

NFI MATTERS

Developing strategies to detect and prevent fraud

**The NFI adapts
to help ensure
COVID-19 support
grant fraud
prevention is
in place**



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THE 2020/21 NFI
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Welcome to the 5th issue of NFI Matters

Helping to stop fraud as we emerge from the COVID-19 pandemic

The COVID-19 lockdown has created major challenges for many areas of government, and has been especially hard on local councils trying to maintain vital front line services. Some of the government's financial measures put in place, and disbursed through Councils, have provided critical support to the British people at this time. However, distributing these loans and grants means that now, more than ever, Councils need to be increasingly vigilant of those bad actors who might seek to exploit this situation and fraudulently apply for assistance where they are not eligible.

"I'd personally like to take this opportunity to thank you all for the amazing effort of continuing to work on the NFI during these difficult times"

The Cabinet Office NFI Team has worked remotely for a number of years and so thankfully we've been able to continue our work unaffected by the pandemic. We have also been increasing our focus during this crisis on understanding how we can support you better by extending the NFI's remit to help target additional fraud risks in the COVID-19 emergency relief distributed through councils.

I'd personally like to take this opportunity to thank you all for the amazing effort of continuing to work on the NFI during these difficult times, and for continuing to respond to our information requests and calls for feedback or case studies.

This issue of NFI Matters provides some vital information to help make sure you understand how to prepare for the 2020/21 NFI data upload process. There's also some great advice for how to make this process easier for you, and how to get the most out of your matches when they are released early next year.

If you have any questions on this please don't hesitate to get in touch.

ALSO INCLUDED IN THIS ISSUE OF NFI MATTERS ARE:

Some of the main points from a review of the fraud risk scoring we introduced in 2018/19 and a request for your feedback by the end of August 2020.

An outline of COVID-19 business support grant pre and post payment solutions

A summary of the consultation for the 2020/21 work programme and scale of fees.

Remember your input into this newsletter is invaluable, and we always appreciate your feedback, so if you would like us to cover something specific in a future edition or contribute a counter fraud or NFI related article please contact me on 07909 933998 or email yvonne.addison@cabinetoffice.gov.uk

Yvonne Addison

Head of Operational Delivery and Communications, Cabinet Office

Contact us...

Cabinet Office
nfiqueries@cabinetoffice.gov.uk

Scotland
acairns@audit-scotland.gov.uk

Wales
david.rees@audit.wales

Northern Ireland
nficoordinator@niauditoffice.gov.uk

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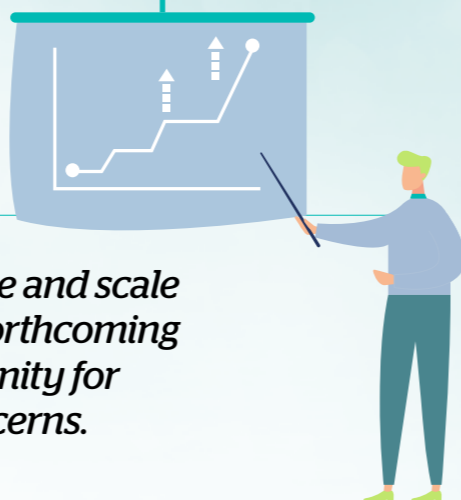
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Mortality Screening for voluntary NFI participants

Events

We are looking to hold some virtual Key Contact training in late summer/early autumn so we will be contacting you soon, if we haven't already, to canvass opinion on which technological solution will work the best.

Understanding Changes to the Work Programme and Fees for the 2020/21 NFI Exercise



In May 2020, we consulted on the proposed work programme and scale of fees, including COVID-19 counter fraud measures, for the forthcoming 2020/21 main NFI exercise. The consultation was an opportunity for participants to ask questions, express opinions and raise concerns.

Our aim is to drive innovation and development as well as overcome administration issues to ensure every exercise can be completed successfully by all parties to continue our fight against fraud.

The National Crime Agency highlights fraud as the most commonly experienced crime, with 3.8 million instances reported in the National Crime Survey of England and Wales in 2019. In the public sector it is estimated that fraud and error costs the government an estimated £31 billion to £53 billion every year and this amount continues to grow.

