimants to Market Traders, high quality, between bodies	1	0	Closed	1	0	0	0	£0.00
46.3 Medium	Housing Benefit Claimants to Market Traders, medium quality, within bodies	1	0	Closed	1	0	0	0	£0.00
46.4 Medium	Housing Benefit Claimants to Market Traders, medium quality, between bodies	0	1	Closed	1	0	0	0	£0.00
46.5 Low	Housing Benefit Claimants to Market Traders, address quality, within bodies	18	0	Closed	3	0	0	0	£0.00
46.6 Low	Housing Benefit Claimants to Market Traders, address quality, between bodies	1	1	Closed	2	0	0	0	£0.00
47.1 High	Housing Benefit Claimants to Taxi Drivers, high quality, within bodies	33	0	Opened	32	1	0	1	£0.00
47.2 High	Housing Benefit Claimants to Taxi Drivers, high quality, between bodies	16	0	Opened	11	5	0	0	£0.00
47.3 Medium	Housing Benefit Claimants to Taxi Drivers, medium quality, within bodies	3	0	Closed	3	0	0	0	£0.00
47.4 Medium	Housing Benefit Claimants to Taxi Drivers, medium quality, between bodies	6	0	Opened	2	1	0	0	£0.00

IMPORTANT : This summary includes matches that occurred in previous years.

NATIONAL FRAUD INITIATIVE 2008/2009

14-Jun-2010

AUTHORITY SUMMARY: Derby City Council

No.	Report Name	Total Run1	Total Run2	Status	Processed	In Progress	Frauds	Errors	Savings
47.5 Low	Housing Benefit Claimants to Taxi Drivers, address quality, within bodies	149	0	Opened	14	1	0	0	£0.00
47.6 Low	Housing Benefit Claimants to Taxi Drivers, address quality, between bodies	70	0	Opened	6	1	0	0	£0.00
48.1 High	Housing Benefit Claimants to Personal alcohol licences, high quality, within bodies	17	0	Opened	15	2	0	0	£0.00
48.3 Medium	Housing Benefit Claimants to Personal alcohol licences, medium quality, within bodies	7	0	Opened	4	1	0	0	£0.00
48.4 Medium	Housing Benefit Claimants to Personal alcohol licences, medium quality, between bodies	2	0	Closed	2	0	0	0	£0.00
48.5 Low	Housing Benefit Claimants to Personal alcohol licences, address quality, within bodies	79	0	Closed	9	0	0	0	£0.00
48.6 Low	Housing Benefit Claimants to Personal alcohol licences, address quality, between bodies	2	3	Closed	3	0	0	0	£0.00
65 High	Payroll to Payroll, high quality, within bodies	1	0	Closed	1	0	0	0	£0.00
66 High	Payroll to Payroll, high quality, between bodies	253	1	Closed	254	0	0	0	£0.00
68 Medium	Payroll to Payroll, medium quality, between bodies	4	0	Closed	4	0	0	0	£0.00

IMPORTANT : This summary includes matches that occurred in previous years.

AUTHORITY SUMMARY: Derby City Council

No.	Report Name	Total Run1	Total Run2	Status	Processed	In Progress	Frauds	Errors	Savings
70	Payroll to Asylum Seekers, medium quality, between bodies	3	0	Opened	2	1	0	0	£0.00
72	Payroll to UK Visas, high quality, between bodies	0	1	Closed	1	0	0	0	£0.00
73	Payroll to UK Visas, medium quality, between bodies	5	11	Opened	15	1	0	0	£0.00
75	Payroll to Housing Benefit Claimants, high quality, between bodies	1	0	Closed	1	0	0	0	£0.00
78	Payroll to Payroll Pensions, high quality, between bodies	25	0	Opened	1	0	0	0	£0.00
80	Payroll to Creditors, same bank account, within bodies	5	0	Closed	5	0	0	0	£0.00
83	Payroll to NI Number Check, within bodies	3	0	Closed	3	0	0	3	£0.00
101.1	Housing Rents to Housing Rents, high quality, between bodies	1	0	Closed	1	0	0	0	£0.00
102	Housing Rents to Housing Rents, medium quality, within bodies	740	0	Closed	0	0	0	0	£0.00
102.1	Housing Rents to Housing Rents, medium quality, within bodies	1	0	Closed	1	0	0	0	£0.00
103	Housing Rents to Housing Rents, medium quality, between bodies	84	1	Closed	32	0	0	0	£0.00
103.1	Housing Rents to Housing Rents, medium quality, between bodies	8	2	Closed	10	0	0	0	£0.00
104	Housing Rents to Asylum Seekers, high quality, between bodies	7	0	Closed	7	0	0	0	£0.00

IMPORTANT : This summary includes matches that occurred in previous years.

