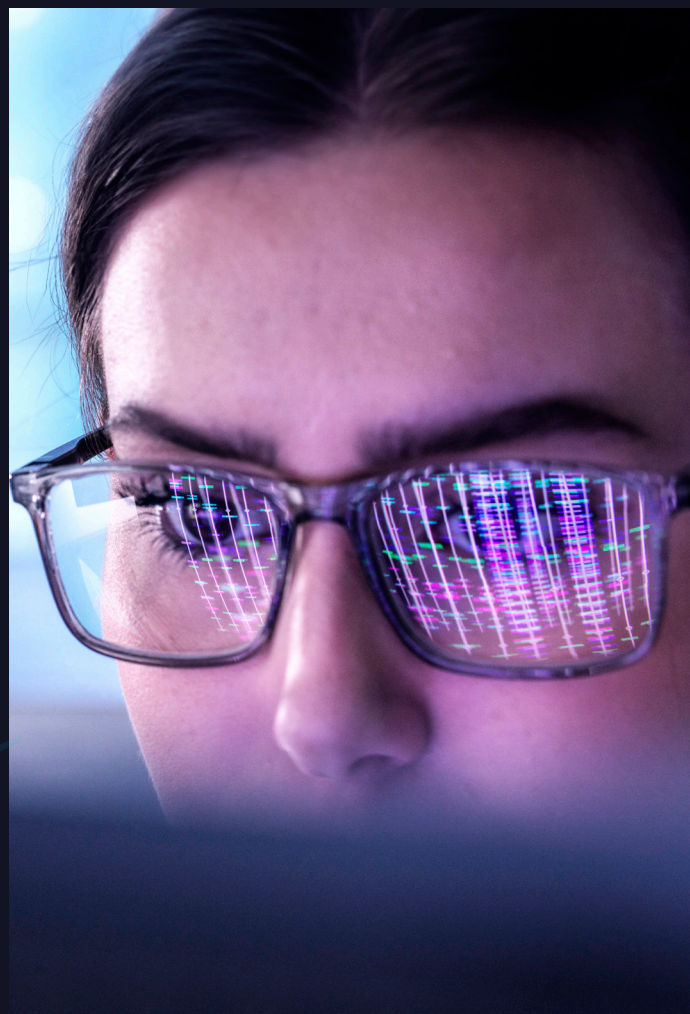




Next generation tax repayment risk assessment platform



Capgemini partnered with HMRC and SAS to create the Investigation Detection Risking Service (IDRS), a system that uses extensive, real-time data to verify legitimate repayments, uphold compliance, and combat fraud and evasion

HM Revenue and Customs (HMRC) is the UK's tax, payments, and customs authority. It collects the money that pays for public services and helps families and individuals with targeted financial support.

Client: HMRC

Region: UK

Industry: Public Sector

Client Challenge:

HMRC wanted to transition to the latest tools and technologies to promote fairness and fight fraud in its VAT and Self-Assessment repayment processes.

Solution:

Capgemini collaborated with the department to develop IDRS, its next generation, dynamic risk assessment platform.

Benefits:

- Enhanced risking capability enables HMRC to more effectively differentiate between legitimate and fraudulent claims
- Faster payments improve cash flow and business efficiencies
- Enriched data and insights help investigators to detect potential fraud
- Enhanced platform design enables continuous improvement at high speed
- Repeatable template can be applied to other tax regimes.



HMRC is dedicated to closing the tax gap by deploying technology and data analytics to enhance risk profiling and implement targeted measures when necessary.

At the heart of HMRC's compliance strategy is Connect, a powerful bulk analysis, profiling, and transactional risking engine. Connect interrogates multiple data sources and 22 billion data entities to identify potential anomalies among millions of VAT and income tax repayment claims that may require further investigation.

As one example, the system enabled HMRC to administer a highly effective repayment process for around 5.5 million claims each year, repaying valid claims quickly and identifying risk factors across approximately £100 billion of VAT and Self Assessment income tax repayments annually.

Building on the success of Connect, Capgemini supported the department to develop and launch IDRS, a next generation, dynamic risking system designed to further accelerate efforts to tackle fraud and error.

Promoting fairness and compliance, while fighting fraud

The Protect Connect Programme has delivered a new

Identification, Detection and Risking Service to replace HMRC's legacy automated risk assessment systems. It uses the latest tools and technologies to ensure fairness and compliance in the tax system, and to improve its ability to fight tax fraud and evasion.

The first phase of IDRS, built using SAS analytics software, is providing new levels of data analysis and scrutiny of VAT and Self Assessment repayment claims to businesses and individual taxpayers. The result is increased accuracy and consistency, validating those that are appropriate to repay, and highlighting the non-compliant cases requiring further inspection and, if necessary, targeted enforcement action.

Live data ensures better decisions, faster

An overarching objective for the Protect Connect Programme at the outset was the need to create an agile, flexible platform. It needed to enable changes and enhancements to be made easily and at pace, to respond quickly to tax policy decisions, and to protect the integrity and security of the platform, including its data, from emerging risks and cybersecurity threats.



An interconnected network of around 30 data sources now feeds into HMRC's secure central customer data store. By linking complementary data sources with vast amounts of data that is now refreshed daily, IDRS ensures that all potential issues requiring investigation are highlighted, and decisions are based on the best available information.

