

Public Audit and Post-Legislative Scrutiny Committee
National Fraud Initiative
Submission from the Auditor General for Wales

purpose. If the legislative powers were significantly different it would present a major obstacle to running the NFI as a UK-wide exercise. This would impact on the opportunities that exist to collaborate and result in duplication of development and operational costs. This would impact disproportionately on the smaller nations.

Question 2 - Could the legislation be strengthened in any way?

7. Whilst statutory data-matching powers are broadly similar across Scotland, Wales, England and Northern Ireland they are not identical. Data matching legislation in England includes provision for the Cabinet Office to undertake data-matching exercises for the purposes of identifying errors and inaccuracies. Extending the legislation in Scotland to enable Audit Scotland to data-match for the purposes of identifying error and inaccuracies has significant potential to support public bodies reducing losses as a consequence of erroneous award of benefits and services. This could deliver significant financial savings to the public purse. The Auditor General intends to seek an extension of the data matching legislation in Wales to include identification of errors and inaccuracies as a specified purpose of a statutory data-matching exercise.
8. Whilst data-matching legislation enables Audit Scotland, the Cabinet Office and the Comptroller and Auditor General for Northern Ireland to mandate that specified bodies provide data for NFI data-matching, the legislation does not require these bodies to take action to address anomalies identified through data-matching which could be due to fraud. The Auditor General has found in Wales that there is significant variation in the action taken by public bodies to follow up the data-matches. It may be possible to strengthen the legislation to require all bodies who can be mandated to provide data to follow up the resulting data matches and report on the actions they have taken.

Question 3 - Should participation in the National Fraud Initiative be improved? Are there any bodies who do not participate in the National Fraud Initiative who should do so?

9. NFI has been a successful tool in combatting fraud within social housing. Whilst local authorities which hold housing stock are mandated to provide housing stock and tenancy data for NFI data-matching, much of the social housing stock is held by housing associations which are not mandated to provide data. Whilst some housing associations provide data to NFI on a voluntary basis, the majority do not. Extending the legislation to allow housing associations to be mandated to provide data would significantly increase the potential for identifying tenancy fraud and returning fraudulently occupied units of social housing to legitimate occupation.