AUTHORITY SUMMARY: Derby City Council

No.	Report Name	Total Run1	Total Run2	Status	Processed	In Progress	Frauds	Errors	Savings
104.1 High	Housing Rents to Asylum Seekers, high quality, between bodies	3	0	Closed	3	0	0	0	£0.00
105 Medium	Housing Rents to Asylum Seekers, medium quality, between bodies	9	0	Closed	8	0	0	0	£0.00
105.1 Medium	Housing Rents to Asylum Seekers, medium quality, between bodies	1	0	Closed	1	0	0	0	£0.00
107 High	Housing Rents to UK Visas, high quality, between bodies	1	0	Closed	1	0	0	0	£0.00
107.1 High	Housing Rents to UK Visas, high quality, between bodies	1	0	Closed	1	0	0	0	£0.00
108 Medium	Housing Rents to UK Visas, medium quality, between bodies	5	9	Opened	13	1	0	0	£0.00
108.1 Medium	Housing Rents to UK Visas, medium quality, between bodies	10	0	Opened	4	6	0	0	£0.00
110.1 High	Housing Rents to Housing Benefit Claimants, high quality, within bodies	0	1	Closed	1	0	0	0	£0.00
111 High	Housing Rents to Housing Benefit Claimants, high quality, between bodies	11	0	Closed	11	0	0	0	£0.00
111.1 High	Housing Rents to Housing Benefit Claimants, high quality, between bodies	0	4	Closed	4	0	0	0	£0.00
112.1 Medium	Housing Rents to Housing Benefit Claimants, medium quality, within bodies	0	17	Closed	2	0	0	0	£0.00

IMPORTANT : This summary includes matches that occurred in previous years.

NATIONAL FRAUD INITIATIVE 2008/2009

14-Jun-2010

AUTHORITY SUMMARY: Derby City Council

No.	Report Name	Total Run1	Total Run2	Status	Processed	In Progress	Frauds	Errors	Savings
113 Medium	Housing Rents to Housing Benefit Claimants, medium quality, between bodies	131	0	Closed	10	0	0	0	£0.00
113.1 Medium	Housing Rents to Housing Benefit Claimants, medium quality, between bodies	0	7	Closed	2	0	0	0	£0.00
117 Medium	Housing Rents to Right to Buy, medium quality, between bodies	2	0	Closed	2	0	0	0	£0.00
120.1 Medium	Housing Rents to Electoral Register, medium quality, within bodies	0	35	Closed	35	0	0	0	£0.00
122.1 Medium	Housing Rents to Council Tax, medium quality, within bodies	0	15	Closed	15	0	0	0	£0.00
123.1 Medium	Housing Rents to Council Tax, medium quality, between bodies	0	10	Closed	10	0	0	0	£0.00
150 Medium	Right to Buy to Housing Rents, medium quality, within bodies	9	0	Closed	9	0	0	0	£0.00
151 Medium	Right to Buy to Housing Rents, medium quality, between bodies	1	0	Closed	1	0	0	0	£0.00
156 High	Right to Buy to Housing Benefit Claimants, high quality, within bodies	28	0	Closed	28	0	0	0	£0.00
158 Medium	Right to Buy to Housing Benefit Claimants, medium quality, within bodies	3	0	Closed	3	0	0	0	£0.00
159 Medium	Right to Buy to Housing Benefit Claimants, medium quality, between bodies	4	0	Closed	4	0	0	0	£0.00

IMPORTANT : This summary includes matches that occurred in previous years.

