National Fraud Initiative

What is the National Fraud Initiative?

The National Fraud Initiative (NFI) is an anti-fraud data matching exercise carried out every two years by Audit Scotland and forms part of the statutory audits of public bodies. It is the largest public sector anti-fraud exercise carried out, and the findings from the most recent exercise have been published in a report and can be viewed on Audit Scotland's website at: The National Fraud Initiative 2016/17.

What is data matching?

Data matching involves comparing computer records held by one body against other computer records held by the same or another body. This is usually personal information. Computerised data matching allows potentially fraudulent claims and payments to be identified. Where a match is found it may indicate that there is an inconsistency, which requires further investigation. No assumption can be made as to whether there is fraud, error or other explanation until an investigation is carried out.

Data matching Code of Practice

Audit Scotland have statutory powers to conduct data matching exercises and a copy of the Code of Data Matching Practice 2010, can be found on the Audit Scotland website, at: Code of Data Matching Practice.

Fair Processing Notice (Level 2)

Full details of our level 2 fair processing notice can be found on our website at: National Fraud Initiative - Level 2 Privacy Notice.

When will this happen?

The NFI 2016/2017 begins with West Lothian Council submitting the mandatory data on or around 10 October 2016 and referrals emanating from this submission will be received in late January 2017.
What data is matched and what are the reasons for matching it?

Housing Benefit (HB) claimants – the potential for fraud in this area can be vast, but some examples include:

- Failure to declare employment
- Failure to declare a partner who is in employment
- Failure to declare another resident adult who is in employment
- Failure to declare student status
- Failure to declare a private pension

Note to employees – As HB data is matched not only to our own payroll data, but to data held within all Local Authorities, please ensure that HR hold your correct address. Please contact HR to note any changes required, or you can update the change HR21 on the intranet. Failure to do so by 05 October 2016 may involve you in any fraud investigation that could arise as a result of your details being attached to an address where HB/CTB is in payment.

Payroll data

- Identify instances of employees in breach of conditions of service
- To identify failed asylum seekers who are not entitled to be in the country and employed by a public body
- To identify retired employees who receive a pension and have failed to declare re-employment to the pension authority
- To identify employees obtaining employment by deception (for example, using false documentation)
- To identify employees with two or more employments with overlapping shift patterns and are subsequently being paid by two organisations for the same hours
- To identify employees who work for one organisation while on paid leave from another employer (for example, sickness absence or compassionate leave)

Housing Rents/Right to buy data

- To identify illegal sub-letting of properties
- To identify failed asylum seekers who have no right to remain in the UK and are a tenant of the Local Authority
- To identify abuse of the right to buy scheme

Council Tax & Electoral Register data

- To identify Single Persons Discount fraud and Council Tax Replacement Scheme Fraud
Blue Badge holder data

- Identify misuse after the death of the legitimate holder

Care Home residents data

- Identify cases where the Local Authority continues to make payments to a care home after the death of a resident

Personal Care budget data

- Identify cases where the Local Authority continues to make payments after the death of the package recipient
- Identify those recipients who failed to declare their full income

Insurance data (personal injury claim)

- To identify duplicate claims
- Data is also matched to HB/CTB data to identify undeclared Capital

License holders data - (Taxi, Market Traders and Personal licenses for the supply of alcohol)

- Data is matched to HB/CTB records to identify a possible undeclared income source

Trade Creditors data

- To identify duplicate payments to creditors and overpaid VAT.
- To identify matches that highlight connections between employees and creditors
- To identify multiple creditors operating out of the same address.

Full details can be found on the Audit Scotland website: Audit Scotland or by contacting West Lothian Councils, Key Contact:

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