Fraud is a diverse and evolving crime, the scale of which continues to increase as new fraud areas and more sophisticated fraud techniques are developed. In relation to the Covid-19 pandemic, previous experiences of natural events and worldwide disasters (Hurricane Katrina, Australian Bushfires, Foot & Mouth) show us that the risk of irregular payments is high. Criminals will take advantage in such situations and some of the support packages meant for those in need will go to the wrong places.

It is therefore important that counter fraud activity and initiatives like the NFI evolve at pace to ensure they continue to be effective.

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BILLI[£]ON every year



What will be changing in the 2020/2021 NFI exercise?



Personal alcohol licence and market trader data will be optional and not mandatory. Optional matching can take place through ReCheck, AppCheck or FraudHub.



We have mandated the participation of Combined Authorities.



We have mandated Business Rates and COVID-19 grants/payments as part of the COVID-19 response but we will not be levying any additional charges.



We have changed the methodology applied to the fee scale for the NFI 2020/21 exercise. This will now be calculated on two factors:

1. The number of mandatory datasets submitted to the NFI by each participating organisation;
- and
2. The number of NFI data matches risk assessed as 'high risk'.



We have introduced penalty charges in relation to participants who fail to comply with data submission requirements. Full details of the criteria will be issued by 31st August 2020.



The full consultation response can be found on our GOV.UK page: <https://www.gov.uk/government/consultations/national-fraud-initiative-2020-to-2021-programme-and-fees>





Risk Scoring Review

findings so far and request for your input

Please can we have your feedback before the end of August!

We have been reviewing the effectiveness of the risk scoring functionality in the NFI web application, specifically looking at how risks scores correlate to outcomes and the extent to which it aided the prioritisation of matches for review and investigation.

So far our findings have determined that while the current implementation assists users, there is scope for further enhancement to both more accurately reflect risk and to signpost high risk matches more effectively.

It is apparent that risk scoring has been more effective in some areas than others and we are now completing a detailed analysis of where the scoring worked best.

We want to reach out to you to ensure both the risk score methodology provides you with additional insight and the presentation is as user friendly as possible.

Get involved...

We are aiming to complete the review by the end of September 2020. If you have any comments/suggestions, or are keen to get involved we'd welcome your input.

Please get in touch before the end of August 2020 via the nfiquiries@cabinetoffice.gov.uk marked 'FAO Dom Winsor - risk scoring review'.



COVID-19 Post payment fraud checks

The Covid-19 pandemic led to the government quickly implementing expansive stimulus packages to support individuals and businesses through this period. Criminals take advantage in such situations and it is inevitable that some of the support will go to the wrong place. It is not possible to stop all fraud and irregular payments, but scrutinising the payments and the recipient, can help to reduce the loss overall. There has been limited time to put robust up-front controls in place due to the unprecedented need for speed in the distribution of funds.

Many local councils did recognise the risks in the COVID-19 support measures such as Business Support Grants, and took action from the outset. Some collected data for up-front checks, post assurance work and to assist in the claw back of incorrectly paid funding. It is particularly important that there should be robust and thorough post event assurance work.

Following the consultation on the 2020/21 work programme and scale of fees, that confirmed support for the NFI extension to target fraud and error in the COVID-19 emergency support, we are initially focusing on fraud and irregular business support grant payments. We launched the NFI/Experian solution in May that enabled councils to elect to check if companies were active and bank account details valid, and we are now piloting a solution with a view to a mandatory check of all business support grants issued.

INSIGHT...



from NFI team member Susan Baker, a Key Contact in a previous role

I've recently joined the NFI Team from DWP's Fraud, Error and Debt Programme. I worked on implementing the Single Fraud Investigation Service and then Joint Working so I spent a lot of time engaging with local authority colleagues. Prior to that I was an Investigation and Audit Manager in a local authority.

The opportunity to join the NFI team was very exciting as I have experience of being an NFI Key Contact and co-ordinating the regular NFI exercises as well as a more recent understanding of the difficulties in funding and stretched resources of Councils.

