Hereford & Worcester Fire Authority
Audit and Standards Committee
28 July 2021

Report of the Treasurer

National Fraud Initiative 2020/21

Purpose of report

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

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 is 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 <u>not</u> 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 on 29 January 2021and, as usual, the very low overall number of matches means that each one can be examined in detail. A summary list of matches is shown at Appendix 1.

6.   At the date of the previous report to this Committee (21 April 2021) a review had been undertaken for all, except two, of these matches. These have now been completed.

Outstanding Matches

7.   The two matches actually refer to the same instance but were identified from two different matching Reports:

a. **Report 750 – Payroll to Companies House (Director):** The purpose of this report is to identify undeclared interests that may have given a pecuniary advantage. This matches payroll data to Companies House information and then to creditor data.

b. **Report 81 – Payroll to Creditors:** This match identifies instances where an employee and creditor are linked by the same address and identifies employees with interests in companies the Fire Authority is trading with. It <u>may</u> indicate potential undeclared interests or possible procurement corruption.

8. Investigation has found this was local use of a known supplier, who is also a retained fire-fighter. Whilst the employee was not directly involved in the procurement and it was of relatively low value and no fraud was involved, it has identified a minor area where management oversight could be improved in future.

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)	None
Strategic Policy Links (identify how proposals link in with current priorities and policy framework and if they do not, identify any potential implications).	None
Risk Management / Health & Safety (identify any risks, the proposed control measures and risk evaluation scores).	None
Consultation (identify any public or other consultation that has been carried out on this matter)	None
Equalities (has an Equalities Impact Assessment been completed? If not, why not?)	None

Supporting Information
Appendix 1 – National Fraud Initiative – 2020/21 Raw Data Match