

## News release

Embargoed until 00:01 hours, Thursday 9 July 2020

### Covid-19 raises risk of public-sector fraud

**Scotland's public finances have been boosted after a data-sharing exercise identified over £15 million of potential fraud and errors across the public sector.**

But auditors have warned that the Covid-19 pandemic has brought additional fraud risks. They include public-sector staff working remotely under extreme pressure, and potentially less scrutiny of applications for government stimulus packages for individuals and businesses.

Over 120 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 to identify potential errors or fraud, and to ensure pensions, housing benefit and other services go to the right people.

Fraud and errors totalling £15.3 million were identified since the last report in 2018. This figure includes an estimate for prevented future losses.

Fiona Kordiak, Director of Audit Services said: "These results demonstrate the value of data-matching to Scotland's public finances at a time when Covid-19 has put budgets under intense pressure.

"The pandemic has also brought additional fraud risks that will be important for public bodies to identify and manage. Many staff are working remotely under extreme pressure which makes good governance and sound controls more important than ever."

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#### Notes to editors:

1. The NFI in Scotland is now well established with this being the seventh 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. The NFI is undertaken across the UK.
2. The NFI 2018/19 involved 124 Scottish bodies across the public sector. The latest exercise in Scotland has led to over £15m in estimated savings to the public purse, including:  
  
£4.9m in reduced or removed council tax discounts;  
  
£3.2m in occupational pensions not being paid out;  
  
£2.8m in housing benefit payments stopped or reduced.
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 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)

