

# National Fraud Initiative in Scotland 2016/17

## Instructions for participants



Prepared for participants

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Audit Scotland is a statutory body set up in April 2000 under the Public Finance and Accountability (Scotland) Act 2000. We help the Auditor General for Scotland and the Accounts Commission check that organisations spending public money use it properly, efficiently and effectively.

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# Introduction

1. The National Fraud Initiative (NFI) is a data matching exercise which matches electronic data within and between participating bodies to prevent and detect fraud. Audit Scotland's report on [NFI 2014/15](#) explains the exercise in more detail, including the governance arrangements. The [Code of Data Matching Practice](#) sets out further guidance on data governance which all bodies involved in data matching must have regard to.
2. Audit Scotland carries out data matching under part 2A of the Public Finance and Accountability (Scotland) Act 2000 which provides that Audit Scotland may carry out data matching exercises, or arrange for them to be carried out on its behalf. The Cabinet Office's NFI team carries out the matching work on our behalf.

## The Cabinet Office

3. The Cabinet Office processes the data for NFI in Scotland on behalf of Audit Scotland, and provides its secure website and NFI application for bodies and auditors in Scotland to use.
4. The Cabinet Office prepares instructions for participants which are available on its website: <https://www.gov.uk/government/collections/national-fraud-initiative>
5. Scottish participants should refer to the instructions on the Cabinet Office website. Where arrangements in Scotland differ, or where the Cabinet Office's instructions do not adequately address Scottish arrangements, further guidance is provided in this document. In all other cases, the guidance on the Cabinet Office website applies to Scottish participants.
6. The Cabinet Office website includes a section on fees for NFI participants. Scottish bodies do not have to pay separate fees for the NFI; the costs of the two yearly NFI exercise are met through annual funding to Audit Scotland from the Scottish Parliament.

## This guidance

7. This guidance document will be updated as required. When changes are made, key contacts will be informed.

# New participants

8. New participants in the NFI should confirm the Director of Finance (or Senior Responsible Officer) and Key Contact roles. The Director of Finance, who will have received a letter from Audit Scotland, should send the name, email address and telephone number as described in the letter.
9. The Key Contact will then need to set up appropriate users to carry out the data upload and subsequent investigation of matches, and coordinate the investigations.

# Timetable

10. The key dates for NFI 2016/17 are set out in the table below. New participants should see the section on new participants for additional dates relevant only to them:

Date	Event
Friday 30 September 2016	Participants submit fair processing compliance returns.
From 1 October 2016	Participants extract council tax data.
Between 3 October and 10 October 2016	Participants extract the data from the systems in accordance with the <a href="#">data specifications</a> .
From Monday 10 October 2016	Participants upload the live data to the NFI web application.
7 October 2016 onwards	The Cabinet Office NFI team send automatically generated reminders to participants who have not submitted expected datasets. <i>Failure to submit all data promptly may result in some datasets being excluded from the matching process for the results release at the end of January.</i>
From 1 December 2016	Participants extract electoral register data.
From 1 December 2016	Participants upload electoral register and council tax data Via Flexible Matching web application. The matches will be available immediately after both datasets are uploaded. The deadline for submission is 28 February 2017.
From 26 January 2017	The Cabinet Office's NFI team make the 16/17 exercise matches available for investigation by bodies. <i>An email link will be sent to Directors of Finance and Key Contacts as a reminder that the matches are available.</i>
31 March 2018	Audit Scotland will use the outcomes as at this date for the national report.
June 2018	Audit Scotland will publish the 2016/17 NFI report.

The following link takes you to the detailed timetable [2016/17 NFI timetable detail](#).

# Training

11. The secure NFI site has a suite of online training available to all users in the help menu. Written guidance is also available from the help menu. Each type of match report has a different purpose and therefore every report contains an important information popup that details the purpose and suggested approach to the report. You can use this information to help decide your organisation's priority reports.



## Data requirements

12. Where possible, the NFI will collect data in bulk from the relevant organisation. For example, in Scotland, data relating to housing benefit and students eligible for a loan will be collected from the Department for Work and Pensions (DWP) and the Student Awards Agency Scotland (SAAS) respectively. The NFI will also approach providers of insurance services to provide insurance data on behalf of local authorities. Blue Badge data will be collected centrally from the Blue Badge Improvement Service (BBIS).
13. Please note that:
- Council tax reduction scheme data is an additional dataset required for the NFI 2016/17 exercise
  - Housing waiting list data is an additional dataset required for the 2016/17 exercise
  - Council tax and electoral register data is now required the same year as the main exercise, but on a slightly different timescale.
  - Strathclyde Passenger Transport (SPT) and Tayside Contracts (TC) should submit only payroll and creditors data.

