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Press release

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National fraud initiative to be introduced in Scotland

An initiative that will help protect the public purse from fraud is being introduced to Scotland. The national fraud initiative will become part of the public sector audit process and will compare records held in different parts of the sector to identify inconsistencies, errors and potential fraud. The first formal use of this data checking system will start this month when information will be collected from councils and other public bodies.

The computerised checks will help to identify potential frauds such as individuals who are claiming housing benefit from more than one council, or an employee who has not declared an income when claiming benefit. As a result of this initiative public sector bodies will be able to stop inappropriate payments, recover payments, or prosecute. The initiative will also help auditors assess the arrangements made by bodies to prevent and detect fraud.

A pilot which was carried out in 2003 with the help of the Audit Commission for England and Wales is estimated to have saved the Scottish public purse up to £8 million. The pilot scheme compared public sector pension records with a government register and identified 199 occasions when pensions were still being paid although the recipient had died. Overpayments of £720,000 were identified and if the data matching had not taken place the pensions would have continued to be paid for some time.

Accounts Commission Chairman Alastair MacNish says:

“We are always on the look out for new tools to help protect the public purse and to work in partnership with public sector bodies and other audit agencies. The introduction of the national fraud initiative to Scotland later this year will help to ensure that public money is spent properly, efficiently and effectively.

“The National Fraud Initiative was developed by the Audit Commission for England and Wales and we are delighted to be working in partnership with them on this project. This will bring the economies of scale and the benefits of development work in England and Wales to the public sector in Scotland.”

The Audit Commission will be arranging the matching of Scottish data on behalf of Audit Scotland.

For more information contact: Mandy Gallacher 0131 624 9974 or Anne Ryan on 0131 624 9970

Notes to editors

1. The Auditor General is responsible for securing the audit of the Scottish Executive and most other public bodies in Scotland, except local authorities. He investigates whether spending bodies achieve the best possible value for money and adhere to the highest standards of financial management. The Auditor General is independent and is not subject to the control of the Scottish Executive or the Scottish Parliament.
2. The Accounts Commission is responsible for securing the audit of 32 Scottish councils and 34 joint boards, including police and fire services. The Commission investigates whether spending bodies achieve the best possible value for money and adhere to the highest standards of financial management. The Accounts Commission is independent and is not subject to the control of the Scottish Executive or the Scottish Parliament.
3. 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 Accounts Commission and the Auditor General for Scotland.

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