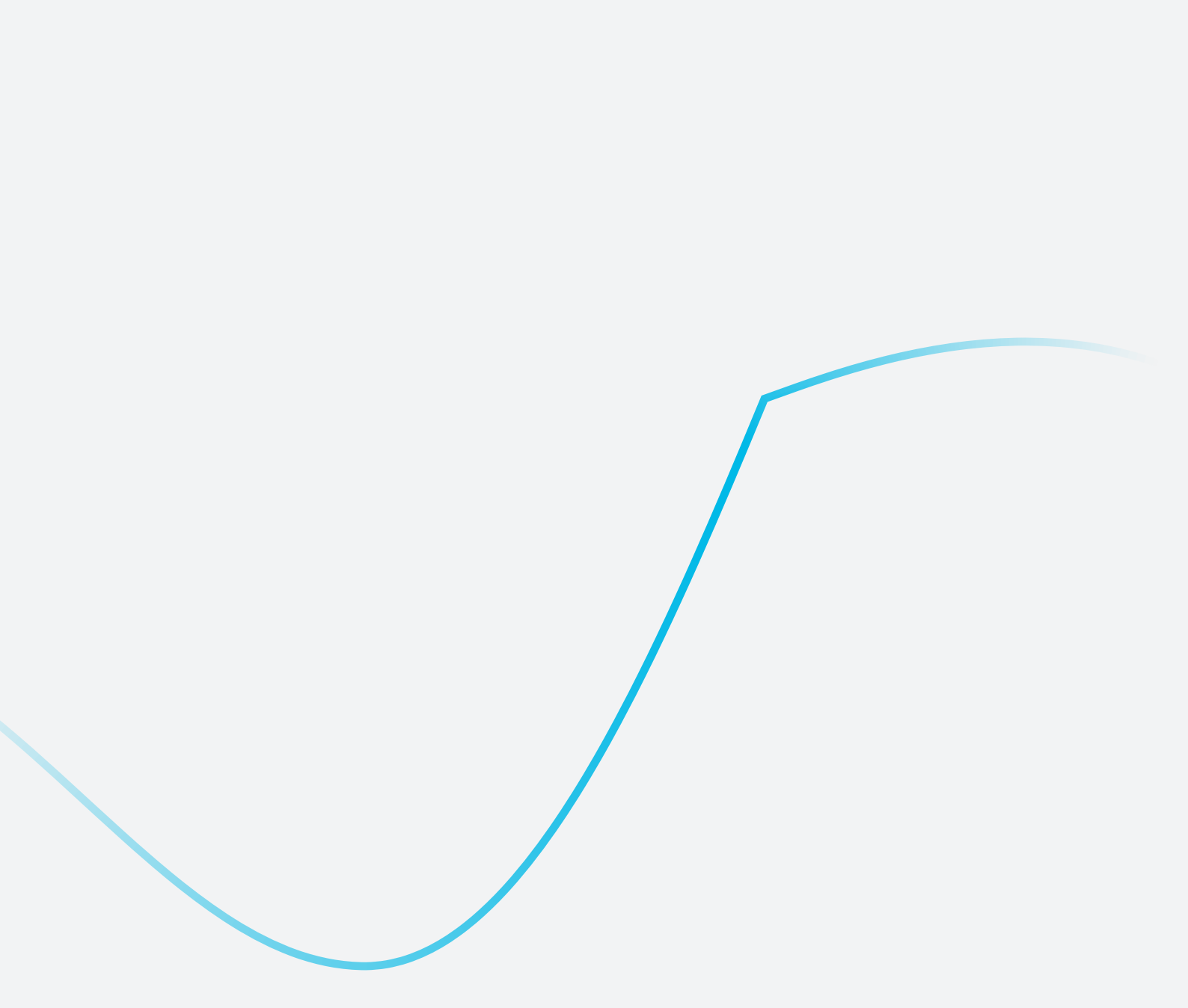
As a longstanding strategic technology partner to HMRC, Capgemini's consulting teams of business and data analysts, software architects, DevOps and agile specialists, and programme management supported the department to develop the business case and define its platform requirements, target operating model, and data ingestion specification.

Additional change management, technical integration, configuration management, and deployment skills were added to the mix, when required. Capgemini also played a key role in the large-scale data acquisition and preparation processes required to populate HMRC's central customer data store, the integral raw material needed to feed the SAS analytics software and, ultimately, to confirm a repayment or inform an investigation.

Collaboration and co-creation

To ensure the solution provided maximum capability and value, its development was organised as a close collaboration and innovative co-creation featuring HMRC's IT team, SAS, and Capgemini. Working as an integrated delivery team, skills transfer has been a key part of the project to help HMRC continue to build its internal capability.

As the accuracy of risk assessments improves, so do the number of correct repayments, delivering time savings, efficiencies, and faster repayments to individuals and businesses. This allows HMRC to dedicate more time to focus on cases in which fraud or evasion may be taking place. For businesses of all sizes, faster repayment can deliver an important boost to cash flow, and enable more capacity for higher value activities.



About Capgemini

Capgemini is a global business and technology transformation partner, helping organizations to accelerate their dual transition to a digital and sustainable world, while creating tangible impact for enterprises and society. It is a responsible and diverse group of 340,000 team members in more than 50 countries. With its strong over 55-year heritage, Capgemini is trusted by its clients to unlock the value of technology to address the entire breadth of their business needs. It delivers end-to-end services and solutions leveraging strengths from strategy and design to engineering, all fueled by its market leading capabilities in AI, cloud and data, combined with its deep industry expertise and partner ecosystem. The Group reported 2023 global revenues of €22.5 billion.

www.capgemini.com



Get the future you want