Data requirements Dataset	Councils	SPT, TC, NHS & FE	Central Gov
<a href="#">Payroll #</a>	Mandatory	Mandatory	Mandatory
<a href="#">Pensions</a>	Mandatory		SPPA Mandatory
<a href="#">Housing</a>	Mandatory		
<a href="#">Housing waiting lists</a>	Mandatory		
<a href="#">Blue-badges-resident parking (transport-passes-and-permits)*</a>	Mandatory		
<a href="#">Private-supported-care-home-patients</a>	Mandatory		
<a href="#">Licences</a>	Mandatory		
<a href="#">Trade-creditors-payment-history-data #</a>	Mandatory	Mandatory	Mandatory
<a href="#">Trade-creditors-standing-data #</a>	Mandatory	Mandatory	Mandatory
<a href="#">Insurance claimants</a>	Mandatory		
Student Loans			SAAS Mandatory
<a href="#">Council tax reduction scheme</a>	Mandatory		
<a href="#">Council tax+</a>	Mandatory		
<a href="#">Electoral register</a>	Mandatory		
<a href="#">Personal budgets direct payments</a>	Mandatory		

# The Scottish Government will upload and lead on investigating payroll and creditor data for bodies that use SG systems for these functions.

\* NFI are liaising with the Blue Badge Improvement Service (BBIS) in order to secure a bulk upload of blue badge data on behalf of all local authorities. We will confirm whether BBIS will upload the data or whether local authorities will be required to do so.

+ While the process is up to individual bodies, we encourage the principle of sharing extraction routines to make the process more efficient and economical. For example, we are aware that standard extract routines are being offered by all the major Council Tax (CT) system suppliers. If you would like more information about this, contact your system supplier.

- The Cabinet Office site sets out the data requirements by sector. The terms used in England do not in all cases apply in Scotland, for example the NHS Data requirements page mentions Foundation Trusts. All Scottish participants should refer to the table above which summarises the data request issued to Directors of Finance in July 2016 and supersedes the lists on the Cabinet Office website.

# Security policy

15. The security policy for the NFI requires checks to be undertaken on all users of the NFI web application tool to ensure compliance with government standards. The following information is presented to users when they first log into the NFI system and must be abided by:

*The information contained within the NFI system is covered by the Data Protection Act, the Code of Data Matching Practice and HMG Policy. Only authorised users are permitted to access the system and users must ensure that they use the system appropriately and in accordance with the guidance supplied to them. Any information accessed, downloaded or printed from the system must be handled in line with the Data Protection Act and the Cabinet Office Security Policy Framework (SPF). Users and authorities must ensure that any information exported from the system is handled in line with HMG requirements for handling Personal and Protectively Marked information. If you have any questions about this, you should contact your Key Contact or Director of Finance (as applicable).*

16. The process works in the same way, and to the same timetable, as the Fair Processing declaration. The NFI 2016/17 web application has a 'Security Policy Declaration' option on the Home Page.

## Scottish interpretations

17. The following areas of the Cabinet Office's guidance require additional guidance:

- Privacy notice
- Council tax
- Blue Badges
- Insurance.

### Privacy Notices

18. The Cabinet Office uses the term "Fair Processing Notices" to refer to informing individuals that their data is being shared. The Information Commissioner's Office promotes the use of the term 'privacy notice' to describe the provision of this information, and this is the terminology that we use.
19. Audit Scotland's website has a [full text privacy notice](#) and the [Code of Data Matching Practice](#) includes guidance on level 1 and level 2 privacy notices. These can be both found on the [NFI page](#) of our website.

## Council tax

20. The rest of the UK is going to an annual mandatory data upload for the council tax single person discount to the electoral register. In Scotland, we are continuing to match council tax and electoral register data every second year. In a change to previous years, this upload will take place in the same year as the core NFI data (2016).
21. Councils are encouraged to use the options available under the new NFI Flexible Matching Service in 2017 if they wish to conduct this matching annually. This may incur a charge.

## Blue Badges

22. The administration of Blue Badges in Scotland is still migrating to a central system, the Blue Badge Improvement Service (BBIS). The migration is not yet complete, so the data for blue badges is likely to be on two different systems.
23. The BBIS allows downloads by local authorities of their data. Authorities will need to obtain a download from BBIS and their own local system and combine the two files prior to uploading them.
24. Audit Scotland is not asking for concessionary travel data, as per the last exercise.

## Insurance

25. Providers of insurance services are submitting the insurance data in place of councils, so councils do not need to upload this data.

# Additional NFI services

26. The Cabinet Office has recently launched two products that use the core NFI datasets but provide greater flexibility: Application checker and Flexible matching. Any bodies that wish to use these services should [contact the Cabinet Office NFI team](#) to discuss the costs.
27. The [NFI AppCheck](#) tool is designed to help quickly identify and prevent fraud or mistaken payments from being made in the first place. This preventative service complements the traditional detection tools and allows organisations to stop fraudulent applications from being successful.
28. The [Flexible matching](#) service allows participating bodies to re-perform any of the existing NFI data matching at a time convenient to them. This service matches against data from the most recent NFI exercise with regularly refreshed immigration data from the Home Office, as well as student loans and Amberhill police data.