

SUBJECT:	NATIONAL FRAUD INITIATIVE (NFI) 2024-25 EXERCISE
MEETING:	GOVERNANCE & AUDIT COMMITTEE
DATE:	JANUARY 2026
DIVISION/WARDS AFFECTED:	ALL

1. PURPOSE:

- 1.1 To inform the Governance & Audit Committee of the Councils work on the National Fraud Initiative (NFI) which is a data matching exercise, led by the Cabinet Office and Audit Wales.

2. RECOMMENDATIONS:

- 2.1 That Members of the Governance and Audit Committee note the work completed on the National Fraud Initiative data release 2024/25 to 01st December 2025 and seek assurance that appropriate procedures are in place to help detect and minimise the impact of fraud.

3. KEY ISSUES:

- 3.1 The National Fraud Initiative (NFI) matches data across organisations and systems to help public bodies identify fraud and overpayments. Since its commencement in 1996, NFI exercises have resulted in the detection and prevention of more than £56.5 million of fraud and overpayments in Wales and £2.9 billion across the UK.
- 3.2 The NFI is led by the Cabinet Office and Audit Wales. On a biennial basis, Monmouthshire County Council (MCC) has a statutory responsibility to submit data to the NFI relating to payroll, creditors, creditor payments, housing waiting lists, council tax reduction scheme, concessionary travel passes, resident parking permits and taxi drivers. An annual submission of council tax and electoral register data is also submitted each December.
- 3.3 Results of the latest exercise (2024 data upload) were released through the NFI secure web application throughout January 2025. MCC then has a responsibility to promptly review the returned 'data matches' and report outcomes directly onto the NFI system.
- 3.4 The Internal Audit team are responsible for co-ordinating the exercise and conducting checks on a sample of matches, especially those deemed to be 'very high' or 'high' risk by the NFI system. The Shared Benefits Service have the responsibility for reviewing data matches relating to the Council Tax Reduction Scheme and Housing Benefits. 4

4. REASONS:

- 4.1 As of the 01st December 2025, it is pleasing to report that MCC in conjunction with the Shared Benefits Service have made excellent progress and had processed 98.6% of the returned matches (total 3,138). Of the remainder;
- 37 had yet to be reviewed - this was due to an access permission issue which has now been resolved. These will be examined by the Shared Benefits Service as a priority.
 - The remaining 8 were deemed to be in progress and/or under investigation.

The expectation from Audit Wales was that this exercise should be completed as much as possible prior to the 31st March 2026 and therefore MCC are very much on track to meet this.

- 4.2 The outcomes being reported as of the 01st December 2025 were;

Matches Processed : 3,093
Investigating : 8
Cleared : 2,938
Frauds : 1
Errors : 154
Total Outcomes : £1,797.55 (being recovered)
Total Cabinet Office Estimated Saving : £118,457.60
Total Overall Outcomes : £120,255.15

- 4.3 It must be noted that the majority of the errors identified, as well as most of the Cabinet Office Estimated Savings, specifically £116,718, are attributable to Blue Badge Parking Permits that remained active on the system despite the permit holder having passed away. This will not bring MCC a monetary saving.
- 4.4 It is therefore reassuring to report that no major frauds have been identified through the current exercise. Although considerable time has been spent by the Counter Fraud Officer in reviewing the data matches, this should provide the Governance & Audit Committee with comfort that the Council has appropriate fraud detection arrangements in place and the pro-active approach we are taking to fraud detection.
- 4.5 Overall, there is an indication that our internal controls are operating to a satisfactory level throughout the relevant systems and that, as a result, the potential for fraud against the Authority is being minimised. No significant frauds have been identified through this exercise. Consequently, we have given a '**Substantial Assurance**' rating which reflects that a sound system of governance, risk management and control exists.
- 4.6 It is important to note that following legislative changes, the NFI required the Council to submit two sets of Social Care data as part of the 2024/25 exercise. These were;
- Private Supported Care Home Residents'
 - Personal budgets (Direct Payments)
- Originally, these were required to be submitted with the other data sets in November 2024, however, due to delays in passing the required legislative changes the upload was delayed until November 2025. As of writing this report, the data matches have yet to be returned to the Council.
- 4.7 Despite submitting the required social care data ahead of the revised statutory deadline, a number of concerns have been raised with management regarding the data quality. We

can confirm that this has been raised as an issue for consideration within the build for the finance module of the new Social Care Management System (Mosaic).

5. RESOURCE IMPLICATIONS:

The completion of the upload and reviewing of the data matches is included within the Internal Audit Plan and the duties of the Councils Counter Fraud Officer.

6. CONSULTEES:

Deputy Chief Executive & Strategic Director – Resources (S151 Officer)

7. BACKGROUND PAPERS:

None

8. AUTHOR AND CONTACT DETAILS

Jan Furtek, Chief Internal Auditor

Telephone: 01600 730521

Email: janfurtek@monmouthshire.gov.uk