

Project scope

The National Fraud Initiative in Scotland



Prepared by Audit Scotland
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The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise led by Audit Scotland, and overseen by the Cabinet Office for the UK as a whole. It is part of a range of measures in place across the Scottish public sector aimed at preventing and detecting fraud.

NFI runs every two years and uses data matching to compare information about individuals held by different public bodies that might suggest the existence of fraud or error.

Data matching is undertaken in a number of areas including matching:

- council tax records to the latest electoral register
- housing benefit claimants to public sector payroll and occupational pensions
- public sector pensions to payroll and deceased persons' records

- blue parking badges to deceased persons' records.

We are now preparing to report on fraud and error identified in the Scottish public sector as a result of NFI data matching since April 2016.

What is the scope of the report?

This year's report will consider the total amount of fraud and error identified in the Scottish public sector as a result of NFI data matching since the last report. In our last [NFI report](#) in June 2016, a total of £16.8million worth of errors and fraud had been recorded in the previous two years. At that time, the cumulative total of fraud and error identified since the NFI began in 2006 was £111 million in Scotland and £1.39 billion across the UK. These figures include fraud and error that had been actually detected, as well as an estimate of future losses that have been prevented.

This year, our report will build upon earlier NFI reports and will use case studies from public bodies to illustrate the impact that NFI is having in Scotland. It will also review how well Scottish public bodies are managing the exercise, including the investigation of the data matches.

How will we carry out this audit?

Audit Scotland has a coordinating role for the NFI exercise in Scotland. We work closely with public bodies, external auditors and the Cabinet Office, to complete the NFI data sharing and matching exercise. We will gather information on the financial outcomes from the exercise in terms of fraud and error detected and prevented, and overpayments recovered.

We will also use information gathered by external auditors from all Scottish public bodies. They review and conclude on the effectiveness of the local NFI arrangements. They also provide assurance on the progress being made on NFI investigations.

What impact will the report have?

The report will focus on the following key areas to demonstrate how NFI is making a difference to Scotland's public sector:

- assess how effective the NFI exercise has been in terms of the prevention and detection of errors and frauds, and the amount of overpayments recovered
- assess the costs and benefits of active engagement with NFI
- publicise successful anti-fraud measures.

Audit timetable

We aim to publish our report in summer 2018. Following publication, we will present the findings to the Scottish Parliament's Public Audit and Post-Legislative Scrutiny Committee.

Contact

If you have any questions about this audit, please get in touch with Anne Cairns, Manager, on 0131 625 1926 or by email at acairns@audit-scotland.gov.uk .



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