NATIONAL FRAUD INITIATIVE 2008/2009

14-Jun-2010

AUTHORITY SUMMARY: Derby City Council

No.	Report Name	Total Run1	Total Run2	Status	Processed	In Progress	Frauds	Errors	Savings
172.1 High	Blue Badge Parking Permit to Benefits Agency Deceased Persons, high quality, within bodies	471	0	Opened	464	0	0	0	£0.00
172.2 High	Concessionary Travel Passes to Benefits Agency Deceased Persons, high quality, within bodies	1611	0	Opened	0	57	0	0	£0.00
172.3 High	Resident Parking Permit to Benefits Agency Deceased Persons, high quality, within bodies	1	0	Closed	1	0	0	0	£0.00
173 High	Private Residential Care Homes to Benefits Agency Deceased Persons, high quality, within bodies	98	0	Closed	98	0	0	1	£4108.00
180.1 High	Insurance Claimants to Insurance Claimants, high quality, within bodies	4	0	Closed	4	0	0	0	£0.00
180.5 Low	Insurance Claimants to Insurance Claimants, address quality, within bodies	3	0	Closed	3	0	0	0	£0.00
701 High	Duplicate creditors by creditor name	1039	0	Closed	1039	0	0	0	£0.00
702 High	Duplicate creditors by address detail	363	0	Closed	363	0	0	2	£0.00
703 High	Duplicate creditors by bank account number	1428	0	Closed	1428	0	0	0	£0.00
707 High	Duplicate records by invoice reference, invoice amount and creditor reference	209	0	Closed	209	0	0	6	£10550.62
708 High	Duplicate records by invoice amount and creditor reference	1578	0	Closed	1578	0	0	2	£5232.00

IMPORTANT : This summary includes matches that occurred in previous years.

NATIONAL FRAUD INITIATIVE 2008/2009

14-Jun-2010

AUTHORITY SUMMARY: Derby City Council

No.	Report Name	Total Run1	Total Run2	Status	Processed	In Progress	Frauds	Errors	Savings
709 High	VAT overpaid	289	0	Closed	79	0	0	5	£210.85
750 High	Procurement - Payroll to Companies House (Director), high quality, within bodies	77	0	Not Opened	0	0	0	0	£0.00
752 Low	Procurement - Payroll to Companies House (Director), address quality, within bodies	78	0	Not Opened	0	0	0	0	£0.00
754 Low	Procurement - Payroll to Companies House (Company), address quality, within bodies	11	0	Not Opened	0	0	0	0	£0.00
755 Low	Procurement - Payroll to Companies House (Company), address quality, between bodies	46	0	Not Opened	0	0	0	0	£0.00
801 High	Council Tax single persons discount to Electoral Register	2076	0	Opened	1559	517	226	16	£80682.86
802 High	Council Tax rising 18s	384	0	Opened	159	39	0	0	£0.00
TOTAL		14517	132		8458	665	235	41	£168600.77

IMPORTANT : This summary includes matches that occurred in previous years.

The National Fraud Initiative 2008/09

Members' briefing, May 2010



 **audit
commission**

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

Fraud is a serious and growing problem for the nation

- Fraud is a crime. In the public sector, every pound lost through fraud is potentially a pound taken from taxpayers and the users of essential services.
- The National Fraud Authority estimates that public sector expenditure fraud is estimated to cost £7 billion a year.
- Tackling fraud should be a top priority for all organisations. They need strong counter-fraud cultures and effective counter-fraud policies and procedures. They should also regularly check the effectiveness of their arrangements for preventing and detecting fraud.

The Audit Commission runs the National Fraud Initiative (NFI) to help detect fraud, overpayments and error

The NFI is a data matching exercise, using sophisticated computer techniques, which compares information held by different organisations and within organisations to identify potentially fraudulent claims and overpayments.

- When there is a match, there may be something that warrants investigation. For example, when data matching shows a person listed as dead and also in receipt of a pension, the relevant body will investigate and, if appropriate, stop pension payments.

Data Match	Possible fraud or error
Pensions payments checked to records of deceased people.	Pension fraudulently cashed on behalf of a dead person.
Housing benefit payments to payroll records.	Benefit claimed falsely because the claimant is working and not declaring income.
Payroll records to failed asylum seeker and expired visa records.	Employee not entitled to be in the UK.
Blue badges records to records of deceased people.	Blue badge used by ineligible person.
Housing benefit payments to housing tenancy records.	Benefit claimed falsely, for example, because the claimant is living as a tenant elsewhere.
Council tax records to electoral register.	Council taxpayer wrongly gets single person discount because the person is living with other countable adults which means the council taxpayer does not qualify for a discount.
Payroll records to other payroll records.	Employee paid incorrectly, for example, by working for one organisation while on long-term sick leave at another.