"I am really looking forward to working with local authority colleagues again and I hope I will be able to use my experience to help with planning and approaches to addressing the NFI matches."

There is a great opportunity to use the NFI matches to help achieve objectives to identify fraud and error. NFI activity can form part of a planned audit programme of work and contribute to the Section 151 responsibilities to demonstrate proactive identification of fraud.

The NFI team have been planning for the 2020/21 exercise for some time now as well as working on proposals for new pilots. We are always interested in new ideas.

I am really looking forward to working with local authority colleagues again and I hope I will be able to use my experience to help with planning and approaches to addressing the NFI matches. With the new 2020/21 NFI exercise fast approaching it will be great to get out and meet some of you in the not too distant future and we are planning some workshops for early next year. In the meantime if anyone thinks a chat would be useful then I am happy for you to drop me a line.

Susan Baker
susan.baker@cabinetoffice.gov.uk

Key Messages from the 2020 NFI national report

The 2020 NFI national report covering the period 1st April 2018 to 4th April 2020 was published on 15th July 2020

The full report including case studies that demonstrate the valuable work you have achieved, can be downloaded from our GOV.UK page: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/901954/National_Fraud_Initiative_report_July_2020.pdf

Select the links below to read the equivalent reports for Northern Ireland and Scotland:
Northern Ireland - www.niauditoffice.gov.uk/publications/national-fraud-initiative-northern-ireland
Scotland - www.audit-scotland.gov.uk/report/the-national-fraud-initiative-in-scotland-201819
 The report on the NFI in Wales will be available later in the year.



The main categories of fraud identified by the NFI across the UK relate to:

£59m
of pension fraud and overpayments

£53m
of fraudulent, or wrongly received, council tax single person discount

£39m
of housing benefit fraud and overpayment

The exercise also produced the following significant results across the UK:



AppCheck – Stop fraud at the door using the NFI fraud prevention and application verification solution



Throughout the year and specifically in response to COVID-19, AppCheck has seen increased usage throughout the UK. AppCheck is designed to allow users to quickly ascertain if there are any factors affecting the eligibility of an individual to benefits and services and/or check identity.

AppCheck ensures that all applications are vetted, helping to provide your organisation with an effective fraud prevention process. The real time functionality will return a match or clear reports within seconds of an application search being made. This makes the product ideal for use within both call centres or by frontline staff.

AppCheck is an online service delivered by a secure web application. There is a hierarchical user structure to control access and monitor searches that have been conducted within your organisation.



Reduce the risk of your organisation falling victim to fraud by stopping invalid or fraudulent claims at the point of application



Reduce administration and future investigation costs by managing the risk of getting it wrong at application.



Reduce or stop the provision of invalid or fraudulent payments



Pre-employment checks

AppCheck provides built-in risk flags and intelligent colour coding to make it easier to identify genuine applications or prioritise referrals for further investigation. Key data sources are brought together into one system for ease of use, including the ability to run a further check against Credit Reference Agency (CRA) data.

This software can be used by multiple teams within your organisation at the same time to ensure your whole organisation is covered.

For more details about how AppCheck works and how it could help you to save time, resource and reduce fraud even further in your organisation, watch the training video on the NFI web application (Help & Support>Training Videos>AppCheck).

Getting started is quicker and easier than you think...

...and if you have not already done so we are still offering a **FREE TRIAL** of the service.

Please email: helpdesk@nfi.gov.uk
or call **0845 345 8019**



AppCheck

STOPPING FRAUD AT THE POINT OF APPLICATION TO REDUCE YOUR LOSSES

AppCheck allows you to identify potential fraudulent or erroneous applications before they can enter your system. Helping to protect your budgets and minimise the costs of fraud and error.

Every application you receive carries a risk that the person has failed to declare all of the relevant information and as a result they receive a benefit, service or employment they are not entitled to. AppCheck provides a real-time authentication process across your organisation as a whole. This minimises the costly investigations that would have followed once a fraud is detected.

