

National Fraud Initiative in Scotland 2026/27

Instructions for participants



Prepared by Audit Scotland
July 2026

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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility

Instructions for participants

Background

1. The National Fraud Initiative (NFI) is a data matching exercise which matches personal data held by participating bodies to prevent and detect fraud. The Cabinet Office coordinates the NFI across the UK and Audit Scotland leads on the exercise in Scotland.

2. Audit Scotland carries out data matching under [part 26A of the Public Finance and Accountability \(Scotland\) Act 2000](#) and [Section 97 of the Criminal Justice and Licensing Act 2010](#). This legislation provides that Audit Scotland may mandate the involvement of bodies to which the Auditor General or the Accounts Commission appoint auditors. Audit Scotland is also able to accept information from bodies submitting it on a voluntary basis.

3. All public bodies participating in data matching must have regard to [the Code of data matching practice](#) which sets out further guidance on data governance. Audit Scotland's previous reports and other information, including our [NFI Privacy Notice](#) can be found on our [counter-fraud](#) web page.

Participating bodies

4. Mandated bodies in 2026/27:

- all 32 councils (including 11 Pension Funds administered by councils (not counted separately)
- Strathclyde Partnership for Transport
- Tayside Contracts
- all 22 health bodies (the SG submit payroll and creditors data on behalf of the Mental Welfare Commission)
- 19 incorporated colleges
- 55 central government bodies – 40 of these bodies are expected to submit data from their own systems, whilst the SG submits payroll and creditors data on behalf of another 15 bodies who use SG systems. Details of these bodies are included in the [Appendix](#).

- In addition to the mandated bodies Audit Scotland also submits its own data. There are around 30 smaller central government bodies not mandated to participate in the NFI based on their size.

Data requirements

5. Audit Scotland selects datasets for matching only where there is reasonable evidence that doing so will support the detection and prevention of fraud. New matching areas are tested through pilot exercises and only expanded nationally where they demonstrate significant results. Participating bodies are usually responsible for the submission of their own data via the secure NFI web-app. However, where possible, the NFI will collect data in bulk for a number of participants where this can be co-ordinated:

- Data relating to housing benefit is collected from the Department for Work and Pensions (DWP).
- Student loan information is collected from the Student Awards Agency Scotland (SAAS).
- NHS payroll data will be collected centrally where possible:
 - **ESR payroll users** – the NFI will receive your payroll data in bulk on your behalf from the ESR system, as in previous NFI exercises. NHS bodies therefore need only submit trade creditor standing and payments history data. To streamline the data allocation process we ask participants to confirm their ESR VPD code. Please follow the instructions on the data file upload page within the NFI web application.
 - **Non-ESR payroll users** – if you use other companies such as Liaison for payroll, you will need to upload this data to us through the data file upload facility in the secure web application.
- The Blue Badge Digital Service (BBDS) will upload data centrally on behalf of councils that have opted for this service. Councils not using the BBDS will need to extract and upload the data.
- National Entitlement Card travel pass data will be submitted by the NEC Project Office where councils have signed a data processing agreement. Those councils who have not signed the DPA may be required to submit their own dataset.

6. Changes from NFI 2024/25 and previous exercises are as follows:

- personal budget and private supported care home data will be collected as part of the main 2026/27 exercise.

7. The Cabinet Office NFI team has issued a document summarising [the key changes to data specifications required for the 2026/27 exercise](#).

8. All Scottish participants should refer to [Exhibit 1](#) when considering and preparing datasets for submission to the NFI.

Exhibit 1

Data requirements for the 2026/27 NFI exercise

Data requirements/ dataset	Councils	Strathclyde Passenger Transport, Tayside Contracts, NHS bodies and colleges	Central government
Payroll*	Mandatory	Mandatory	Mandatory
Pensions	Mandatory		SPPA Mandatory
Housing tenants	Mandatory		
Housing waiting lists	Mandatory		
Blue-badges-resident parking (transport-passes-and- permits)	Mandatory		
Taxi driver licences	Mandatory		
Trade-creditors-payment- history-data*	Mandatory	Mandatory	Mandatory
Trade-creditors-standing- data*	Mandatory	Mandatory	Mandatory
Student Loans			SAAS Mandatory
Council tax reduction scheme	Mandatory		
Council tax SPD	Mandatory		
Electoral register	Mandatory		
Non-domestic rates	Mandatory		
National Entitlement Cards for adults	Mandatory (Submitted by NECPO)		
Social care payments	Mandatory		

*Note: The Scottish Government will upload and lead on investigating payroll and creditor data for bodies that use the Scottish Government's systems for these functions.

Cabinet Office guidance

9. The Cabinet Office processes the data for the NFI on behalf of Audit Scotland and provides its secure website and NFI web-app for participating bodies and auditors in Scotland to use.

