

Our reference RFI 1180

17 November 2009

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Dear K Hodgkinson

Request for Information - RFI 1180

I write further to your request for information dated 21 October.

I have set out your request in numbered sections below together with the Audit Commission's response to each part.

Sections 1 - 6

1. *information on the Audit Commission's policies on the adoption by local councils of risk based approaches to fraud management.*

This specific information is not held by the Audit Commission as the Commission does not have specific policies on the adoption by local councils of risk based approaches to fraud management. However we do advocate that authorities should consider best practice in this area, in particular the Chartered Institute of Public Finance's (CIPFA) guidance titled 'Managing the Risk of Fraud' (commonly known as the Red Book), most recently in our national publication titled *Protecting the Public Purse - fighting fraud in local government*. Please find a copy attached. Chapter 5 and question 6 of Appendix 1 are particularly relevant.

2. *information on the use of the electoral register for the purposes of risk based approaches to fraud management, if, that is, the Audit Commission has any papers in which this topic is discussed.*

It is not clear what you mean by 'information on the use of the electoral register for the purposes of risk based approaches to fraud management' and therefore what information you are seeking. The Commission does not have a specific policy on the use of the electoral register for the purposes of risk based approaches to fraud. However, it does carry out a data matching exercise involving the electoral register in order to assist in the prevention and detection of fraud.

We are treating this part of your request as aggregated with previous requests for information concerning the electoral register and data matching dated 18 October, 3 November and 12 November on the same basis that those requests were aggregated in my response to you of 13 November 2009. It is therefore refused under section 12 of the Freedom of Information Act 2000. This is because I have concluded that the cost of locating all the information that you seek will exceed the 'appropriate limit' of £450 (18 hours @ £25 per hour) because of the volume of relevant information held by the Commission for the reasons explained in my letter of 13 November 2009. The 'appropriate limit' is set out in The Freedom of Information and Data Protection (Appropriate Limit and Fees) Regulations 2004.

3. information on Audit Commission policies on the monitoring of council anti fraud strategies and on any legal advice the Audit Commission has taken on whether it is proper or necessary to use personal information taken from the electoral register as part of an Audit Commission strategy to monitor and evaluate the processes whereby councils undertake their duties to ascertain, each year, whether any discount should apply to each household in their communities.

This information is not held by the Audit Commission as the Commission does not have specific policies on the monitoring of council anti fraud strategies. However the external auditor appointed by the Audit Commission does have a wider responsibility in relation to assessing the arrangements at local authorities to prevent and detect fraud and corruption. Consideration of anti fraud strategies would commonly inform that judgement.

4. In respect of the year 2008/9 how many people on the hit lists sent to local councils following the data matching exercise using the electoral register and council tax data sets turned out to be entitled to a 25% discount?

We do not consider it accurate to describe the results of data matching as sent by the Commission to local authorities as hit lists. The results indicate where there has been a match between two data-sets. Investigation is needed to determine whether the match is a result of fraud, error or an innocent explanation.

The 2008/09 NFI Council Tax Single Person Discount exercise is still ongoing so final results are not available and we do not therefore hold the information that you have requested. That being said we do require participating bodies to record this outcome. The requirement is to record outcomes that result in the withdrawal of entitlement to SPD and if applicable any subsequent change to housing benefit entitlement.

5. How much actual additional income was obtained by councils as a result of this matching exercise?

This information is not held by the Audit Commission as this information will not be known by local authorities until the end of the exercise.

6. What proportion of those who were not entitled to a 25% discount should have been claiming second adult rebate instead of the 25% discount?

This information is not held by the Audit Commission as the outcome of the exercise is not yet known by local authorities.

In any event, the Commission does not collect the requested information.

Sections 7 – 8

The following parts of your request are requests for explanation rather than requests for information held by the Commission and therefore fall outside the Freedom of Information Act 2000. However, we are happy to provide you with the explanations that you seek in this response.

7. Do statistics released by the Audit Commission in its reports take such factors into account before making claims about 'additional income' identified?

As the information referred to in this question is not collected by the Commission, it cannot be taken into account in statistics reported by the Commission.

8. What assumptions do the Audit Commission make when arriving at statistical estimates, as published in its various annual reports and publicly available 'guidance' circulars, about additional income or potential additional income? For example, is it assumed that every 'hit' represents an amount of additional income?

We do not recognise the term 'hit'. Data matching exercises identify individual matches some of which may be indicative of fraud or error. Where matches identify receipt of a discount to which the recipient is not entitled, then we do count it in calculating the potential additional income identified. This is because NFI has provided intelligence not previously known which has affected entitlement to a discount, and therefore represents potential additional income.

Next steps

You have the opportunity to limit or refine, or alternatively clarify, section 2 of your request so that the cost falls within the £450 limit. In my response of 13 November I have provided some information that may assist you to clarify or refine your request. If you would like to pursue your requests please write to me with the reduced requirements. However, please note that the Commission has already spent some time complying with a previous related request and may include this time when calculating the estimated time it would take to comply with any reduced requests.

Should you decide to proceed by narrowing down or clarifying the section 2 of your request there will be a further assessment of whether the information requested can be provided under the Freedom of Information Act.

If you are not satisfied with the response you have received you have the right to complain. I have attached a copy of the Audit Commission's Access to Information complaints procedure.

Yours sincerely

Shaun Kavanagh
Public Enquiries Officer