



## Hinckley & Bosworth Borough Council

Forward timetable of consultation and decision making

Audit Committee

24 July 2024

Wards affected:

All wards

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### Report on the National Fraud Initiative (NFI) and any other Fraud issues

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Report of Head of Finance (Section 151 Officer)

#### **1. Purpose of report**

- 1.1 To inform the Audit Committee of the updated results of the 2022/23 Report on the National Fraud Initiative (NFI) and other fraud issues affecting the council.

#### **2. Recommendation**

- 2.1 That the Committee note the updated results of the 2022/23 Report on the National Fraud Initiative (NFI).

#### **3. Background to the report**

- 3.1 The Audit Committee had an update in January 2024 on the National Fraud Initiative (NFI). This is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud and is completed on behalf of the Cabinet Office. Data for the NFI is provided by some 1,100 participating organisations from across the public and private sectors to prevent and detect fraud. By integrating thousands of data sets encompassing hundreds of millions of records, every check is thorough.
- 3.2 The NFI data matching plays an important role in protecting the public purse against fraud risks. However, the NFI is only one element of an effective anti-fraud strategy. It must be supported by strong anti-fraud cultures and effective counter-fraud policies and procedures that emphasise that fraud is unacceptable.

- 3.2 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 may indicate 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.
- 3.3 Each match identified is sent to the relevant team to review and check whether a fraud has taken place.
- 3.3 The Table below provides a very high level summary of the results of the 2022/23 NFI exercise updated to June 2024 completed by the Council after investigations were carried out.

Area of review	Cases reviewed Jan 2024	New cases reviewed	Total Cases reviewed June 2024	Cases still to be fully reviewed	Frauds/Errors	Value of Errors/Frauds found
Council Tax	92	95	187		1	£1,652.90
Creditors	1667	0	1667		0	£0.00
Duplicate records	59	0	59		0	£0.00
Housing Benefit	23	4	27	3	0	£0.00
Housing Tenants	40	167	207	134	0	£0.00
Payroll	10	84	94		0	£0.00
Multiple occurrence	0	10	10		0	£0.00
Procurement	10	0	10		0	£0.00
Right to Buy	12	2	14	1	0	£0.00
State Benefits	10	0	10		0	£0.00
VAT	22	0	22		0	£0.00
Waiting List	388	2	390		0	£0.00
<b>Grand Total</b>	<b>2333</b>	<b>364</b>	<b>2697</b>	<b>138</b>	<b>1</b>	<b>£1,652.90</b>

- 3.4 The one instance of error/fraud identified was due to earnings not being declared whilst obtaining support for council tax. The overpayment will be recovered.

#### Other Fraud issues

- 3.5 Outside of the NFI, there has been one instance of procurement fraud identified whereby an agency worker has fraudulently claimed for work not done. This matter has been referred to the police and there is an ongoing investigation. The Committee will be updated as the investigation proceeds.

and members can be assured that an internal review has been concluded and controls have been reviewed to prevent any recurrence of this type of fraud.

#### **4. Exemptions in accordance with the Access to Information procedure rules**

4.1 Report is to be taken in open session.

#### **5. Financial implications [AW]**

5.1 Set out in the report.

#### **6. Legal implications MR**

6.1 Set out in the report.

#### **7. Corporate Plan implications**

7.1 Anti-fraud controls are required to ensure that resources are effectively allocated to ensure delivery of all the aims, outcomes and targets included in the Council's Corporate Plan.

#### **8. Consultation**

8.1 All members of the Strategic Leadership Team have been consulted in preparing this Strategy.

#### **9. Risk implications**

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 There are no significant risks associated with these report / decisions were identified from this assessment.

#### **10. Knowing your community – equality and rural implications**

10.1 The budget process will impact on all areas of the Borough and all groups within the population.

#### **11. Climate implications**

11.1 The stewardship of the financial resources of the council underpins all policy actions to address the council's objectives in ensuring it manages its

resources to ensure climate considerations are achieved in accordance with the corporate plan.

## **12. Corporate implications**

12.1 there are no corporate implications arising for this report.

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Background papers:None.

Contact officer: Ashley Wilson

Executive member: Cllr K Lynch

**Appendix A**