

Report of the Treasurer

National Fraud Initiative 2022/23

Purpose of report

1. To update Members on the National Fraud Initiative (NFI).
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Recommendation

The Treasurer recommends that the Committee notes that the process of examining all National Fraud Initiative matches is now complete and no fraud has been detected.

Introduction and Background

2. The NFI is a biennial exercise carried out since 2006/07 for local government and other public bodies and currently undertaken by the Cabinet Office.
3. Authorities are required to provide certain mandatory datasets for the Fire Authority: the mandatory datasets comprise of creditors, payroll and pensions payroll. Payroll and pensions payroll data is subject to a series of data matches against data provided by other public bodies including payroll, pensions, housing benefit, Home Office (removed and failed asylum seekers), UK visas and Department for Work and Pensions deceased persons. Creditor payments are matched only within Authorities.
4. The data provided is processed by a specialist contractor on behalf of the Cabinet Office. Data matches are notified to Authorities for examination to eliminate the possibility of fraud and/or error. The existence of a match in an NFI report does not mean that there is a fraud, only that there is a need to investigate further to eliminate the possibility of fraud or error.
5. The initial NFI reports were received in early March 2023 and, as usual, the very low overall number of matches (a 29% reduction on 2021/22) means that each one continues to be examined in detail, and this process is now complete. A summary list of matches is shown at Appendix 1.
6. At the date of the previous report to this Committee (19 April 2023) a review had been undertaken for all, except the one following report. This has now been completed.

Outstanding Matches

7. The outstanding data matches all refer to one report which has now been fully investigated.

Report 708 – Duplicate records by invoice amount and creditor reference

8. There were 117 matches relating to 234 individual invoices. As in previous years the matches were annual monthly payments to the same supplier, or the same type of goods/services at different periods, or multiple purchases made separately e.g. software licenses.

Conclusion

9. Every NFI match has been reviewed and no fraud has been detected.

Corporate Considerations

Resource Implications (identify any financial, legal, property or human resources issues)	No direct implications
Strategic Policy Links & Core Code of Ethics (Identify how proposals link with current priorities & policy framework and align to the Core Code of Ethics)	Helping to demonstrate Integrity in our actions
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	N/A
Consultation (identify any public or other consultation that has been carried out on this matter)	N/A relevant Privacy Notices issued
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	N/A
Data Protection Impact Assessment (where personal data is processed a DPIA must be completed to ensure compliant handling)	Data is processed in accordance with the Code of Data Matching Practice 2018, produced by the Cabinet Office under paragraph 7, Schedule 9 of the Local Audit & Accountability Act 2014. The Act provides the statutory basis for the whole exercise.

Supporting Information

Appendix 1: National Fraud Initiative – 2022/23 Raw Match.Data

**Hereford & Worcester Fire Authority
National Fraud Initiative: 2022/23 Raw Match Data**

	2020/21 Raw Matches	2022/23 Raw Matches
<u>Employee Related</u>		
65 Payroll to Payroll (<i>within bodies</i>)		
66 Payroll to Payroll (<i>between bodies</i>)	15	26
Total Raw Matches - Payroll	15	26
<u>Creditor Related</u>		
700 Duplicate creditors by creditor reference		
701 Duplicate creditors by creditor name	6	2
702 Duplicate creditors by address detail	4	6
703 Duplicate creditors by bank account number	2	
707 Duplicate records by reference, amount and creditor reference	44	6
708 Duplicate records by amount and creditor reference	146	117
709 VAT over Paid	1	1
711 Duplicate records by invoice number and amount but different creditor reference and name	1	
713 Duplicate records by postcode, invoice amount but with different creditor reference and invoice reference and date	1	
Total Raw Matches - Creditors	205	132
<u>Procurement Related</u>		
81 Payroll to Creditors	1	1
750 Procurement - Payroll to Companies House (Director)	4	1
Total Raw Matches - Procurement	5	2
 Total Raw Matches	 225	 160