Contact us today

Tel:
0845 345 8019

or Email:
helpdesk@nfi.gov.uk

to set up a free trial of AppCheck and discover how it could help to reduce your exposure to the risk of fraud.

Timetable for the 2020/21 NFI Exercise for Key Contacts

Are you on track for the next NFI exercise?

Use this timetable to make sure you have everything in place or have received all the necessary information to meet the deadline for submissions.

The NFI COVID-19 work will operate on different timetables, which we will be working with stakeholders to agree and these will be communicated in due course.

Jul

DEADLINE
By Friday 31st July 2020

An email containing a link to the NFI 2020/21 instructions on the NFI GOV.UK web page will have been sent to Senior Responsible Officers and Key Contacts. Make sure you locate the email and read the 2020/21 instructions as there may be some new information.

Aug

DEADLINE
Between Wednesday 5th August and Friday 28th August 2020

Key Contacts will log in to the web application 2020/21 Data File Upload (DFU) and check the list of expected datasets is accurate and advise us of any changes to the list by Friday 28th August 2020.

Sep

DEADLINE
By Friday 11th September 2020

Key Contacts should ensure the person responsible for uploading data has a user account on the web application.

DEADLINE
By Friday 25th September 2020

Key Contacts should ensure the privacy notice compliance declaration is completed.



Top Tip

Use these circle markers to tick off an exercise that you have completed that way you can keep on top of what needs to be done.



Oct - Dec

DEADLINE
As soon as possible after Friday 9th October 2020 until Tuesday 1st December 2020 at the latest*

Key Contacts should ensure that data is extracted from systems as at 30th September 2020 (unless otherwise stated in the data specification) and uploaded to the web application 2020/21 DFU as soon as quality checks have been completed.

*Data that is not received by close of business on Tuesday 1st December 2020 may be classed as officially late and a failure to fully meet your statutory duty under Part 6 of the Local Audit and Accountability Act 2014 (England), Part 2A of the Public Finance and Accountability (Scotland) Act 2000, Part 3A of the Public Audit (Wales) Act 2004, Articles 4A to 4G of the Audit and Accountability (Northern Ireland) Order 2003.

Jan

DEADLINE
By Thursday 28th January 2021

Key Contacts should ensure user accounts are set up on the web application for those in their organisation responsible for reviewing matches.

From Thursday 28th January 2021

An email will be sent to Senior Responsible Officers and Key Contacts informing them that the matches are available.

KEEP READING!

In the next few articles we'll be giving you some helpful top tips on how to successfully and easily upload your NFI data.



