

Appendix 1.

NATIONAL FRAUD INITIATIVE 2018 - SUMMARY OF MATCHES BY GROUP TYPE (as at 16 September 2019)

The Cabinet Office provides suggested approaches to dealing with the match types and for certain match types provides risk ratings, which relate to the likelihood that the match reflects fraud or error. The Council has in many instances sought to expand the sample sizes beyond the recommended filter value where it is considered desirable. The method of selecting matches to investigate falls into 3 categories:

- A Full check – where risk of erroneous payment is high or previous problems identified;
- B By Tranche – Volume of matches necessitates filtering by value of individual match. Where problems encountered a lower filter level is then used; and
- C By category of match – some types of matches have unique elements which make them a specialist search.

The sampling method used may vary during the course of match processing, depending on the outcomes identified. Where possible, higher risk matches, selected by value and/or quality of the match are investigated first.

Further detailed information relating to the types of data matches along with progress to date on investigating potential matches arising from the 2018 NFI exercise is given below:

Report Name (NFI reference)	Total Matches	Internal Audit Review category	Our sample for review	Matches Closed (no issue)	Matches Closed: Fraud/Error Identified	Matches with Enquiries Ongoing	Fraud/Error value recovered to date	Fraud/Error value, recovery ongoing	Comments
Pensions and Pension Gratuity to Benefits Agency Deceased Persons (52)	388	A	388	356	0	32	0	0	<p>The Pension Payroll to Deceased Persons match identifies instances where an occupational pensioner has died, but the pension is still being paid as a result of the Pensions Section not being informed of their death. Data is matched between pension records maintained by the Council and those held by the Department for Work and Pensions (DWP) of deaths.</p> <p>356 matches related to deaths notified to the Council following the submission of NFI data. These deaths have now been recorded. Death certificates have been requested in the first instance for the remaining 32 matches and enquiries are still on-going.</p>
Deferred Pensions to benefits agency deceased persons (53)	133	A	133	33	0	100	0	0	<p>This match identifies where members of the Local Government Pension Scheme have left employment prior to reaching pensionable age, have passed away but payment of any widow or dependant entitlement has not commenced due to the Authority not being notified by the family.</p> <p>33 matches related to deaths notified to the Pensions Section following the submission of NFI data and before the NFI results were released. The 100 outstanding matches all relate to deferred pensioners so there has been no financial loss. The Council is seeking death certificates in the first instance in order to verify the matches and update Council records.</p>
Pensions to payroll within The Council (54)	241	A	241	235	0	6	0	0	<p>The pension's payroll to payroll data match identifies pensioners who may have gone back into employment within the Council, which could result in an abatement of their pension.</p> <p>235 of these matches have been reviewed it has been confirmed that no fraud or error has been found. These matches have been closed. Further enquiries are required on the remaining six matches prior to closing this report.</p>

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Pensions to other bodies Payroll (55)	374	A	374	248	0	126	0	0	<p>The pension's payroll to payroll data match identifies pensioners who may have gone back into employment within external organisations, which could result in an abatement of their pension. These investigations have to take account of the changes to the pension regulations affecting abatement agreed by the Pensions Committee in September 2006. These matches also include employees who take flexible retirement and therefore can receive a salary and pension benefits.</p> <p>248 matches have been reviewed, and no issues found. These matches have been closed. 11 matches have been reviewed but further investigation will be required before we can conclude enquiries.</p> <p>The remaining 115 matches have yet to be reviewed as at 12 September 2019.</p>
Payroll to payroll within SCC (65)	31	A	31	11	0	20	0	0	<p>The payroll to payroll matches identify:</p> <ul style="list-style-type: none"> i) Individuals who may be contravening their conditions of service by taking a second paid post; and / or ii) Staff who are failing to work their contracted hours because they are employed elsewhere. <p>All of the match data has been subject to a high-level screening, and we can confirm that no individual is being paid for more than 37.5 hours per week between two roles, so it is feasible that the individuals identified have two part time roles with the Council.</p> <p>Once higher priority areas are reviewed, we will seek to verify the validity of all individuals with two roles.</p>
Payroll to Payroll, between bodies (66)	117	B	67	6	0	61	0	0	<p>All matches identified where the standard hours of the individual roles total more than 30 per week, and standard hours for SCC are greater than zero will be reviewed.</p> <p>Enquiries are being raised with outside bodies where the data indicates an individual may hold two roles. To date, six matches have been cleared. Investigations in to the remaining 61 matches are still on-going.</p>
Payroll to Payroll – Phone Numbers Within Body	5	A	5	3	0	2	0	0	<p>This is a new report where payroll to payroll matches (as described above) are based on individuals sharing a phone number.</p> <p>Of the five identified, three have been resolved. We are awaiting information regarding the remaining two matches.</p>

