

## News release

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### Counter-fraud operation could save public purse £19m

**Scotland's public finances have been boosted after a data-sharing exercise identified nearly £19 million of fraud and error across the public sector.**

Almost 100 public bodies participated in the latest National Fraud Initiative (NFI), which is coordinated by Audit Scotland every two years.

The NFI compares electronic data about individuals held by different public bodies, such as councils and NHS boards, to help identify fraud or error.

Matches resulted in an estimated £18.6 million of outcomes since the last report in 2016. This figure includes future losses prevented by the work.

The latest exercise in Scotland has led to:

- £4.8 million of overpayments being recovered to date;
- 4,802 council tax discounts reduced or removed;
- 280 occupational pensions stopped or reduced;
- 4,505 blue badges stopped or flagged for future checks;
- 710 housing benefit payments stopped or reduced;
- £1.8million in further savings from the NFI 2014/15

The matches which generated the most results were pensions (£6.3m), council tax discounts (£4.4m), blue badges (£2.6m) and benefits (£2.1m).

Fiona Kordiak, Director of Audit Services said: "Systems underpinning public spending are complex and errors can happen.

"There are also some individuals who seek to exploit the systems and fraudulently obtain services to which they are not entitled.

"What these latest results demonstrate is the value of data matching to Scotland's public finances at a time when budgets continue to be under pressure."

The report notes that there is strong evidence that most bodies take advantage of the opportunities provided by the NFI but says some could act more promptly to investigate matches, prevent frauds and correct errors.

The report makes a number of recommendations to support further improvement by participating bodies in the NFI.

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## Notes to editors:

1. The NFI is a counter-fraud exercise across the UK public sector which aims to prevent and detect fraud. The Cabinet Office oversees it and Audit Scotland leads the exercise in Scotland, working with a range of Scottish public bodies and external auditors.
2. Data matching involves comparing sets of data, such as a public body's payroll or benefits record, against other records held by the same or another body.
3. The outcomes figures used in the report capture detected fraud, error, overpayments and recoveries and, where appropriate, a value for estimated future losses that have been prevented as a result of data matching. These estimates are included where it is reasonable to assume that fraud, overpayments and error would have continued undetected without the NFI data matching. A more detailed explanation is included in Appendix 2 of the report. For national reporting purposes, outcomes are collated as at 31 March 2018. Outcomes recorded by participants after this date will be included in future reports.
4. The NFI in Scotland is now well established with this being the sixth biennial exercise since 2006/07. It remains the largest national fraud detection and prevention scheme that can provide data-matches within and between public bodies.
5. The NFI 2016/17 involved 96 Scottish bodies across the central, local government, health and college sectors. Bodies submitted data sets which generated 347,715 data matches for further investigation.
6. The 2016/17 outcomes are split:
  - £16.8 million of outcomes from the 2016/17 NFI matches
  - £1.8 million of outcomes from further follow up work on the NFI 2014/15 matches.
7. The NFI 2016/17 helped the Scottish Public Pensions Agency (SPPA) and councils which administer pensions to identify 225 pensioners whose deaths had not been reported to them. Including other pension-related outcomes (for example, reductions in pensions caused by early retirees returning to work) and forward savings, the amounts for the NFI 2016/17 total £6.3 million.
8. Councils have removed 4,802 council tax discounts amounting to £4.4 million.
9. Councils have reported correcting 4,505 blue badge records where the NFI helped them to identify that the holder was deceased.
10. A total of 710 housing benefits overpayments were recorded. Glasgow City Council and Aberdeen City Council have so far achieved the highest levels of outcomes from their 2016/17 NFI investigations (£306,645 and £224,666 respectively).
11. 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. All Audit Scotland reports published since 2000 are available at [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)