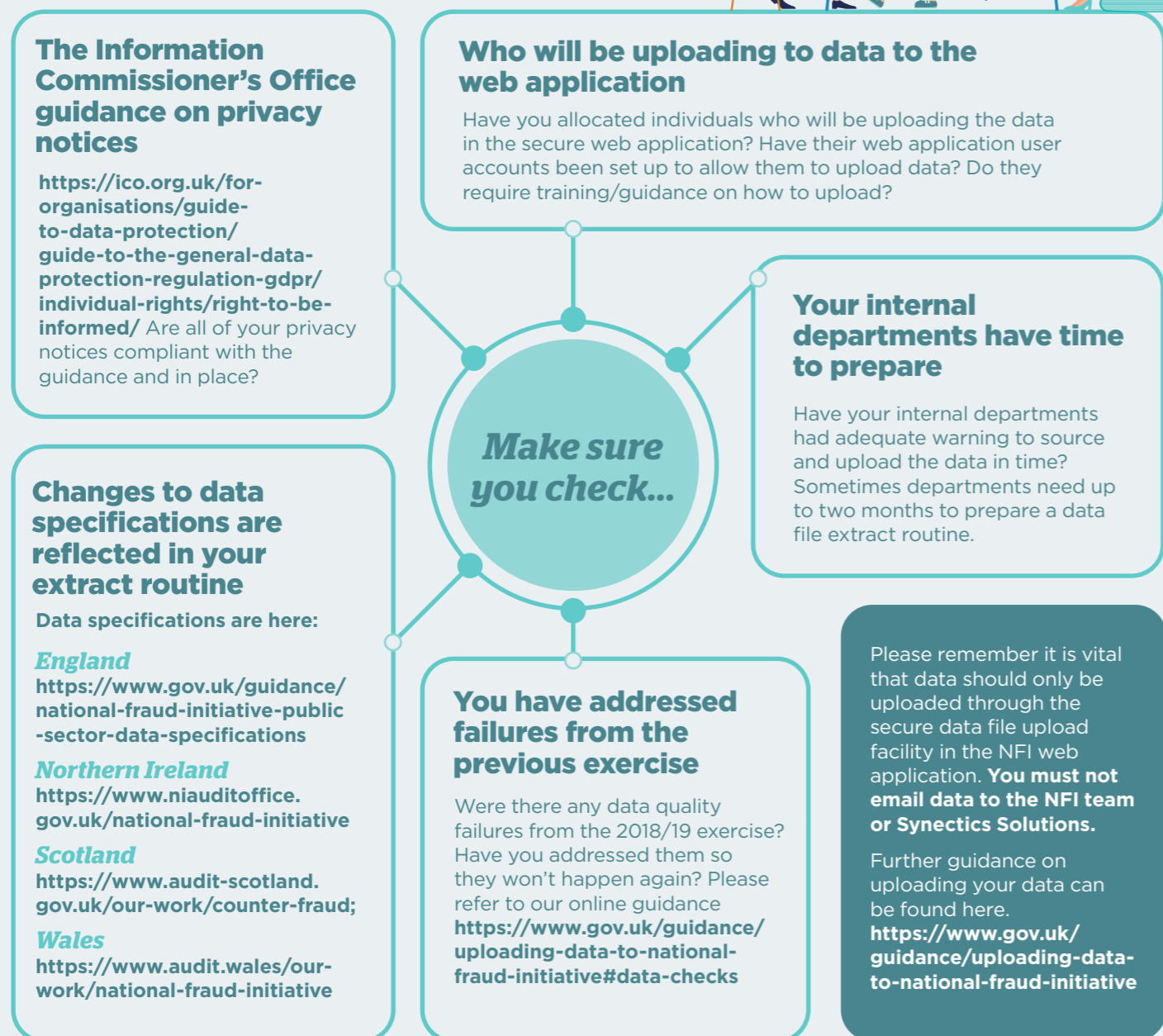
We're here to help...

There's lots of guidance to help you understand what you need to do, and how to go about it, when preparing your data submissions.

Below is some useful advice, and some links with extra information, to help make sure you're set up for success when it comes to preparing for the NFI exercise.



