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News release

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Data sharing delivers £16 million in the fight against fraud

Fraud and errors worth £16 million have been identified following the largest and most diverse detection exercise undertaken by Audit Scotland and more than 120 Scottish public bodies.

The latest National Fraud Initiative, carried out every two years in Scotland, brings the total value of outcomes recorded by the exercise in the last decade to £94 million, and sends a clear warning to those who seek to defraud public services.

For the 2012/13 exercise, Audit Scotland increased the bodies involved to 127. The group includes councils, health boards and central government bodies, such as the Scottish Public Pensions Agency and the Student Awards Agency for Scotland.

Data was shared on benefit applicants, council tax records, immigration records, disabled parking permits, personal alcohol licence holders, death records, public sector employees, pensioners and students to search for 'matches' that would indicate potential fraud or error. This resulted in outcomes worth £16 million; with pensions, housing benefits, and blue badges producing the highest value of outcomes.

The exercise resulted in 2,876 blue badges being stopped or flagged for future checks. A total of 1,862 housing benefit payments were stopped or reduced, 832 housing benefit frauds were identified and 92 prosecutions brought in this area.

Assistant Auditor General for Scotland, Russell Frith, said: "The outcomes of the NFI are a significant return to the public finances of Scotland at a time when they continue to be under pressure.

"Fraud does not recognise organisational or geographic boundaries, and the NFI has proven time and again that data sharing is an effective and efficient way to quickly identify issues for further investigation.

"Tools are available to help organisations get more from data sharing and maximise the benefit of engaging in exercises like the NFI. We'd encourage bodies to equip themselves with the resources they need to tackle fraud in the future, particular within housing benefits and corporates services."

With preparations for the 2014/2015 NFI exercise already underway, Audit Scotland is considering expanding the participation of the further education sector, and working with Registered Social Landlords to ensure the eligible and most vulnerable are being housed.

For further information contact Kirsty Gibbins, Communications Officer, on 0131 625 1658, or by email to kgibbins@audit-scotland.gov.uk

Notes to editors

1. Investigations from the NFI 2012/13 are on-going. As of 31 March 2014, there were 4,447 investigations for this exercise still in progress. The evidence from previous exercises is that between reports, significant outcomes continue to be delivered. If this pattern is continued we could expect to see further outcomes in the region of £3 to £4.5 million from the NFI 2012/13.

2. Importantly once overpayments have been identified recovery action can be taken. Based on the current NFI exercise the recovery rate is 66%, excluding estimates. Action is now underway to recover £4.5 million of overpayments, across 3,851 cases.

3. All Audit Scotland reports published since 2000 can be found on Audit Scotland's website 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.