

# ESSEX FIRE AUTHORITY

## Essex County Fire & Rescue Service



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**MEETING**

**Audit, Governance &  
Review Committee**

**AGENDA ITEM**

**13**

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**MEETING DATE**

20 April 2016

**REPORT NUMBER**

**EFA/065/16**

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**SUBJECT**

**National Fraud Initiative**

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**REPORT BY**

The Finance Director & Treasurer, Mike Clayton

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**PRESENTED BY**

The Finance Director & Treasurer, Mike Clayton

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### SUMMARY

The purpose of this paper is to brief members on the results of the Audit Commission's National Fraud Initiative data matching exercise 2014-15.

### RECOMMENDATIONS

Members of the Audit Governance and Review Committee are asked to note the contents of the report.

### BACKGROUND

The National Fraud Initiative is an exercise that matches electronic data within and between public sector bodies to prevent and detect fraud.

This Authority is required by law to protect the public funds it administers. It may share information provided to it with other bodies responsible for auditing or administering public funds, in order to prevent and detect fraud. In this context the matches are based on data submitted to the National Fraud Initiative by the Authority every two years.

Data matching involves comparing computer records held by one body against other computer records held by the same or another body to see how far they match. This is usually personal information. Computerised data matching allows potentially fraudulent claims and payments to be identified. Where a match is found it indicates that there is an inconsistency which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out.

The findings are shown in the table below.

**FINDINGS**

Description of match	Total Matches	Findings
Pensions Payroll to Department of Work and Pensions records	4	Timing differences between death and closing pensions records. Final payment dates confirmed with Pensions Department for all 4 matches
Pensions to Payroll	24	An Exercise was carried out with HR/Pensions to confirm that there were no cases where abatement would apply.
Pensions payroll to Injury Benefits	51	Pensions department carry out an annual review which includes the requirement for pension recipients to sign declaration
Payroll to Payroll	69	These mainly comprise on call firefighters with known secondary employment. Other matches covered by declarations/ HR department aware
Payroll to UK Visas	7	Individuals no longer employed by the Authority, no further action required.
Payroll to Creditors	2	Valid reasons for payment in each case
Payroll to Creditors	2	Transactions valid HR & Procurement departments aware
Duplicate creditors by creditor name	33	In each case this relates to different parts of the same company or local authority, for separate goods or services.
Duplicate creditors by address detail	37	Matches verified, different parts of same business or sharing same address, a few name changes
Duplicate creditors by bank account number	8	Each case checked and verified as valid
Duplicate records by reference, amount and creditor reference	18	Regular fixed monthly payments re franking machine, on call pensions and MOT top ups
Duplicate records by amount and creditor reference	329	These include payments for, monthly instalments, equal parts, annual lease, weekly contract, advertising rent & subscriptions.
VAT overpaid	8	Relating to recoveries of VAT only from insurers and solicitors
Multiple Occurrence report	3	Multiple payroll matches, 2 members, 1 Retained Firefighter
<b>Total</b>	<b>595</b>	

In total the exercise produced 595 matches which have been followed up and investigated. There were no other matters identified requiring any further investigation or any recoveries required

## **RISK MANAGEMENT, LEGAL, FINANCIAL, ENVIRONMENTAL & EQUALITY IMPLICATIONS**

There are no risk management, legal, financial, environmental or equality implications from this report.

<b>LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985</b>	
<b>List of appendices attached to this paper:</b>	
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