Report Title	National Fraud Initiative – Update
Meeting	Accounts & Audit Committee
Meeting Date	24th November 2026
Report Author	Gemma-Louise Wells (Head of Finance)
Directorate	Resources (Finance)
Lead Executive Member(s)	Finance Portfolio, Cllr M Hanif
Wards Affected	All
Public. Part Exempt, or Fully Exempt	N/A
Appendices	None.

1. Executive Summary

1.1 The purpose of this report is to provide clear, transparent oversight of the Council's participation in the National Fraud Initiative exercise, including progress to date, findings from the risk-prioritised review, and the planned completion of outstanding potential matches in the 2024/25 exercise, and to set out the stages of the 2026/27 exercise. The report supports the Committee in fulfilling its governance responsibilities by offering assurance over fraud prevention arrangements, control effectiveness, and compliance with statutory data-matching obligations.

2. Recommendations

For the reasons set out in this report, the ACCOUNTS & AUDIT COMMITTEE is recommended to:

2.1 Note the outcome of the 2024/25 National Fraud Initiative (NFI) exercise.

2.2 Note the progress to date on the 2026/27 National Fraud Initiative (NFI) exercise and the planned completion of remaining reviews.

3. Information: the Rationale & Evidence for the Recommendations

- The Council has statutory responsibilities to prevent and detect fraud through participation in the NFI.

- The Council participated in the 2024/25 National Fraud Initiative (NFI) exercise, submitting creditor payment history (£108,008,018.06 across 15,183 transactions), supplier master data, current employee records and current taxi driver licences as

of 30 September 2024. The Revenues Team (Liberata) submitted current/live accounts where Council Tax Reduction (CTR) was applied.

- The NFI returned 798 potential data matches across all categories of which 377 were for Creditors. The presence of a potential match does not indicate a duplicate payment or fraud, it simply requires a review and helps strengthen controls. NFI uses a highly sensitive algorithm that flags for example, mathematical VAT anomalies without understanding contract-specific VAT rules. High-value invoices, especially in infrastructure projects, commonly trigger potential matches. The system treats each invoice independently ignoring periodic differences, creating large potential match volumes for recurring suppliers. Most potential matches in similar authorities result in no actual error or fraud.

- The Council participated in the 2026/27 NFI exercise submitting creditor payment history data (£111,502,165.13 across 17,578 transactions), supplier master data, current employee records and current taxi driver licences as of 30th September 2026. The Revenues Team (Liberata) submitted current/live accounts where Council Tax Reduction (CTR) and Housing Benefit was being received. Data matches will be available in January 2027 for review.

- The Council also participates in the annual Council Tax Single Person Discount (CTSPD) review which matches accounts in receipt of CTSPD with electoral registration data. Data is usually submitted on the 1st of December with results available for review in January. Data was submitted for the 2025/26 annual CTSPD and is scheduled to be submitted for the 2026/27 CTSPD exercise.

FINDINGS

- Data matches for the 2024/25 NFI exercise were released in January 2025 for review and investigation.

- The results of the 2024/25 NFI exercise are summarised below:

Data matches for	No of matches	Reviewed	Outcome (no Fraud/Error)	No of matches where Fraud/Error found
CTR/Housing Benefit	418*	310	306	4
Creditors	377**	377**	371	6
Payroll	5	5	5	0
	800	692	682	10

**Council Tax Reduction (381) and Housing Benefit (37) data matches.*
*** 228/377 were creditor matches by amount and/or creditor reference.*

- Creditors data matches were reviewed and revealed 6/228 instances where a duplicate payment had been made totalling £39,144.20. However, except for two duplicate invoice payments for £1,795.80 and £552.00 currently in the process of being recovered from the Supplier because of the NFI exercise, the remaining

duplicate payments have already been recovered by the Creditors team through the existing system of controls. The Creditors team has robust processes in place to ensure that checks are undertaken to minimise the risk of duplicate invoices being processed for payment.

- The Revenues Team (Liberata) were responsible for the Council Tax Reduction (CTR) and Housing Benefit data matches in the 2024/25 exercise. The largest report was 'CTR to Pensions' and these tended to be for pensions that had already been declared; and 'Housing Benefit/CTR to Taxi Drivers' with 132 matches. These matches were cases where taxi drivers had obtained taxi driver licences but claimed that they were not working or making any profit. Any cases where the claimant had been in receipt of Universal Credit would have been referred to the DWP as suspected fraud via the link of the NFI web application.

- Of the 418 CTR/Housing Benefit data matches found, 306 were cleared and 4 are under investigation. The remaining 106 matches are to be cleared imminently. To date, 0 data matches have resulted in an overpayment, fraudulent or claimant error.

4. Link to Council Plan Priorities: (Providing High Quality Services and Facilities, Proud and Connected Communities and Places, Good Growth and Housing and Healthy Communities)

4.1 Participation in the National Fraud Initiative (NFI) supports the Council Plan priority of Providing High Quality Services and Facilities and the financial resilience objective within the Action Plan 2026-27. By identifying and investigating potential fraud and error, recovering duplicate payments and strengthening financial controls, the NFI work helps safeguard public funds and supports the effective use of resources to deliver Council services.

5. Implications

5.1 Financial Implications

The Financial implications arising are as set out in this report.

5.2 Legal and Governance Implications

The Legal and Governance implications arising are as set out in this report.

5.3 Climate and Biodiversity Implications

There are no Climate and Biodiversity implications arising directly from the contents of this report.

5.5 Human Resources Implications

There are no Human Resources implications arising directly from the contents of this report.

5.6 **Equality and Diversity Implications**

There are no Equality and Diversity implications arising directly from the contents of this report.

6. Consultation

6.1 N/A.

7. Alternative Options Considered

N/A.

8. Statutory Officer Sign off (please tick)

Section 151 Officer	
Monitoring Officer	

9. Background Documents

N/A.

Contact Officers

Author noted on report header.

Pendle
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