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(67.1)									
Payroll to Payroll – Email Address Within Body (67.2)	28	B	5	0	0	5	0	0	This is a new report where payroll to payroll matches are based on individuals sharing the same email address. These matches have not been reviewed to date, however due to the low risk rating identified by the Cabinet Office for these matches we will initially review a sample of in order to assess their usefulness.
Payroll to Payroll – Phone Number Between Bodies (67.3)	5	B	5	0	0	5	0	0	This is a new report where payroll to payroll matches are based on individuals sharing a phone number. A high-level review of the matches appears to indicate that individuals identified in each match are different people, however prior to closing our NFI work we will seek to conduct enquiries to establish the value of the matches.
Payroll to pensions between bodies (78)	1	A	1	0	0	1	0	0	The pension's payroll to payroll data match identifies pensioners who may have gone back into employment, with another local government body, which could result in an abatement of their pension. These matches also include employees who take flexible retirement and therefore can receive a salary and pension benefits. The individual listed is employed by the Council but in receipt of a Pension from another body, it is therefore expected that the Pensions provider takes the lead resolving the match. Appropriate details of the individual's employment have been provided within the NFI's secure portal, although no response has been received to date.
Payroll to creditors same bank account, within bodies (80)	41	A	41	35	0	6	0	0	The payroll to creditors matches highlight those employees whose home address or bank account is shared with a business used by the Council. The results have so far produced a sample of 101 potential matches. Work on these matches has commenced and so far, no issues have arisen from the 43 matches cleared. Enquiries have commenced for the remaining 58 matches.

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Payroll to creditors address quality, within bodies (81)	92	B	60	8	0	52	0	0	
Blue badge parking permit to blue badge parking permit between bodies (170)	24	A	24	24	0	0	0	0	This report identifies individuals potentially holding two blue badges with different Authorities. All matches have been reviewed and no concerns identified (typically the one badge expired before, or very shortly after a second badge had been issued by another authority).
Blue badge parking permit to blue badge parking permit between bodies (170.1)	4	n/a	n/a	n/a	n/a	n/a	0	0	Responsibility for processing matches lies with the Council who issued the earliest badge. This report identifies the same issues as those identified by report 170, above, and is provided for information, and the organisation on the other side of the match is expected to lead enquiries.
Blue badge parking permit to benefits agency deceased persons within bodies (172.1)	3,802	C	1,936	1,936	0	0	0	0	This report identifies blue badge holders recorded as deceased by the DWP. As the matches are processed, they are cancelled on our systems. This allows traffic wardens to seize such passes if their use is detected. Applications for renewal of cancelled passes will be declined. All matches where both the quality of the match (i.e. certainty it is a genuine match) and quality of the death verification is high have been reviewed. Where the death was not reflected in our records, the blue badge has been cancelled.
Concessionary travel passes to benefits agency deceased persons within bodies (172.2)	1,911	A	1,911	1,911	0	0	0	0	This report identifies holders of concessionary travel passes who are recorded as deceased by the Department for Work and Pensions. All recommended matches have been resolved, and where appropriate passes have been cancelled.

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Private Residential Care Homes to Benefits agency deceased persons (173)	216	A	216	208	2	6	£51,510	£32,356 (est)	<p>The above data match identified 216 cases where individuals were shown on the Care Director as having their accommodation funded by the Council but were shown as deceased on the DWP records.</p> <p>Following investigation of the 216 matches, eight matches have been identified where an overpayment had arisen as a result of the Council not being notified of the resident's death, each of which was from a different care home. As at the time of preparing this report £51,510 has been recovered (relating to two matches). It is estimated £32,356 is outstanding relating to the remaining 8 matches and Internal Audit will continue to work with colleagues to ensure this is verified and recovered promptly.</p> <p>We had either been notified of the remaining deaths prior to the NFI report being published/reviewed, or the match was identified as a false match (i.e. the resident and the death related to different people).</p>
Private Residential Care Homes to HMRC Property Ownership (487)	11	tbc	tbc	tbc	tbc	Tbc	0	0	This is a new pilot report released on 14 August 2019, which will help the Council identify failure to disclose assets by citizens undergoing a financial assessment. The findings in this report will be reviewed alongside colleagues in ACFS in the Autumn of 2019. The method of sampling will be determined during the review.
Private Residential Care Homes to HMRC Earnings and Capital (487.1)	41	tbc	tbc	tbc	tbc	tbc	0	0	This is a new pilot report released on 14 August 2019, which will help the Council identify failure to disclose assets by citizens undergoing a financial assessment. The findings in this report will be reviewed alongside colleagues in ACFS in the Autumn of 2019. The method of sampling will be determined during the review.
Personal Budgets to benefits agency deceased persons within bodies (400.1)	35	A	35	35	0	0	0	0	This report identified where recipients of personal budgets were recorded as deceased by the Department of Work and Pensions. All of the related Direct Payments had ceased prior to the matches being processed.

