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## Press release

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### Data matching exercise is tackling fraud

A national detection exercise by Audit Scotland and other public bodies has identified fraud and error overpayments, savings and other outcomes worth more than £20 million.

An Audit Scotland report published today, *The National Fraud Initiative in Scotland; making an impact*, sets out the results of the 2008/09 exercise, which involved 74 bodies, including councils, police forces, fire and rescue services, health boards, the Scottish Public Pension Agency and the Student Award Agency for Scotland.

Data on deceased persons, public sector employees and pensioners, benefit applicants, council tax records, failed asylum-seekers, disabled parking permits, expired visas and students was compared to look for potential inconsistencies that might suggest fraud or error. These 'matches' were then followed up to identify fraud and error, stop overpayments and, where possible, recover the sums involved.

Auditor General for Scotland Robert Black said: "Most people are honest and behave with integrity. Some do make genuine mistakes, but there is a small number who set out to cheat the public sector. Our successful National Fraud Initiative should be a deterrent. This is the third time the initiative has been carried out in Scotland. It has been the most successful anti fraud exercise yet, with the results worth £21.1 million of public money.

"The NFI helps public bodies save and recover money by identifying cases where payments such as pensions and housing benefits are being wrongly paid to people, either through human error or incorrect information. It also helps them detect deliberate fraud."

The report says that while the NFI has been successful, much of the information used in this exercise was collected before the recession really took hold. An economic downturn is commonly linked to a heightened risk of fraud, and public bodies need to remain vigilant.

Audit Scotland's Director of Audit Strategy, Russell Frith, said: "Audit Scotland has done a lot in recent years to measure the impact of its work. The NFI is a prime example of how the audit process can make a measurable difference for public bodies and the citizens they serve."

Audit Scotland last reported on the NFI in 2008. The cumulative outcome from these exercises in Scotland is now around £58 million and there have been at least 80 successful prosecutions since that last report.

The NFI in Scotland is similar to exercises undertaken elsewhere in the UK. Data is processed by the Audit Commission in England using a secure web-based system.

Audit Scotland will begin the next NFI exercise in October. This is expected to be carried out under new powers currently before the Scottish Parliament. These will provide for more collaboration with other UK agencies to detect 'cross border' fraud, extend the range of public sector bodies involved, and allow data matching to be used to detect other crime as well as fraud.

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#### Notes to Editors:

1. The value of NFI to the public purse is measured by: the amounts of overpayments (whether due to error or fraud) that are identified and stopped and in some cases recovered; estimates of amounts that bodies will save by stopping incorrect payments that would have continued if not identified by NFI; and, in some cases, attaching an appropriate value to other significant findings. We refer collectively to these as 'outcomes'.

2. The scale and complexity of the NFI across the UK means it takes two years to undertake each exercise from start to finish. Bodies also need time to investigate the matches from one exercise before they have to move on to the next.

3. All Audit Scotland reports published since 2000 can be found on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)

4. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act 2000. Audit Scotland has prepared this report jointly for the Auditor General for Scotland and the Accounts Commission for Scotland.