Source: Audit Commission

- The box on page one shows some examples of the data matches that we undertake and why.
- Fraudsters often target different organisations at the same time, using the same fraudulent identities. A key strength of the NFI is that it combines several bodies in tackling fraud. It helps individual organisations go beyond what they could do acting alone.
- Our latest exercise in 2008/09 processed 8,000 datasets from 1,300 organisations.
- We provide bodies with a report on their matches, which they investigate. A match does not automatically mean fraud. Often, there is a simple explanation for a data match and it allows bodies to update their records.
- Even where data matching shows little or no fraud and error, this still assures bodies about their counter-fraud arrangements. It also strengthens the evidence for the body's annual Statement on Internal Control (SIC).
- The NFI works within a strong legal framework, including the Data Protection Act 1998 and the statutory Code of Data Matching Practice, which protects individuals' personal data.

The NFI 2008/09 found record levels of fraud, overpayments and error

The NFI identified fraud, overpayments and error of £215 million across the UK, up 54 per cent from our previous exercise in 2006/07.

- This means that since its launch in 1996, the NFI matches have enabled the detection of fraud, overpayments and error totalling £664 million.
- The Commission's exercise in England identified £183 million of fraud, overpayments and error. This comprises £90 million of savings already delivered and £93 million in estimated costs of the frauds and errors.
- The NFI helped to uncover pension frauds and overpayments amounting to £78 million, and £56 million of council tax single person discount that was fraudulently or wrongfully received.

The NFI 2008/09 produced other successful outcomes

- 181 employees were dismissed or asked to resign because they had no right to work in the UK.
- 269 people were prosecuted.
- 21,534 concessionary travel permits and 16,535 blue badges were cancelled.
- 97 properties were recovered for social housing.

How can organisations make better use of the NFI?

- The record results of the NFI 2008/2009 have been excellent and reflect well on the efforts of most public bodies and other participants in the NFI 2008/09, who followed up effectively their data matches.
- Audited bodies are committed to the NFI and most have sound systems and processes for investigating NFI matches. Examples of good practice include:
 - Directors of finance promote the NFI and provide lead director oversight, receiving regular updates on progress from staff, including the chief internal auditor.
 - Audited bodies use the NFI to gain assurance about internal controls. They also take action to address major areas of risk.
 - Many bodies publicise case studies internally and externally to discourage fraud.
- But they could do more. They should:
 - Ensure that all data sets are submitted to the Commission on time.
 - Prioritise data matches and follow them up promptly and rigorously.
 - Promote awareness of the NFI among senior management and outside the finance directorate.
 - Ensure that the NFI is integral to the overall corporate arrangements put in place for tackling fraud.
 - Promote NFI in corporate information security policies or counter-fraud policies.
- Audited bodies should show leadership and address these weaknesses. They need to promote a culture that has no tolerance of fraud. The NFI should be a major part of counter-fraud work. All managers need to recognise its value and lead by example and stress the fact that all staff have a responsibility to prevent fraud and loss.

How can elected members support the NFI?

We think elected members and non-executives should be engaged more effectively in the NFI. For example by nominating a lead member and through regular reporting to the audit committee or equivalent. For that reason we have developed a checklist to help you understand and assess your council's approach to NFI on page 4.

Where can I find out more about the NFI?

To find out more about the NFI, go to our website at

www.audit-commission.gov.uk/nfireport

You will find there a copy of our national report on the NFI 2008/09.

The NFI: A checklist for members

Question	Answer/action required
1 What is the role/post of the most senior officer accountable for the NFI in the organisation?	
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 of the NFI? 	
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?	
4 What resources do we invest in the NFI?	
5 What is our strategy/policy for data security? Is there any specific reference to NFI data security in the strategy?	
6 What have been the outcomes from the most recent NFI? <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? 	
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?	
8 How does the NFI influence the focus of our counter-fraud work? Does our anti-fraud policy include reference to the organisation's participation in the NFI?	
9 How is the NFI reflected in the governance training and development provided for officers and board/elected members?	
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?	

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We welcome your feedback. If you have any comments on this report, are intending to implement any of the recommendations, or are planning to follow up any of the case studies, please email: nationalstudies@audit-commission.gov.uk



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