



AFRS – Review of National Fraud Initiative (NFI) 2019 output – Final Report

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Executive Summary

SCOPE SUMMARY

1.1 The National Fraud Initiative (NFI) is a mandatory electronic data matching exercise conducted by the Cabinet Office between public and private sector bodies to prevent and detect fraud.

1.2 The current Agreement with Avon Fire and Rescue Service in relation to the 2019 National Fraud Initiative exercise was that Bristol City Council would:

- (i) Prepare and upload the data submissions for Payroll and Accounts Payable.
- (ii) Review the Fair Processing Data Protection notices, ensuring compliance with GDPR requirements throughout the exercise.
- (iii) Complete initial checks of matches in liaison with AFRS and prepare an interim (if needed) and final report.

1.3 The Data for Avon Fire and Rescue Service was submitted in October 2018 to the Cabinet Office, and the output received in January 2019 was reviewed in accordance with the current agreement.

KEY FINDINGS




























- No fraud or error was identified in the review of the NFI output.
- Management can take assurance that either the controls have been effective in preventing duplicate payments and dual employment, or there have been no fraud attempts.

RECOMMENDATIONS

- There are no recommendations resulting from this review.

Detailed Findings

A. The matches returned by NFI are detailed below:

ID ▲	REPORT TITLE	TOTAL ALL	STATUS	OUTCOME
66	 Payroll to Payroll	24	  Closed	£0.00
81	 Payroll to Creditors	1	  Closed	£0.00
701	 Duplicate creditors by creditor name	6	  Closed	£0.00
702	 Duplicate creditors by address detail	13	  Closed	£0.00
703	 Duplicate creditors by bank account number	2	  Closed	£0.00
708	 Duplicate records by amount and creditor reference	144	  Closed	£0.00
709	 VAT overpaid	1	  Closed	£0.00
711	 Duplicate records by invoice number and amount but different creditor reference and name	1	  Closed	£0.00
713	 Duplicate records by postcode, invoice amount but different creditor reference and invoice number and date	1	  Closed	£0.00

B. The outcome of the matches is outlined in the tables below:

(I) REPORT 66: Payroll to Payroll (External Matching between AFRS and other authorities).

Purpose of the Match:

To identify individuals who may be committing employment fraud by failing to work their contracted hours because they are employed elsewhere or are taking long-term sickness absence from one employer and working for another employer at the same time.

The 4 had been identified as part of the previous NFI AFRS exercise. The reason why previously reviewed matches have been reported again will be explored further before the next NFI exercise, in order to try to avoid future occurrences.

NUMBER OF MATCHES	NOT OPENED	PROCESSED	OPENED IN PROGRESS	CLOSED ALREADY KNOWN	CLOSED - NO ISSUE	CLOSED - ERROR	CLOSED FRAUD	CLOSED - NOT SELECTED FOR INVESTIGATION
24	0	24	0	4	20	0	0	0

(II) REPORT 81: Payroll to Creditors within bodies for Avon Fire Authority (Internal Matching).

Purpose of the Match:

The match identifies instances where an employee and creditor are linked by the same address to identify employees with interests in companies with which AFRS organisation is trading.

NUMBER OF MATCHES	NOT OPENED	PROCESSED	OPENED IN PROGRESS	CLOSED ALREADY KNOWN	CLOSED - NO ISSUE	CLOSED - ERROR	CLOSED FRAUD	CLOSED - NOT SELECTED FOR INVESTIGATION
1	0	1	0	1	0	0	0	0

(III) REPORT 701: Duplicate creditors by creditor name for Avon Fire Authority (Internal Matching).

Purpose of the Match:

To identify instances where the same supplier has been set up with more than one reference number on the system thus increasing the potential for creditors to obscure fraudulent activity.

NUMBER OF MATCHES	NOT OPENED	PROCESSED	OPENED IN PROGRESS	CLOSED ALREADY KNOWN	CLOSED - NO ISSUE	CLOSED - ERROR	CLOSED FRAUD	CLOSED - NOT SELECTED FOR INVESTIGATION
6	0	6	0	0	6	0	0	0

(IV) REPORT 702: Duplicate creditors by address detail for Avon Fire Authority (Internal Matching).