Understanding your obligations and preparing your team



How to successfully and easily upload your NFI data

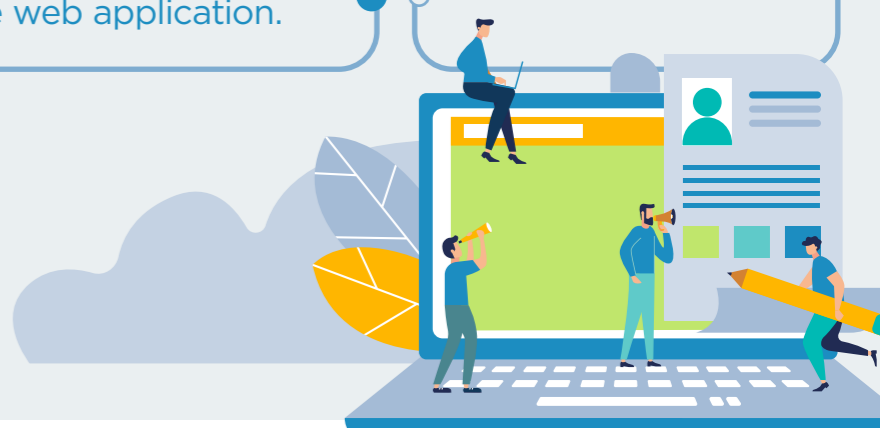
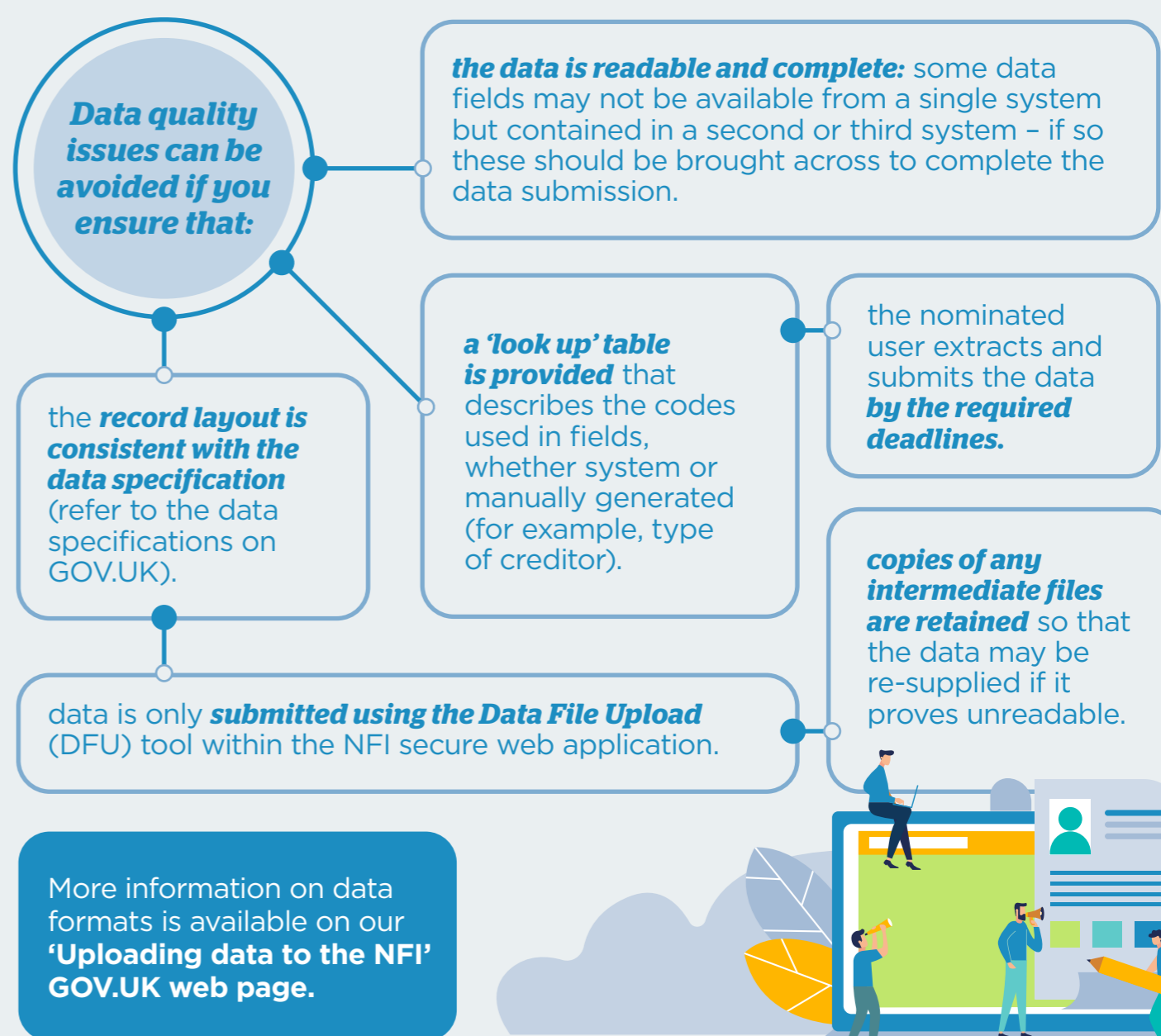
The NFI receives 8,000 datasets from over 1,200 participant organisations from across the public and private sectors. It is paramount that all data is extracted from systems on or as close as possible to the data extraction date. The specified date for the 2020/21 exercise is 30th September 2020. This helps to minimise timing differences between data sets that can lead to false positives such as showing a person at two addresses when in fact they had moved properties and there is no issue.