10. The Cabinet Office prepares instructions for participants which Scottish bodies should refer to, and which are available on its [website](#), including:

- [Timetable](#) (there is separate timetable for council tax single person discounts and electoral register data upload which takes place every two years in Scotland but annually in England and Wales).
- [Data specifications](#)
- [Uploading data to the National Fraud Initiative](#)
- [Taking part in the NFI](#) (the statutory framework is different in Scotland and we have our own Code of Data Matching Practice and Privacy Notice as set out in the background section above).

11. The Cabinet Office website includes a section on fees for NFI participants. Scottish bodies do not have to pay separate fees for the main NFI – the costs of participating in the two yearly NFI exercise are met through funding to Audit Scotland from the Scottish Parliament.

System security

12. The security policy for the NFI requires checks to be undertaken on all new users of the NFI web application tool to ensure compliance with government standards. The following information is presented to new users when they first log into the NFI system and must be abided by:

The information contained within the NFI system is covered by the UK General Data Protection Regulation (UK GDPR), the Code of Data Matching Practice and HMG Policy. Only authorised users are permitted to access this system and users must ensure that they use the system appropriately and in accordance with the guidance supplied to them.

Any information accessed, exported, downloaded or printed from this system must be handled in line with UK GDPR and the Cabinet Office Security Policy Framework (SPF). Users and participating organisations must ensure that any information exported from the system is handled in line with HMG requirements for handling Personal and Protectively Marked information.

If you have any questions about this, you should contact your Key Contact or Senior Responsible Officer (as applicable).

13. The NFI system goes through the Cabinet Office's information assurance and risk management process. The outcome of this is that the system is HM Government-accredited each year to store and process data.

14. Any firm processing data for the Cabinet Office will do so under a written contract that imposes requirements as to technical and organisational security standards, and under which the firm may only act on instructions from the Cabinet Office. The Cabinet Office, assisted by Audit Scotland and the other UK public sector audit agencies, will monitor the firm's compliance with these standards from time to time. In addition, the Cabinet Office requires annual security testing, supplemented by additional tests as appropriate.

15. Further details of security testing are available from Audit Scotland and the Cabinet Office.

16. Audit Scotland does not send personal data collected during the NFI outside of the European Economic Area.

Appendix

Central government NFI participants

Central government body	Payroll and creditors data submitted by Scottish Government and no other data submitted	Data submitted from bodies' own systems
Accountant in Bankruptcy	1	
Care Inspectorate		1
Community Justice Scotland	2	
Creative Scotland		2
Crofting Commission	3	
Crown Office		3
Disclosure Scotland	4	
Education Scotland	5	
Food Standards Scotland		4 ¹
Forestry and Land Scotland		5
Scottish Forestry		6
Highlands and Islands Enterprise		7
Historic Environment Scotland		8
National Galleries of Scotland		9
National Library of Scotland		10
National Museums of Scotland		11
National Records of Scotland	6	
Office of the Scottish Charity Regulator	7	
Police Investigations & Review Commissioner	8	
Registers of Scotland		12

Central government body	Payroll and creditors data submitted by Scottish Government and no other data submitted	Data submitted from bodies' own systems
Revenue Scotland	9	
Risk Management Authority	10	
Royal Botanic Garden Edinburgh		13
Scottish Canals		14
Scottish Children's Reporter Administration		15
Scottish Court Service		16
Scottish Criminal Cases Review Commission	11	
Scottish Enterprise		17
Scottish Environment Protection Agency		18
Scottish Fire & Rescue Service		19
Scottish Fiscal Commission	12	
Scottish Funding Council		20
Scottish Government		21
Scottish Housing Regulator	13	
Scottish Legal Aid Board		22
NatureScot		23
Scottish Parliamentary Corporate Body		24
Scottish Police Authority		25
Scottish Prison Service		26
Scottish Public Pensions Agency		27 ²
Scottish Qualifications Authority OS		28
Scottish Social Services Council		29
Scottish Water		30
Skills Development Scotland		31

Central government body	Payroll and creditors data submitted by Scottish Government and no other data submitted	Data submitted from bodies' own systems
Social Security Scotland	14 ³	
South of Scotland Enterprise		32
Sportscotland		33
Student Awards Agency for Scotland (SAAS)		34 ⁴
Transport Scotland	15	
VisitScotland		35
The following bodies have been invited to participate but their involvement has yet to be finalised:		
Caledonian Sleeper Ltd		36
Ferguson Marine Port Glasgow		37
Loch Lomond and the Trossachs NPA		38
Scotrail Trains Ltd		39
Zero Waste Scotland		40

Notes

1. Food Standards Scotland submit their own creditors data, but the SG submit payroll data on their behalf.
2. Scottish Public Pensions Agency submits data for pension awards, but the SG submit SPPA payroll and creditors data on their behalf.
3. Social Security Scotland may be required to submit benefits awards data as part of pilot exercises. The SG submits payroll and creditors data on their behalf.
4. SAAS submits student awards data. The SG submit SAAS payroll and creditors data on their behalf.

The National Fraud Initiative in Scotland 2026/27

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