

Appendix 1

NATIONAL FRAUD INITIATIVE 2022 - SUMMARY OF MATCHES BY GROUP TYPE (as of 31st October 2023)

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.
- 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 and observations made during review of matches. 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 2022 NFI exercise is given below:

Report Name (NFI reference)	Total Matches	Internal Audit Review category	Our sample for review	Closed (no issue)	Closed: Fraud/Error Identified	Matches with Enquiries Ongoing	Fraud/Error recovered to date	Fraud/Error value, recovery ongoing	Comments
Pensions and Pension Gratuity to Benefits Agency Deceased Persons (52)	331	A	331	316	0	15	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>316 matches related to deaths notified to the Council following the submission of NFI data. The remaining 15 matches are currently being investigated.</p>
Deferred Pensions to benefits agency deceased persons' (53)	81	A	81	57	0	24	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>57 matches reviewed to date related to deaths notified to the Pensions Section following the submission of NFI data and before the NFI results were released. The 24 outstanding matches all relate to deferred pensioners so there has been no financial loss.</p>
Pensions to payroll within The Council (54)	115	A	115	0	0	115	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>

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Pensions to other bodies Payroll (55)	222	A	222	0	0	222	0	0	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.
Payroll to payroll within SCC (65)	4	A	4	4	0	0	0	0	The payroll to payroll matches identify: 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. All of the matches have been reviewed with no adverse findings found.
Payroll to Payroll, between bodies (66)	40	B	40	39	0	1	0	0	All matches have been reviewed, and to date it has been possible to close 39 with no fraud found. A response to enquiries regarding the final match is awaited.
Payroll to Payroll – Email Address Within Body (67.2)	2	B	2	2	0	0	0	0	This is a report where payroll to payroll matches are based on individuals sharing the same email address. All matches have been reviewed with no adverse findings.
Payroll to Payroll, between bodies (68) (Medium Priority Matches)	1	A	1	1	0	0	0	0	The single match in this report (similar to report 66 but with lower quality matches) has been reviewed with no concerns identified.

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Payroll to Payroll – Phone Number Between Bodies (68.1)	4	B	4	4	0	0	0	0	This is a report where payroll to payroll matches are based on individuals sharing a phone number. All matches have been reviewed with no adverse findings found.
Payroll to pensions between bodies (78)	6	C	0	0	n/a	n/a	n/a	n/a	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 individuals listed are 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. We will respond to any enquiries received from the matching authority.
Payroll to creditors same bank account, within bodies (80)	38	A	38	15	0	23	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.
Payroll to creditors address quality, within bodies (81)	51	B	51	0	0	51	0	0	Matches reviewed to date have not identified any concerns.

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Blue badge parking permit to blue badge parking permit between bodies (170)	64	A	64	59	4	1	0	n/a	<p>This report identifies individuals potentially holding two blue badges with different Authorities. All but one match has been reviewed to date, with four blue badge having been identified as being held by individuals with multiple blue badges. Badge Holders have been advised that they may only hold one blue badge and badges have been cancelled as appropriate. Typically this occurs inadvertently when a badge holder moves home between local authorities.</p> <p>As there is no quantifiable cost to the Council, no value is assigned to these individuals, however the Cabinet Officer apply a notional value of £575 for estimated car parking charges avoided during the lifespan of a blue badge.</p>
Blue badge parking permit to blue badge parking permit between bodies (170.1)	8	n/a	8	6	0	2	n/a	n/a	<p>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. Six matches have been marked as closed where the SCC issued badge expired before the NIF results were processed.</p>
Blue badge parking permit to benefits agency deceased persons within bodies (172.1)	2,853	C	2,853	10	0	2,843	0	0	<p>This report identifies blue badge holders recorded as deceased by the DWP. When the matches are processed, they will be 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.</p> <p>Matches will be processed to prioritise high quality matches where badges are imminently due to renewal.</p>

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Concessionary travel passes to benefits agency deceased persons within bodies (172.2)	2,718	A	2,718	1,938	0	780	0	0	<p>This report identifies holders of concessionary travel passes who are recorded as deceased by the Department for Work and Pensions.</p> <p>Processing of these matches has commenced, with all passes that feature in 100% matches (high confidence) being cancelled. Of the remainder, accounts holding expired badges will be closed. Where passes are still marked as valid, a note is added to accounts to require proof of residency and ID if an attempt is made to renew the badge.</p>
Blue badge parking permit to blue badge parking permit within bodies – Phone Number (172.7)	401	tbc	tbc	0	0	0	0	0	
Blue badge parking permit to blue badge parking permit between bodies – Phone Number (172.8)	619	tbc	tbc	0	0	0	0	0	<p>The reports use applicant email address and phone number to identify possible duplicate applications for Blue badges. An initial high level review of these reports indicates that many of these matches may result from applications from charitable organisations on behalf of clients, so review of other blue badge reports will be prioritised.</p>
Blue badge parking permit to blue badge parking permit between bodies – Email Address (172.9)	443	tbc	tbc	0	0	0	0	0	

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Duplicate creditor by creditor name (701)	245	C	0	n/a	n/a	n/a	-	-	
Duplicate creditors by address detail (702)	332	C	0	n/a	n/a	n/a	-	-	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 bank account number (703)	180	C	0	n/a	n/a	n/a	-	-	
Duplicate records by, invoice amount and creditor reference (708)	6,503	C	6,503	2,968	3	3532	-	13,973	
									<p>This report identifies potential duplicate invoices from suppliers. Matches are being processed in value order, although this may vary to speed up processing by grouping similar supplier payment groups.</p> <p>Dependent on findings, a filter will be applied to lower value matches at a later date.</p> <p>To date three duplicate payments have been identified totalling £13,973. Progress on recovery will be monitored.</p>
VAT overpaid (709)	596	C	596	0	0	596	-	-	<p>This report compares invoice amounts and VAT values recorded in My Finance. In prior years, 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 net of VAT, with the full value of VAT being charged.</p> <p>Due to previous NFI findings, this report will be reviewed following completion of higher priority reports.</p>

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Duplicate records by creditor name, supplier invoice number and invoice amount but different creditor reference (710)	10	C	10	4	0	6	-	-	This report identified potential duplicate payments. Four duplicate payments identified had previously been identified and refunds received. A potential six additional duplicate payments identified by the report valued at £6,202 are, at the time of writing, being confirmed as duplicate prior to refunds being requested.
Duplicate records by supplier invoice number and invoice amount but different creditor reference and name (711)	127	C	127	0	0	127	0	0	This report identified potential duplicate payments, although the quality of matches is lower than in report 710. It is 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), and is similar to analysis carried out as part of our continuous controls monitoring testing. These matches will be reviewed prior to the end of March 2024.
Duplicate records by postcode invoice date and invoice amount but different creditor reference and supplier invoice number (712)	7	C	7	7	0	0	0	0	This report identifies potential duplicate payments. No duplicate payments have been identified during the review.

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Duplicate records by postcode, invoice amount but different creditor reference and supplier invoice number and invoice date (713)	42	C	40	38	0	2	0	0	This report identifies potential duplicate payments. All matches have been subject to an initial review, resulting in 38 being confirmed as not relating to duplicate payments. Enquiries have been made to assist us in identifying if the final two matches are duplicates genuine payments.
Procurement - payroll to companies' house (Director) within bodies (750)	30	A	30	10	0	20	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 ten matches have been cleared with no adverse findings.
Procurement - Payroll to companies' house (Director), address quality, within bodies (752)	58	A	58	22	0	36	0	0	
Totals	16,131		13,903	5,500	7	8,396	0	£13,973	