National Fraud Initiative in Scotland 2024/25

Instructions for participants

Contents

Accessibility

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

Introduction

Background

1. Public bodies spend billions of pounds of taxpayers' money for the benefit of the Scottish population. Public spending systems are complex, and mistakes can happen. Some people also seek to exploit the systems and fraudulently obtain services and benefits to which they are not entitled.

2. Fraud does not recognise organisational or geographic boundaries. Sharing data allows organisations to match data held in different systems in their own organisation and held in other organisations.

3. The National Fraud Initiative (NFI) exercises significantly contribute to the security and transparency of public sector finances. Public bodies' participation in the NFI helps confirm that services are provided to the correct people and helps reduce fraud and error.

4. Audit Scotland, working closely with public bodies, their external auditors and the Cabinet Office, is commencing another major NFI data sharing and matching exercise for 2024/25.

Purpose

5. NFI is a data matching exercise which matches electronic data within and between participating bodies to prevent and detect fraud. Audit Scotland's previous reports and other information on our Counter-fraud hub explain the exercise in more detail, including the governance arrangements. The Code of Data Matching Practice sets out further guidance on data governance, which all public bodies participating in data matching must have regard to.

6. 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 carry out data matching exercises or arrange for them to be carried out on its behalf. The Cabinet Office's NFI team carries out the matching work on our behalf and Audit Scotland prepares a report on the results.

The Cabinet Office

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

8. The Cabinet Office prepares instructions for participants which are available on its website.

9. Scottish participants should refer to the instructions on the Cabinet Office website. Where arrangements in Scotland differ, or where the Cabinet Office's instructions do not adequately address Scottish arrangements, further guidance is provided in this document. In all other cases, the guidance on the Cabinet Office website applies to Scottish participants.

10. 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.

Key NFI roles in participating bodies

11. Each participating body in the NFI is required to identify people in two key roles:

- Senior Responsible Officer (usually the Director of Finance). The role of the Senior Responsible Officer is to:

  – nominate a key contact

  – ensure the key contact has access to the matches, via the secure NFI web application, when they become available

  – ensure that the key contact fulfils all privacy notice requirements.

- Key Contact. The role of the Key Contact is to:

  – fulfil the organisation's privacy notice requirements – they should be in direct communication with their organisation's data protection officer or equivalent

  – ensure that the data formats guidance and data specifications are followed

  – nominate appropriate users to upload data submissions, investigate the matches and act as the point of contact for other bodies about a match (preferred dataset contact)

  – coordinate and monitor the overall exercise

  – ensure that outcomes from the investigation of matches are recorded on the web application promptly and accurately.

This guidance

12. This document will be updated as required. Audit Scotland will notify Key Contacts in participating bodies when any changes are made.

New participants

13. New participants in the NFI should confirm the contact details of the Senior Responsible Officer for the NFI and Key Contact details to Audit Scotland. They should also record this information on the Cabinet Office's NFI web application. The Senior Responsible Officer, who will have received an email from Audit Scotland, should send the name, email address and telephone number of the Key Contact as described in the email.

14. The Key Contact will then need to set up appropriate users in their organisation to carry out the data upload, subsequent investigation of matches, and coordinate the investigations.

Timetable

Key dates for NFI 2024/25	Event
July 2024	The Cabinet Office publishes the 2024/25 NFI data specifications and instructions. National Fraud Initiative: public-sector data specifications
August 2024	Key Contacts will log in to the 2024/25 web application Data File Upload (DFU), check the list of expected datasets is accurate and advise the NFI Helpdesk of any changes to the list by Friday 30 August 2024.
September 2024	Participants submit privacy notice compliance returns in the NFI web application.
1–25 October 2024	Participants extract and submit 2024/25 NFI data to the NFI web application through the Data File Upload facility, in accordance with the data specifications. Data should be extracted from systems as at 30 September 2024 (unless otherwise stated in the data specification). See below for: • Council Tax Single Person Discount and Electoral Register data upload from 25 November. • Social care payments are not requested or permitted at this stage.
25 October 2024 onwards	The Cabinet Office NFI team sends automatically generated reminders to participants who have not submitted expected datasets. Failure to submit all data promptly may result in some datasets being excluded from the initial matching process.
25 November 2024 onwards	Participants extract electoral register and council tax data for the 2024/25 CTSPD data matching exercise. The data is submitted via the NFI ReCheck Data File Upload. The matches will be available immediately after both datasets are uploaded.

Key dates for NFI 2024/25	Event
December 2024	The Cabinet Office NFI team makes the 2024/25 NFI exercise matches available for investigation by participating bodies. The Cabinet Office NFI team will send an email link to Senior Responsible Officers and Key Contacts as a reminder that the matches are available.
To be confirmed	Social care payments data submission and matching.
To be confirmed	Matches from Cabinet Office matching of housing benefits to HM Revenue and Customs data will be released.
To be confirmed	Social Security Scotland extract benefits data and upload it to the NFI web application.
31 March 2026	Audit Scotland will use the outcomes as at this date for its national report.
Summer 2026	Audit Scotland will publish the 2024/25 NFI report.

Training

15. The secure NFI site has guidance available to all users from the help menu. Each type of match report has a different purpose and therefore every report contains an important information popup that details the purpose and suggested approach to the report. You can use this information to help decide your organisation's priority reports.

