



Northern Ireland Audit Office

MEDIA RELEASE

The National Fraud Initiative: Northern Ireland

Report by the Comptroller and Auditor General for Northern Ireland

Mr Kieran Donnelly, Comptroller and Auditor General, today issued a report on the latest outcomes from the National Fraud Initiative (NFI). This is the fifth report since Northern Ireland began taking part in the NFI.

Background

The NFI is run every two years and is a highly effective data matching tool which helps to identify potentially fraudulent and erroneous transactions, using sophisticated computer-based data matching techniques.¹ Over 80 public bodies took part in this fifth running of the exercise in Northern Ireland (NI), including government departments, agencies, non-departmental public bodies, councils and health sector bodies. NI data was also matched with data held by public sector organisations in England, Scotland and Wales, providing a cross-jurisdictional approach to tackling fraud.

Mr Donnelly said:

“Preventing and detecting fraud is an essential part of public business, to help ensure that limited funds for the provision of goods and services are properly directed to where they are needed and not siphoned off by fraudsters. Fraud is not a victimless crime; we all pay the price..... NFI outcomes in Northern Ireland stand at almost £35 million, representing current and past fraud stopped and potential future fraud averted.”

Main Findings:

For the reporting period April 2016 to March 2018, around £1.9 million of fraud and error was detected through NFI data matching, in particular:

- almost £814,000 of rates evasion;
- almost £648,000 of pensions fraud, error and overpayments;
- almost £137,000 of housing benefit fraud and overpayments;
- around £130,000 of social housing outcomes, comprising recovered properties and removal of non-eligible applicants from the social housing waiting list; and
- almost £63,000 of duplicate and erroneous payments to suppliers.

¹ The NFI is administered by the Cabinet Office on behalf of the main public audit authorities in England, Scotland, Wales and Northern Ireland.

THIS STATEMENT IS ISSUED ON THE STRICT UNDERSTANDING THAT IT IS NOT FOR PUBLICATION OR BROADCAST BEFORE 00.01 hrs on Tuesday 19th June 2018.

The following case examples from the report illustrate the power of data matching:

Case Example – Housing Benefit

An NFI data match indicated an undeclared partner or other non-dependent person living at the same address as a benefit claimant. Following investigation, it was determined that overpayment of benefits, including housing benefit, amounted to £102,000 over a period of 11 years. In August 2017, the person was sentenced to two years’ imprisonment, suspended for two years. A recovery plan is in place.

Case Example - Rates

NFI data matching identified a property which was marked as vacant on Land and Property Service’s rating system but at which someone was registered to vote. Outstanding rates dated back to 2011 and amounted to almost £16,200. Recovery of the outstanding amount is in progress.

Case Example – Social Housing

A data match highlighted that a housing association tenant also had a tenancy in a London Borough. Investigations confirmed that the tenant had moved permanently to London and that the tenant’s sister was living in the Belfast property without entitlement. The housing association recovered the property in September 2017.

NOTES FOR EDITORS

1. The Comptroller and Auditor General (C&AG) is Head of the Northern Ireland Audit Office (NIAO). He and the NIAO are totally independent of Government. He certifies the accounts of Government departments and a range of other public sector bodies. He has statutory authority to report to the Assembly on the economy, efficiency and effectiveness with which departments and public bodies use their resources. These reports are published as Assembly papers. Additionally, in 2008 the C&AG obtained statutory powers to conduct data matching exercises and to report publicly on his data matching activities. Upon receiving his new powers, the C&AG made arrangements to participate in the National Fraud Initiative (NFI) exercise, now run by the Cabinet Office. The Cabinet Office processes the data using a secure web based system.
2. This report is available from the Stationery Office throughout the United Kingdom. It is also available on the Audit Office website at www.niauditoffice.gov.uk. The report is **embargoed until 00.01 hrs on Tuesday 19th June 2018.**
3. Background briefing can be obtained from the Audit Office by contacting **Neil Gray** (028 9025 4345) or **Valerie Evans** (028 9025 1062).