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AUDIT SCOTLAND

News release

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National fraud exercise saves millions

A data matching exercise has detected fraud and error with an estimated value of almost £22 million across Scotland's public sector.

The National Fraud Initiative (NFI) helps prevent fraud and error by cross-checking public bodies' data sets such as payroll records, electoral registers, and housing benefit claims. If a match is identified it can then be reviewed and investigated.

Since 2024, the NFI has identified £21.7 million worth of data matching outcomes. That figure includes:

- £6 million of overpayments and additional income that can be recovered and collected
- around £9 million of estimated forward savings and additional income.

The largest savings and additional income came from council tax, pensions, business rates, and the identification of duplicate payments. The other outcomes, around £7 million, is an estimate of the value of fraud and error identified that does not directly impact on public bodies' finances.

John Cornett, Executive Director of Audit Services, said:

'The NFI remains vitally important at a time of ongoing financial pressures across the public sector.

"Public bodies are getting better at delivering the NFI, but they need to ensure they have staff available to effectively follow up on matches."

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Notes to Editor:

1. The NFI is a UK wide initiative and runs every two years. In Scotland, it is overseen by Audit Scotland.

2. Over £200 million of potential savings have been identified by the NFI in Scotland since 2006/07.

3. The main data match areas for the 2024/25 NFI exercise are: payroll, creditor payments, council tax, pensions, housing benefit, housing tenancy and waiting lists, and adult concessionary bus travel.

4. The £7 million of notional outcomes identified include some indirect impacts for public bodies, for example through reduced homelessness costs when a tenancy is recovered.

5. All Audit Scotland reports published since 2000 are available at www.audit-scotland.gov.uk

- Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act 2000. It provides services to the Auditor General for Scotland and the Accounts Commission for Scotland.