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Personal budgets to pensions between bodies (413)	62	A	62	0	0	62	-	-	This report identifies variances between pensions paid by outside bodies and financial declarations made in the application for personal budgets. These matches have not been reviewed to date but will be investigated in -year.
Personal budgets to pensions within bodies (415)	42	A	42	0	0	42	-	-	This report identifies variances between pensions paid by the Council and financial declarations made in the application for personal budgets paid by the Council. These matches have not been reviewed to date but will be investigated in-year.
Personal budgets to pensions within bodies (416)	2	A	2	0	0	2	-	-	This report is identical to the above; however, the matches are of a lower quality. These matches have not been reviewed to date but will be investigated in-year.
Duplicate creditor by creditor name (701)	328	C	0	0	0	0	-	-	It is known that the Council has a number of duplicate creditor files due to the structure of My Finance. As a result, these matches are not reviewed. Reliance is placed on the duplicate payments check performed by the Payments Team and Internal Audit's Continuous Controls Monitoring work programme in year.
Duplicate creditors by address detail (702)	221	C	0	0	0	0	-	-	
Duplicate creditors by bank account number (703)	193	C	0	0	0	0	-	-	

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Duplicate records by, invoice amount and creditor reference (708)	959	C	959	48	0	911	-	-	<p>This report identifies potential duplicate invoices from suppliers. Detailed review of matches has not commenced to date. A high-level screening of any matches valued over £2,000 with identical invoice numbers has been performed and one match has been highlighted for priority review. The invoices, valued as £11,297 have been sent to the appropriate budget holder for consideration in the first instance, however until an overpayment is confirmed we will not categorise this as a loss.</p> <p>Detailed review of the lesser priority matches has commenced with 48 matches closed to date with no adverse findings.</p> <p>On an ongoing basis, matches meeting these criteria should be identified by our CCM programme, although not all transactions may be selected in our risk-based sample.</p>
VAT overpaid (709)	88	C	88	88	0	0	-	-	<p>This report compares invoice amounts and VAT values recorded in My Finance. All matches have been subject to review, and valid reasons for VAT not being equal to 20% of the invoice value have been identified. A common example was for school lunch providers, where pupil contributions are deducted from the invoice value.</p>
Duplicate records by creditor name, supplier invoice number and invoice amount but different creditor reference (710)	15	C	15	4	0	11	0	0	<p>This report identified potential duplicate payments. Review of the seven matches identified with a value of £1,000 has commenced. Four have been closed, in each case credit notes having been obtained prior to the NFI results being released. We have raised 3 queries with budget holders regarding a further three opened matches.</p> <p>The final 8 potential matches with a value of less than £11,000 will be reviewed in the Autumn 2019.</p>

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Duplicate records by supplier invoice number and invoice amount but different creditor reference and name (711)	77	C	77	0	0	77	0	0	<p>This report identified potential duplicate payments, although the quality of matches is lower than in report 710, and it expected that there will be a significant volume of false positives as many of these payments will relate to regular payments for the same amount made to different organisations (e.g. schools).</p> <p>These matches will be reviewed prior to the deadline date for the NFI 2018 in March 2020.</p>
Duplicate records by postcode invoice date and invoice amount but different creditor reference and supplier invoice number (712)	8	C	8	7	0	1	0	0	<p>This report identifies potential duplicate payments. Review of the eight matches has identified one potential duplicate. Internal Audit are awaiting responses to enquiries with the relevant budget holder.</p>
Duplicate records by postcode, invoice amount but different creditor reference and supplier invoice number and invoice date (713)	25	C	25	6	0	19	0	0	<p>This report identifies potential duplicate payments. To date we have reviewed the “higher risk” matches as identified by the Cabinet Office, and in each case have cleared the matches with no fraud or error found. Review of the remaining 19 matches is ongoing.</p>

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Procurement - payroll to companies' house (Director) within bodies (750)	34	A	34	26	0	8	0	0	These reports identify employees or individuals they live with who are Directors of Suppliers used by the Council, or who share an address with a Director of a Supplier used by the Council. Review of these matches has commenced, and to date 26 matches have been cleared. Review of employees who are also directors of our suppliers is almost complete, after which review of matches featuring Directors of Suppliers who live at the same address as our employees will commence.
Procurement - Payroll to companies' house (Director), address quality, within bodies (752)	20	A	20	0	0	20	0	0	
Totals	9,574		6,805	5228	2	1575	£51,510	£32,356 (est)	