8,000 datasets equates to over 3 million records of data.

We have provided a document under Help within the web application that contains all of the data upload checklists that are presented on screen during upload. You will need to have it available when uploading data for the NFI National exercise.

The datasets come from organisations in England, Wales, Northern Ireland and Scotland. This will eventually produce around 4 million matches.

Your data will be processed and checked by our IT partner, Synectics Solutions Limited within a short time of it being received and they may contact you if there are any data quality issues in order they may be resolved quickly.



The importance of **data quality** in getting the best out of the NFI

“We are continually asked to improve the timeliness of the NFI match release, but one of the main barriers to doing this is the timely and accurate submission of data...”

The NFI team always aims to provide the best quality matches to ensure your valuable investigative resources are used efficiently.

The quality of the matches depends on the matching methods adopted, but just as important is the data provided by you.

We have strived to improve data quality over the years by setting thresholds for certain fields across the datasets to ensure we achieve good data quality.

During April and May and again in July 2020 we contacted some of you affected by possible data quality issues to identify possible instances where there may be scope for data quality to be improved. Despite a good level of responses we have not received feedback from all those with issues and this is likely due to increasing pressures on resources during the COVID-19 pandemic.

We are continually asked to improve the timeliness of the NFI match release, but one of the main barriers to doing this is the timely and accurate submission of data. You may not realise that, although data submissions are requested by early October we have to keep the database open until the beginning of December to get the maximum amount of data included.

A considerable amount of resources goes into following up on late data and requesting resubmissions of poor quality data.

Not being able to include all the data in the initial data matching inconveniences participants who do submit data on time as they do not receive their matches in a timely manner. Our IT contractors also have to go through the match release process multiple times for minimal amounts of data taking precious resources.

We would advise you to refer to the article on page 5 for details about the penalty charges in relation to participants who fail to comply with data submission requirements as determined by the Cabinet Office. We will be publishing clear criteria and a timetable well in advance of the data submission deadline so that you can make preparations.

We will continue to engage with you in the coming months up to the data upload deadline date of **9th October 2020**.

Looking ahead to match release

How to work with the NFI effectively

01

Address data quality issues

Review the quality of the data supplied before the next exercise as external providers normally have to phase in changes to extraction processes. **Better data quality will improve the quality of resulting matches.**

02

Use the NFI software efficiently

There may have been changes to the web application since the last exercise so ensure that all **users consult the guidance** prior to accessing matches.

03

Act upon time critical matches quickly

Key contacts should **schedule staff resources** so that these matches, such as students (as they will complete their courses) can be dealt with as soon as they are received.

04

Coordinate investigation

Key contacts should **coordinate investigations across internal departments**, for example, organise joint investigation of single person discount matches involving housing benefit, to ensure all relevant issues are actioned.

05

Prioritise matches that meet local risks

Use the tools within the web application, such as the new fraud risk scoring, or data analysis software, to help prioritise matches that are the highest risk. This will save time and free up staff for the most important investigations.

06

Respond to other participants promptly

The web application shows the number of comments which require a response on the Outstanding Actions tab. **These responses should be prioritised as they may relate to an ongoing investigation that needs a prompt response.** For those organisations that use the Request for Information tool - you should also check your control page regularly to ensure you are responding to requests promptly.

Let's celebrate success together

The success of the NFI is thanks to the hard work of participants like you, and we're always looking for opportunities to showcase best practice, and highlight interesting cases.

Sharing case studies in this way not only allows us to celebrate your success but also provides really useful insight for others on how they may be able to replicate what you did to help themselves improve how they use the NFI matches.

If you discover anything during your investigations that you think would make an interesting case study please get in touch with us and we can work with you and your communications team to get the appropriate sign off.

Your case study could be used in training, marketing or as part of future reports and your organisations' identity can be protected should you wish to remain anonymous.

Email your ideas

to nfiqueries@cabinetoffice.gov.uk or select the interesting cases checkbox at match-level.