Purpose of the Match:

To identify multiple creditors operating at the same address. These may represent simple errors, where the same creditor may have been set up twice using a slightly different spelling, or an attempt to obscure fraudulent activity.

NUMBER OF MATCHES	NOT OPENED	PROCESSED	OPENED IN PROGRESS	CLOSED ALREADY KNOWN	CLOSED - NO ISSUE	CLOSED - ERROR	CLOSED FRAUD	CLOSED - NOT SELECTED FOR INVESTIGATION
13	0	13	0	0	13	0	0	0

(V) REPORT 703: Duplicate creditors by bank account number for Avon Fire Authority (Internal Matching).

Purpose of the Match:

This output shows where the same bank account details appear on more than one creditor record.

NUMBER OF MATCHES	NOT OPENED	PROCESSED	OPENED IN PROGRESS	CLOSED ALREADY KNOWN	CLOSED - NO ISSUE	CLOSED - ERROR	CLOSED FRAUD	CLOSED - NOT SELECTED FOR INVESTIGATION
2	0	2	0	0	2	0	0	0

(VI) REPORT 708: Duplicate records by invoice amount and creditor reference for Avon Fire Authority (Internal Matching).

Purpose of the Match:

This match highlights possible duplicate payments in excess of £1,000 that may have arisen as a result of poor controls or fraudulent activity by suppliers and/or staff.

There were 144 matches. A targeted approach was adopted looking at any anomalies in the Suppliers' Invoice Numbers first. Overall the 57% sample examined did not reveal any current duplicates or they had already been identified (some in 2016). This demonstrates that AFRS have other controls in place that are effective in identifying these duplicates and further sampling will not add value. The review covered all records in excess of £1k.

NUMBER OF MATCHES	NOT OPENED	PROCESSED	OPENED IN PROGRESS	CLOSED ALREADY KNOWN	CLOSED - NO ISSUE	CLOSED - ERROR	CLOSED FRAUD	CLOSED - NOT SELECTED FOR INVESTIGATION
144	0	82	0	9	73	0	0	62

(VII) REPORT 709: VAT overpaid for Avon Fire Authority (Internal Matching).

Purpose of the Match:

This report identifies instances where VAT may have been overpaid.

NUMBER OF MATCHES	NOT OPENED	PROCESSED	OPENED IN PROGRESS	CLOSED ALREADY KNOWN	CLOSED - NO ISSUE	CLOSED - ERROR	CLOSED FRAUD	CLOSED - NOT SELECTED FOR INVESTIGATION
1	0	1	0	0	1	0	0	0

(VIII) REPORT 711: Duplicate records by supplier invoice number and invoice amount but different creditor reference and name for Avon Fire Authority (Internal Matching).

Purpose of the Match:

This match highlights possible duplicate payments for the same goods/services but to creditors with different reference numbers, which may have arisen as a result of poor controls or fraudulent activity by suppliers and/or staff.

NUMBER OF MATCHES	NOT OPENED	PROCESSED	OPENED IN PROGRESS	CLOSED ALREADY KNOWN	CLOSED - NO ISSUE	CLOSED - ERROR	CLOSED FRAUD	CLOSED - NOT SELECTED FOR INVESTIGATION
1	0	1	0	0	1	0	0	0

(IX) REPORT 713: Duplicate records by postcode, invoice amount but different creditor reference and supplier invoice number and invoice date for Avon Fire Authority (Internal Matching).

Purpose of the Match:

This match highlights possible duplicate payments for the same goods/services but to creditors with different reference numbers, which may have arisen as a result of poor controls or fraudulent activity by suppliers and/or staff.

NUMBER OF MATCHES	NOT OPENED	PROCESSED	OPENED IN PROGRESS	CLOSED ALREADY KNOWN	CLOSED - NO ISSUE	CLOSED - ERROR	CLOSED FRAUD	CLOSED - NOT SELECTED FOR INVESTIGATION
1	0	1	0	0	1	0	0	0

Scope and Release of Report

1. This report sets out the final findings for the Avon Fire & Rescue Service NFI 2019.

REPORT DISTRIBUTION

2. This report has been issued to:

██████████ – Corporate Assurance Manager
██████████ – Interim Treasurer and Finance Manager
██████████ – Finance Manager

RELEASE OF REPORT

The report history is set out below:

Date Final Report Issued:	16 th October 2019.
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