16. Training for Key Contracts is available from the Cabinet Office NFI team on a regular basis and Audit Scotland's NFI Manager is available to help with training for NFI users.

Data requirements

17. Where possible, the NFI will collect data in bulk from the relevant organisation. For example, in Scotland, data relating to housing benefit and to students eligible for a loan will be collected from the Department for Work and Pensions (DWP) and the Student Awards Agency Scotland (SAAS) respectively. The Student Loans Company (SLC) will collect data relating to students eligible for a loan.

18. NHS payroll data will be collected centrally where possible:

- **ESR payroll users** – For participants using the ESR system, 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.

19. 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.

20. 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.

21. Following a review of NFI work programme datasets, the existing mandatory data matches will continue to be a part of the NFI 2024/25 work programme (Exhibit 1, page 10).

22. Changes from the 2022/23 and other previous exercises are as follows:

- Personal budget and private supported care home data will not be collected in October 2024, but will be collected later in 2025 as soon as legal gateways are established.

- Non-domestic rates (NDR) data for matching small business bonus scheme (SBBS) relief will be collected in October 2024.

- Additional matching of housing benefit data to HM Revenues & Customs' payroll, pensions and savings data will be carried out again in the 2024/25 exercise. Matches will be released to a different timetable that participants will be notified of in due course.

23. The Cabinet Office NFI team has issued a document summarising the key changes to datasets required for the 2024/25 exercise.

Exhibit 1
Data requirements for the 2024/25 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		

Data requirements/ dataset	Councils	Strathclyde Passenger Transport, Tayside Contracts, NHS bodies and colleges	Central government
Social care payments	Mandatory Timetable to be confirmed		
Benefits paid by Social Security Scotland			Mandatory Timetable to be confirmed

*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.

Source: The Cabinet Office NFI website

24. All Scottish participants should refer to Exhibit 1 when preparing datasets for submission to the NFI.

Security

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).

Source: The Cabinet Office National Fraud Initiative secure website

System security

25. 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.

26. 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.

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

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

Scottish interpretations

29. The Cabinet Office's NFI guidance requires supplementary guidance for Scotland in respect to four data sets.

Council tax

30. The rest of the UK carries out an annual mandatory data upload for the council tax single person discount (SPD) to the electoral register. In line with previous NFI exercises, Scottish councils are continuing to match council tax and electoral register data every second year. This upload takes place in the same year as the core NFI data. For 2024/25, council tax and electoral register data should be uploaded to the NFI ReCheck from 25 November 2024.

31. If councils wish to conduct this matching annually, eg in November 2025, they are encouraged to do so using options available via NFI Recheck or the NFI's Premium SPD matching service. This will incur a charge. Interested participants should contact the NFI helpdesk.

Non-domestic rates (NDR)

32. Non-domestic rates data will again be included in the 2024/25 NFI exercise and data submission will be in line with the main exercise submission timetable from 1 October 2024.

Scottish benefits

33. Social Security Scotland will submit data on Scottish benefits for the 2024/25 exercise. The date for submission has still to be agreed but is likely to be in 2025.

National Entitlement Cards (NECs)

34. Following a successful roll out to councils in 2022/23, the 2024/25 exercise will include mortality screening of adult concession travel passes. Data will be submitted centrally by the National Entitlement Card Project Office where councils have signed the necessary data processing agreements. Matches will be returned to NECPO who will liaise with councils over follow-up of high-risk cases in line with the main exercise timetable.

Additional NFI services

35. The Cabinet Office has additional products that use the core NFI datasets but provide greater flexibility for organisations in the fight against fraud prevention and detection: AppCheck, Recheck, ReCheck for annual or Premium council tax single person discount (CTSPD) services and its Fraud Hub. Participants wishing to find out more information about using these services should contact the NFI helpdesk (0845 345 8019).

36. The NFI **AppCheck** tool is designed to help quickly identify and prevent fraud or mistaken payments from being made in the first place. This preventative service complements the traditional detection tools and allows organisations to stop fraudulent applications from being successful.

37. Recheck allows participating bodies to re-perform any of the existing NFI data matching at a time convenient to them. This service matches against data from the most recent NFI exercise with regularly refreshed housing benefit data, as well as student loans and Amberhill fraudulent identity data.[1]

38. The NFI **ReCheck Premium CTSPD service**, is offered as an extension to the existing ReCheck CTSPD product. It provides an enhanced view of a match by bringing together information and intelligence from NFI data and Credit Reference Agency (CRA) data to give a comprehensive view of the household composition where individuals are claiming a council tax discount. These matches are supplied in a separate report called 'report 814'. Each match is risk scored based on a number of criteria derived from the NFI and CRA data.

39. FraudHub provides a permanently accessible system with proven capabilities and enables organisations to come together (typically within a geographical area) to share intelligence and insight to help identify potential fraud. Data screening can be carried out whenever it is needed. FraudHub is located within the NFI secure system, so setting up a FraudHub is easy. Fees for use of the FraudHub tool are charged per organisation on an annual subscription basis.

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[1] Amberhill is a system used by the Metropolitan Police to authenticate documents presented for identity verification.

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