“Alone we can do so little;
together we can do so much.”
– Helen Keller

FraudHub provides a unique opportunity for councils, and other linked organisations, to come together in a geographic area to submit data for matching to identify potential fraud. FraudHub is an end to end solution and is supported by a team that can provide training, expert advice and ongoing operational support:

- + A ready to use and easy to install system
- + Intra organisational data sharing
- + Data matching and filtering
- + Increased automation allowing efficiencies to manage caseload volumes
- + Exception reporting and automated alerts to all hub members notifying suspicious or high risk events
- + Advanced analytics
- + Robust evidence to prosecute fraud and reduce error
- + Suite of easy to use intelligence reports
- + Integration of new and emerging data set and risk areas

FraudHub can help Counter Fraud teams stay one step ahead, providing the power to check for fraud or verify an individual's right to benefits and services at the press of a button.

Share data and resources with neighbouring organisations which have the same needs and aims as you – on a single, simple to use and permanently accessible platform.

There is a video available that sets out the benefits of using FraudHub.

<https://www.synectics-solutions.com/platform/app-store/fraudhub>

WATCH THE VIDEO

More information...

Please email: helpdesk@nfi.gov.uk



FraudHub

BUILD A TAILOR-MADE COMMUNITY TO COLLABORATE AND PREVENT MORE FRAUD

FraudHub enables organisations to come together within a geographical area to share intelligence and insight to help identify and stop potential fraud.

FraudHub provides local authorities and other public sector organisations with the opportunity to work together. It can screen a wide selection of data to detect or prevent fraud or errors when processing payments or providing benefits.

Contact us today

Tel:
0845 345 8019

or Email:
helpdesk@nfi.gov.uk

to find out more about how you could build your own fraud prevention community specific to your location.

Connecting concessionary pass checks with single person discount achieves results for Milton Keynes Council



Milton Keynes Council's Fraud team uncovered council tax fraud through an innovative analysis of 2018/19 NFI data matches. A review of the concessionary travel to DWP deceased persons data matches resulted in 404 travel cards being cancelled – representing an estimated saving of £9,696, based on Cabinet Office figures.

As part of these checks, the Fraud Officer proactively compared the NFI data against council tax records to determine whether the deceased individuals had been previously disclosed as occupants of the properties stated in the match.

In one instance, a householder had consistently informed the council that they were the sole occupant of a property and as a result had received a 25% Single Person Discount since 1993. However, another person was identified at the property by comparing a matched person's Concessionary Travel Pass application with their death certificate.

This provided sufficient evidence that there had been no eligibility for a Single Person Discount. As a result, the Council Tax team contacted the householder, who made an immediate repayment of the full value of the discount, more than £5,500.



Mortality Screening for voluntary NFI participants

The NFI receives two weekly refreshes of the Deceased Death Register from the General Registrar (DDRI) and six monthly access to the DWP Deceased Persons file.



ReCheck - On demand DDRI

We are in the unique position to have access to refreshes of the Deceased Death Register Information (DDRI) from the General Registrar. This screening can be done by you at any time and results are usually available on the web application the same day.

National Exercise - DWP screening every six months

Twice a year we access the deceased persons file held by the DWP. This data also contains National Insurance numbers which can be used as a matching field alongside name, date of birth and address. The data also holds details of some British Citizens who have died abroad and this has proven very successful particularly when administering pensions.

Dates to remember:

9th October 2020

MANDATORY PARTICIPANTS:

Data submitted by the deadline date will be matched automatically in December 2020 as part of the 2020/21 National exercise.

27th November 2020

VOLUNTARY PARTICIPANTS:

If you wish to submit data for the December 2020 screening please email helpdesk@nfi.gov.uk or call **0845 345 8019** to register. Data from voluntary participants will be required no later than 27th November 2020.

For general queries relating to the web application contact:

Call: **0845 345 8019**

Email: helpdesk@nfi.gov.uk

For technical queries contact:

England: nfiquiries@cabinetoffice.gov.uk

Scotland: acairns@audit-scotland.gov.uk

Wales: david.rees@audit.wales

Northern Ireland: nficoordinator@niauditoffice.gov.uk

